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THE ATTACHED DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE JOINT LEAD MANAGERS (AS DEFINED BELOW) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

THIS DOCUMENT IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. RATHER, THE COMMUNICATION OF THIS DOCUMENT AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS FALLING WITHIN ARTICLE 19(5) OR ARTICLE 49 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR TO OTHER PERSONS TO WHOM THIS DOCUMENT MAY OTHERWISE BE DISTRIBUTED WITHOUT CONTRAVENTION OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, OR ANY PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE. THIS COMMUNICATION IS BEING DIRECTED ONLY AT PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. NO OTHER PERSON SHOULD RELY ON IT.

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This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Emaar Malls, the Trustee, the Joint Lead Managers nor any person who controls or is a director, officer, employee or agent of Emaar Malls, the Trustee, the Joint Lead Managers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing this document, you consent to receiving it in electronic form. A hard copy of the document will be made available to you only upon request to the Joint Lead Managers.

You are reminded that the attached document has been delivered to you on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

You are reminded that the information contained in this document is not complete and may be changed. Neither the Joint Lead Managers nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with Emaar Malls, the Trustee or the offer. The Joint Lead Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Lead Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

The Joint Lead Managers are acting exclusively for Emaar Malls and the Trustee and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than Emaar Malls and the Trustee for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of Emaar Malls and the Trustee in such jurisdiction.

Recipients of the attached document who intend to subscribe for or purchase any securities to be issued are reminded that any subscription or purchase may only be made on the basis of the information contained in the final version of the attached document.

If you received this document by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on the e-mail software, will be ignored or rejected. Your receipt of the electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

PRELIMINARY PROSPECTUS DATED 5 JUNE 2014 – SUBJECT TO AMENDMENT AND COMPLETION.

EMG Sukuk Limited

(incorporated with limited liability under the laws of the Cayman Islands)

U.S.$[●] Trust Certificates due [●]

The U.S.$[●] trust certificates due [●] (the "**Certificates**") of EMG Sukuk Limited (in its capacity as issuer, the "**Issuer**" and in its capacity as trustee, as applicable, the "**Trustee**") will be constituted by a declaration of trust (the "**Declaration of Trust**") dated [●] June 2014 (the "**Issue Date**") entered into between (among others) the Trustee, Emaar Malls Group LLC ("**Emaar Malls**") and Deutsche Trustee Company Limited as the delegate of the Trustee (the "**Delegate**"). The Certificates confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from an undivided ownership interest in the assets of a trust declared by the Trustee pursuant to the Declaration of Trust (the "**Trust**") over the Trust Assets (as defined herein) and the Trustee will hold such Trust Assets upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the Declaration of Trust and the terms and conditions of the Certificates (the "**Conditions**").

Periodic Distribution Amounts (as defined herein) shall be payable subject to and in accordance with the Conditions on the outstanding face amount of the Certificates from (and including) the Issue Date to (but excluding) [●] (the "**Scheduled Dissolution Date**") at a rate of [●] per cent. per annum. Payments on the Certificates will be made free and clear of, and without deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Cayman Islands, the United Arab Emirates or the Emirate of Dubai or any authority therein or thereof having power to tax to the extent described under Condition 10.

The Certificates shall be redeemed on the Scheduled Dissolution Date but the Certificates may be redeemed before the Scheduled Dissolution Date (i) at the option of the Trustee in whole but not in part at their Dissolution Distribution Amount (as defined in the Conditions) following a Total Loss Event or in the event of certain changes affecting taxes of the Cayman Islands, the United Arab Emirates and/or the Emirate of Dubai; (ii) at the option of the relevant Certificateholder at the Dissolution Distribution Amount following a Change of Control Event (as defined in the Conditions); (iii) at the option of the Obligor at the Dissolution Distribution Amount on the Clean Up Call Right Dissolution Date (as defined in the Conditions); or (iv) following a Dissolution Event (as defined in the Conditions).

Each payment of a Periodic Distribution Amount will be made by the Trustee provided that Emaar Malls (as Service Agent) shall have paid amounts equal to such Periodic Distribution Amount pursuant to the terms of the Service Agency Agreement (as defined in the Conditions).

The Certificates will be limited recourse obligations of the Trustee. An investment in the Certificates involves certain risks. For a discussion of these risks, see "*Risk Factors*". Potential investors should be aware that the Government of Dubai is not guaranteeing the obligations of Emaar Malls or the Trustee under, or in connection with, the Certificates.

This Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under the DFSA's Markets Rule 2.6 and is therefore an approved prospectus for the purposes of Article 14 of the DFSA's Markets Law 2012. Application has been made to the DFSA for the Certificates to be admitted to the official list of securities maintained by the DFSA and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai. References in this Prospectus to Certificates being listed (and all related references) shall mean that such Certificates have been admitted to listing on the official list of securities maintained by the DFSA and have been admitted to trading on NASDAQ Dubai.

The Certificates are expected to be assigned a rating of "[BBB-]" by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**") and a rating of "[Baa2]" by Moody's Investors Service Ltd ("**Moody's**"). Each of Standard & Poor's and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Standard & Poor's and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation. A rating is not a recommendation to buy, sell or hold the Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The United Arab Emirates has been assigned a rating of "Aa2" with a "stable outlook" by Moody's Investors Service Singapore Pte. Ltd. ("**Moody's Singapore**"). Moody's Singapore is not established in the European Union but the rating it has given to the United Arab Emirates (the "**UAE**") is endorsed by Moody's, which is established in the European Union and is registered under the CRA Regulation. The rating has been endorsed by Moody's in accordance with the CRA Regulation.

The Certificates will be represented by interests in a global certificate in registered form (the "**Global Certificate**") deposited on or before the Issue Date with, and registered in the name of a nominee for a common depositary (the "**Common Depositary**") for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Definitive Certificates evidencing holdings of interests in the Certificates will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein.

This Prospectus relates to an Exempt Offer in accordance with the Markets Rules (the "Markets Rules") of the DFSA. This Prospectus is intended for distribution only to persons of a type specified in the Markets Rules. It must not be delivered to, or relied on by, any other person. The DFSA does not accept any responsibility for the content of the information included in this Prospectus, including the accuracy or completeness of such information, nor has it determined whether the Certificates are Shari'a compliant. The liability for the content of this Prospectus lies with the Issuer and Emaar Malls. The DFSA has also not assessed the suitability of the Certificates to which this Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Certificates to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

The transaction structure relating to the Certificates (as described in this Prospectus) has been approved by the Executive Committee of the Fatwa and Shariah Advisory Board of Dubai Islamic Bank P.J.S.C., Dar Al Sharia Legal & Financial Consultancy, the Executive Committee of the Fatwa and Shariah Advisory Board of First Gulf Bank P.J.S.C., the Shari'a Supervisory Board of Morgan Stanley & Co. International plc, the Fatwa and Shari'a Supervisory Board of Noor Islamic Bank P.J.S.C. and the Shari'a Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'a* principles.

The Certificates may only be offered, sold or transferred in registered form in minimum face amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Joint Lead Managers

Dubai Islamic Bank P.J.S.C.	**Emirates NBD Capital**	**First Gulf Bank P.J.S.C.**	**Mashreqbank P.S.C.**
Morgan Stanley	**National Bank of Abu Dhabi**	**Noor Islamic Bank P.J.S.C.**	**Standard Chartered Bank**

The date of this Prospectus is [●] June 2014.

This Prospectus complies with the requirements in Part 2 of the Markets Law (DIFC Law No.1 of 2012) and Chapter 2 of the Markets Rules and is for the purpose of giving information with regard to the Trustee, Emaar Malls and the Certificates which, according to the particular nature of the Trustee, Emaar Malls and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and Emaar Malls.

The Trustee and Emaar Malls accept responsibility for the information contained in this Prospectus. To the best of the knowledge of each of the Trustee and Emaar Malls, each having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Trustee, Emaar Malls, the Joint Lead Managers to subscribe or purchase, any of the Certificates. None of the Joint Lead Managers, the Trustee, the Delegate or Emaar Malls makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

The distribution of this Prospectus and the offering of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Trustee, Emaar Malls and the Joint Lead Managers to inform themselves about and to observe any such restrictions. None of the Trustee, the Delegate, Emaar Malls or the Joint Lead Managers represent that this Prospectus may be lawfully distributed, or that the Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, the Delegate, Emaar Malls or the Joint Lead Managers which is intended to permit a public offering of the Certificates or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Accordingly, the Certificates may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of the Certificates.

For a description of further restrictions on offers and sales of Certificates and distribution of this Prospectus, see "*Subscription and Sale*".

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Trustee, the Delegate, Emaar Malls or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Trustee or Emaar Malls since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Trustee or Emaar Malls since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Certificates is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Prospectus nor any other information supplied in connection with the issue of the Certificates (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Trustee, the Delegate, Emaar Malls or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the issue of the Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and Emaar Malls. Furthermore, no comment is made or advice given by the Trustee, the Delegate, Emaar Malls or the Joint Lead Managers in respect of taxation matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Trustee or Emaar Malls during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Certificates of any information coming to the attention of any of the Joint Lead Managers.

Each potential investor in the Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency for principal or profit payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of such Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

No comment is made or advice given by the Trustee, Emaar Malls, the Delegate, the Joint Lead Managers or the Paying Agents in respect of taxation matters relating to the Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF CERTIFICATES.

To the fullest extent permitted by law, the Joint Lead Managers accept no responsibility whatsoever for the contents of this Prospectus, or for any other statement made or purported to be made by a Joint Lead Manager or on its behalf in connection with the Trustee, Emaar Malls or the issue and offering of the Certificates. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. No representation or warranty, expressed or implied, is made or given by or on behalf of the Joint Lead Managers, nor any person who controls them or any director, officer, employee or agent of them, or affiliate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus and such persons do not accept responsibility or liability for any such information or opinions.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S under the Securities Act ("**Regulation S**").

The transaction structure relating to the Certificates (as described in this Prospectus) has been approved by the Executive Committee of the Fatwa and Shariah Advisory Board of Dubai Islamic Bank P.J.S.C., Dar Al Shari'a Legal & Financial Consultancy, the Executive Committee of the Fatwa and Shariah Advisory Board of First Gulf Bank P.J.S.C., the Shari'a Supervisory Board of Morgan Stanley & Co. International plc, the Fatwa and Shari'a Supervisory Board of Noor Islamic Bank P.J.S.C. and the Shari'a Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'a* principles.

Stabilisation

In connection with the issue of the Certificates, Standard Chartered Bank (the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot Certificates or effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager shall act as principal and not as agent of the Trustee or Emaar Malls. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the Issue Date and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Certificates. The Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) must conduct such stabilisation in accordance with all applicable laws and rules.

Cautionary Note Regarding Forward-Looking Statements

This Prospectus contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address Emaar Malls' expected future business and financial performance, and often contain words such as "expect", "anticipate", "intend", "may", "plan", "believe", "seek" or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For Emaar Malls, particular uncertainties that could adversely affect its future results include:

- Emaar Malls' ability to realise the benefits it expects from its existing operations;
- changes in the competitive environment in which Emaar Malls operates;
- Emaar Malls' ability to maintain sufficient cash flow to fund its existing and future operations and its payment obligations under financing agreements;
- Emaar Malls' exposure to natural disasters and risks resulting from potentially catastrophic events such as armed conflicts or other events disrupting business in its customers' facilities;
- failure to comply with regulations such as environmental or safety standards applicable to Emaar Malls' business; and
- changes in political, social, legal or economic conditions in the markets in the UAE or the GCC generally.

Although Emaar Malls believes that the expectations, estimates and projections reflected in Emaar Malls' forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise including those which Emaar Malls has identified in this Prospectus, or if any of Emaar Malls' underlying assumptions prove to be incomplete or inaccurate, Emaar Malls' actual future results may be materially different than those expressed in its forward-looking statements.

The forward-looking statements in this Prospectus speak only as of the date of this Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Without prejudice to any requirements under applicable laws and regulations, Emaar Malls expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any forward-looking statement is based.

Presentation of Financial and Other Information

Emaar Malls prepared its separate, unconsolidated, audited financial statements as at and for the year ended 31 December 2013 (the "**2013 Financial Statements**") and as at and for the year ended 31 December 2012 (the "**2012 Financial Statements**" and, together with the 2013 Financial Statements, the "**Annual Financial Statements**") in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. The Financial Statements are unconsolidated. Emaar Malls has not prepared consolidated Annual Financial Statements. Emaar Malls is a subsidiary of Emaar Properties PJSC ("**Emaar Properties**") which prepares its financial statements on a consolidated basis. Under IFRS (specifically paragraph 10 of IAS 27 Consolidated and Separate Financial Statements and paragraph 4 of IFRS 10 Consolidated Financial Statements (from 1 January 2013) ("**IFRS 10**")), as Emaar Malls is part of a group that publicly issues consolidated financial statements, Emaar Malls was not required to prepare consolidated financial statements. Emaar Malls' subsidiaries as at 31 December 2013 were those listed in Note 8 of the 2013 Financial Statements. Notwithstanding Note 8, the transfer of ownership of the active subsidiaries from Emaar Malls to its parent, Emaar Properties, was completed on 3 April 2014. As at the date of this Prospectus, Emaar Malls continues to have subsidiaries but Emaar Malls does not consider them to be material to its financial position, as they are entities which are not actively operational.

Emaar Malls also includes in this document its unaudited financial information as at and for the three months ended 31 March 2014 (the "**Interim Financial Information**") prepared on a consistent basis with the Annual Financial Statements. As Emaar Malls is in the process of filing its financial statements with the DFSA for the purposes of this public offering, the exemption from preparing consolidated financial statements contained in paragraph 4 of IFRS 10 is no longer available. Accordingly, the Interim Financial Information is not prepared in accordance with the provisions of IAS 34 Interim Financial Reporting as separate financial statements should not be prepared in the absence of consolidated financial statements. For this reason a review report has not been appended to the Interim Financial Information. During the three-month period ended 31 March 2014, Emaar Malls changed its segment disclosure from 2 to 5 segments (see Note 3 to the Interim Financial Information for further information).

As all of Emaar Malls' operational subsidiaries were transferred to Emaar Malls, it is considered that the presentation of separate historic numbers is more useful to the reader as it is consistent with the structure of Emaar Malls in the future.

As at 31 December 2013, Emaar Properties held the legal title to certain investment properties and Emaar Malls had been given certain economic rights with respect to the investment properties through a head lease agreement (see Note 7 to the 2013 Financial Statements for further information). As at the date of this Prospectus, legal title to approximately 99 per cent. (by reference to revenue for the year ended 31 December 2013) of such investment properties have been transferred to Emaar Malls.

The Annual Financial Statements have been audited by Ernst & Young Middle East (Dubai Branch) ("**Ernst & Young**") in accordance with International Standards on Auditing, as stated in their reports appearing herein.

Non-IFRS Financial Measures

In this Prospectus, certain financial measures are presented that are not recognised by IFRS which include EBITDA as defined below.

EBITDA is not a financial performance or liquidity measure calculated in accordance with IFRS. As referred to in this Prospectus, Emaar Malls has calculated EBITDA for each period as the sum of (i) its net profit for that period, (ii) its finance costs for that period and (iii) its depreciation for that period. EBITDA should not be considered as an alternative measure to operating profit, as an indicator of operating performance, as an alternative to operating cash flows or as a measure of Emaar Malls' liquidity. EBITDA as presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

EBITDA has important limitations as an analytical tool and should not be considered in isolation from, or as a substitute for an analysis of, Emaar Malls' operating results as reported under IFRS. Some of the limitations are:

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest/profit (or the equivalent liability in accordance with *Shari'a* principles) or principal payments on debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future and EBITDA does not reflect any cash requirements for such replacements; and
- other companies may calculate EBITDA differently, limiting its usefulness as a comparative measure.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to:

- "AED" and "dirham" are to the lawful currency for the time being of the United Arab Emirates; and
- "U.S. dollars", "USD" and "U.S.$" are to United States dollars, being the legal currency for the time being of the United States of America.

The dirham currently is, and since 22 November 1980, has been, pegged to the U.S. dollar at a fixed exchange rate of AED 3.6725 per U.S.$ 1.00. Certain figures and percentages included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

References in this Prospectus to:

- "2011" are to the 12 months ended 31 December 2011;
- "2012" are to the 12 months ended 31 December 2012;
- "2013" are to the 12 months ended 31 December 2013; and
- "billion" are to a thousand million.

Presentation of other Information

In this Prospectus, references to:

- "Dubai" are to the Emirate of Dubai;
- "GCC" are to the Gulf Cooperation Council, which comprises the Kingdom of Bahrain, the State of Kuwait, the State of Oman, the State of Qatar, the Kingdom of Saudi Arabia and the UAE; and
- "UAE" are to the United Arab Emirates.

Certain financial and statistical amounts included in this Prospectus are approximations or have been subject to rounding adjustments. Accordingly, amounts shown as derivations or totals in certain tables may not be exact arithmetic derivatives or aggregations of the amounts that precede them.

The language of this Prospectus is English. Information contained in any website referred to herein does not form part of this Prospectus.

Other Definitions

In this Prospectus, references to "we", "our" and "us" are to Emaar Malls Group LLC.

Certain Publicly Available Information

Certain statistical data and other information appearing in this Prospectus has been extracted from public sources identified where it appears in this Prospectus. None of the Joint Lead Managers, the Trustee nor Emaar Malls accepts responsibility for the factual correctness of any such statistics or information but both the Trustee and Emaar Malls confirm that all such third party information has been accurately reproduced and, so far as the Trustee and Emaar Malls are aware and have been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

NOTICE TO UK RESIDENTS

The Certificates constitute "alternative finance investment bonds" within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 as amended by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010. This Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Prospectus and any other marketing materials relating to the Certificates is being addressed to, or directed at, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus or any other marketing materials in relation to the Certificates.

Potential investors in the United Kingdom in the Certificates are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Any individual intending to invest in the Certificates should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and that he has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation may be made to any member of the public of the Cayman Islands to subscribe for the Certificates.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, securities issued in connection with this Prospectus and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in other currency or such other amount as the CBB may determine.

This offer does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Prospectus and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain. The CBB has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain.

Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Prospectus. No offer of securities will be made to the public in the Kingdom of Bahrain and this Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

This Prospectus does not and is not intended to constitute an offer, sale or delivery of the Certificates under the laws of the State of Qatar and has not been and will not be reviewed or approved by the Qatar Financial Markets Authority, Qatar Financial Centre Regulatory Authority or the Qatar Central Bank in accordance with their regulations or any other regulations in the State of Qatar. The Certificates are not and will not be traded on the Qatar Exchange.

NOTICE TO RESIDENTS OF MALAYSIA

The Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Certificates in Malaysia may be made, directly or indirectly, and this Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Schedule 6 or Section 229(l)(b), Schedule 7 or Section 230(l)(b) and Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or Emaar Malls and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus.

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GLOSSARY

The following definitions apply throughout this Prospectus unless the context requires otherwise:

Anchor tenant	A tenant leasing GLA of 20,000 sq ft. or more.
Average rent per square foot	Total rent divided by leased GLA of the relevant property.
Community integrated retail	Neighbourhood and community shopping centres with less than 400,000 sq ft. of GLA.
Contractual base rent	The contractually agreed annual base rent for a unit, set for the duration of the lease.
Effective base rent	The higher of (1) 90 per cent. of the sum of the variable turnover rent and the contractual base rent for such lease year and (2) the contractual base rent for the subsequent lease year.
Footfall	The total number visitors to the property, measured as the total number of entries through the main entrances.
Gross floor area or GFA	Includes GLA, plus public halls and corridors and public back of house areas such as toilets and prayer rooms.
GLA occupancy rate	The area of the main units where revenue is recognised divided by total available GLA for main units for the relevant period.
Gross leasable area or GLA	The amount of floor space available to be let to tenants.
Net turnover rent	The amount by which the aggregate variable turnover rent exceeded the aggregate contractual base rent.
Regional malls	Shopping malls with more than 400,000 sq ft. and less than 800,000 sq ft. of GLA .
Service charge recovery ratio	The ratio of service charges to our total operating expenses and sales and marketing expenses.
Specialty retail	Shopping malls with a significant prevalence of tenants in a single market segment or category.
Super-regional malls	Shopping malls in excess of 800,000 sq ft. of GLA.
Total built-up area	Includes GLA, GFA and car parking areas, loading docks and service corridors, plant rooms, stairs and lifts.
Total rent	For all tenants at the relevant property, the sum of aggregate contractual base rent, net turnover rent, aggregate service charges, aggregate chilled water charges and aggregate promotional and marketing contributions. However, for accounting purposes, chilled water charges are not treated as rental income, but rather are netted off against chilled water expenses in the operating expenses line of the income statement.
Variable turnover rent	The product of a contractually agreed percentage multiplied by the relevant tenant's actual annual sales revenue.
Weighted average lease term	The sum of, for each property, the weighted average original lease term for each property multiplied by the percentage of total Emaar Malls occupied GLA represented by that property.

RISK FACTORS

The purchase of the Certificates may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Certificates. Before making an investment decision, prospective purchasers of Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Prospectus.

Each of the Trustee and Emaar Malls believes that the factors described below represent the principal risks inherent in investing in the Certificates, but the inability of the Trustee to pay any amounts on or in connection with any Certificate and/or the inability of Emaar Malls to pay any amounts under the Transaction Documents may occur for other reasons and neither the Trustee nor Emaar Malls represents that the statements below regarding the risks of holding any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustee or Emaar Malls or which the Trustee or Emaar Malls currently deems immaterial, that may impact any investment in the Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in "Structure Diagram and Cash Flows" and "Terms and Conditions of the Certificates" shall have the same meanings in this section.

Factors that may affect the Trustee's ability to fulfil its obligations under the Certificates

The Trustee has no material assets and will depend on receipt of payments from Emaar Malls to make payments to Certificateholders.

The Trustee is a newly formed entity and has no operating history. The Trustee will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets as described herein, acting in its capacity as Trustee and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets, which include its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates will primarily be dependent upon receipt by the Trustee of all amounts due from Emaar Malls under the Transaction Documents. Therefore the Trustee is subject to all the risks to which Emaar Malls is subject to the extent that such risks could negatively affect Emaar Malls' ability to satisfy in full and on a timely basis its obligations under the Transaction Documents to which it is a party. See "— *Risks relating to Emaar Malls*" below for a further description of these risks.

Risks relating to Emaar Malls

Risks Relating to Our Business and Industry

All of our properties are located in Dubai, and our financial performance is almost entirely dependent upon trading at The Dubai Mall.

All of our properties are located in Dubai. In addition, we generated 84 per cent., 83 per cent. and 83 per cent. of our revenues in 2011, 2012 and 2013, respectively, from The Dubai Mall and as such, any event that negatively affects the occupancy rate, rental yields or the performance of The Dubai Mall would ultimately have an adverse effect on our financial performance. As a result, our results of operations are, and will continue to be, significantly affected by financial, economic and political developments in or affecting Dubai and the UAE more generally, and the impact of such developments on the demand for units in our properties, the rental rates we are able to agree with our tenants for those units and on the footfall through our properties, in each case, particularly with respect to The Dubai Mall. Poor economic conditions generally result in decreased consumer spending, and have in the past resulted, and may in the future result, in our tenants seeking to renegotiate the terms of their leases in their favour. We have in the past applied, and may elect in the future to apply, downward rent adjustments to retain and attract certain tenants and maintain occupancy levels at our properties. For example, in 2008, to retain most tenants at the Dubai Marina Mall in the aftermath of the global financial crisis that began in 2007 (the "**global financial crisis**"), we adjusted their rents for an initial term of one year or for longer terms as individually negotiated with some tenants in line with prevailing market rates, as a result of which our rental income at this property was adversely affected.

Furthermore, substantially all of the leases to which our tenants are a party include turnover provisions pursuant to which they are required to pay the higher of the base rent stipulated in their lease contract ("**contractual base rent**") and the product of a contractually agreed percentage multiplied by their actual annual sales revenue ("**variable turnover rent**"). The amount by which the aggregate variable turnover rent exceeded the aggregate contractual base rent ("**net turnover rent**") contributed 8 per cent., 14 per cent. and 14 per cent. of our total rental income in 2011, 2012 and 2013, respectively. From 2013 onwards, variable turnover rent for a given year is also a factor in determining the effective base rent for the subsequent year. As the amount of net turnover rent recognised is dependent upon the trading performance of our tenants, any factors that adversely affect their revenues will reduce the amount, if any, of net turnover rent that we receive.

The value and operating results of our properties is dependent in part on the economic conditions that affect the Dubai economy and the conditions in the Dubai commercial and retail real estate markets.

The Dubai commercial and retail real estate markets are affected by macroeconomic events that are beyond our control, including the impact of adverse changes in global and local economic conditions, real estate market conditions generally, changes in interest rates, consumer spending, inflation rates, real estate taxes and other operating expenses, and the availability and cost of financing. The global financial crisis had a material adverse effect on Dubai and, in particular, on its real estate market. Although the Dubai economy has since resumed its growth, and the Dubai commercial and retail real estate markets have experienced a strong recovery, there can be no assurance that the current economic growth or performance of the commercial and retail real estate markets in Dubai will be sustained. Consequently, there can be no assurance as to the future value of our property portfolio.

Our results of operations depend on tourism in Dubai.

Approximately 40 per cent. of the visitors to The Dubai Mall in 2013 were tourists, including from countries such as China, Saudi Arabia, Russia and India. Accordingly, a decline in the attractiveness of The Dubai Mall as well as certain of our other properties to international visitors, and a decline in tourism generally, would have a material adverse effect on our total footfall levels. If our footfall were to decrease significantly, our tenants' trading performance may be adversely affected, and our occupancy rates and/or rental income could decline.

Our ability to attract international visitors to our properties is subject to a number of factors, including:

- the continued attractiveness of Dubai as a tourist destination;
- the continued attractiveness of our properties and, in particular, of The Dubai Mall, its features and adjacent landmarks, as compared to competing destinations in Dubai, the GCC region or elsewhere in the world;
- the effectiveness of our marketing campaigns and initiatives, as well as those of the Government of Dubai, targeting international visitors, including our partnerships with Emirates Airline as well as hotels in Dubai;
- the levels of discretionary spending available to international visitors;
- fluctuations in global exchange rates;
- the extent to which other cities in the region choose to undertake significant development with the aim of capturing a larger share of tourist traffic; and

- factors that may adversely affect tourist visits to the region as a whole or more generally, such as political or social instability, global economic conditions, terrorist attacks or natural catastrophes.

If any of these or other factors result in a significant reduction in the number of international visitors to our properties, our business, results of operations, financial condition and prospects would be materially and adversely affected.

We may be unsuccessful in executing our business strategy.

The successful implementation of our strategy will entail actively managing our properties, undertaking development or asset enhancement initiatives, securing tenants for our properties, raising funds in the capital or credit markets, and the co-operation of our partners who invest with us, our tenants, and other counterparties. If we choose to develop properties on our own, or if we choose to purchase properties developed by Emaar Properties from it pursuant to the terms of a relationship agreement that we would expect to execute in connection with our potential initial public offering ("**IPO**"), our ability to do so will depend significantly on the ability of us or Emaar Properties, as the case may be, to complete the planned developments on time and within budget and on the availability of external financing to us or cash on hand for us to complete these developments or acquisitions. The addition of new properties to our portfolio will also increase our operating costs and we may not be able to lease out these new properties in a profitable manner. Our ability to successfully implement our strategy is also dependent on various other factors, including but not limited to, the competition we face in our business, which may affect our ability to secure tenants on terms acceptable to us, and our ability to retain our key employees. There can be no assurance that we will be able to implement all of our business strategies as planned, and our failure to do so may materially adversely affect our business, results of operations, financial condition and prospects.

We face competition from other retail real estate assets in Dubai and elsewhere in the GCC.

Our properties compete to attract tenants and visitors with other destination shopping centres located in cities across the GCC region and, in particular, Dubai. The population growth of Dubai from 1.3 million in 2005 to an estimated 2.1 million in 2012 (as estimated by the Dubai Statistics Centre), along with the growth in business and leisure travel to Dubai, contributed to the opening and announced development of a number of new shopping malls over this period, increasing competitive pressures. Any oversupply of competing shopping centres in Dubai or the GCC region (either as a result of new developments or a decrease in the number of tenants or other occupants due to a decline in economic activity) may adversely affect our rental income.

Commercial mall operators compete to attract tenants based upon rental rates, operating costs, location, condition and features of the property. If competing properties have lower rents, lower operating costs, more favourable locations or better facilities, our ability to attract tenants and the rental rates that we can charge for units in our properties may be adversely affected. The Dubai Mall currently serves as a prominent attraction to local shoppers and international visitors due to a number of unique or prominent features and leisure or entertainment venues (such as the Dubai Aquarium and Underwater Zoo, the Dubai Ice Rink, SEGA Republic, Kidzania and others), as well as its proximity to Burj Khalifa (which is only accessible to visitors through The Dubai Mall) and the Dubai Fountain – two of Dubai's major landmarks. However, newly developed or existing competing properties in Dubai or the GCC region or globally do, and may in the future, offer unique or attractive features that draw visitors away from The Dubai Mall and our other properties.

The ability of our properties to remain competitive and attract local shoppers and international visitors, particularly from China, Saudi Arabia, Russia and India, will also depend significantly on our continued and effective management of our properties and successful execution of our business strategies, including asset enhancement projects. While we may renovate, refurbish or expand our properties to enhance their attractiveness to visitors and remain competitive, our renovation, refurbishment or expansion plans may involve significant costs and execution risks, and ultimately may not be successful. As a result of competition from new and existing properties or other commerce channels, footfall in our properties may decline significantly, our tenants' trading performance may be adversely affected, and our occupancy rates and/or rental income may decline, any of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

The revenues from our properties depend on anchor tenants and other major retail, entertainment and leisure tenants to attract shoppers.

Shopping malls are typically anchored by department stores and other large nationally and internationally recognised brands. Our anchor tenants include Galeries Lafayette, Bloomingdale's, Level Shoe District, Paris Gallery, Kinokuniya, Waitrose, Bloomingdale's Furniture Store, West Elm and Muji, Plug Ins Electronix and Debenhams at The Dubai Mall, and Waitrose and Reel Entertainment at Dubai Marina Mall. Furthermore, our business depends on our relationships with major retail groups that franchise prominent or luxury brands that lease multiple units in our properties. At The Dubai Mall, the ten largest retail groups measured by GLA of main units leased, were Emaar Retail L.L.C, M.H. Alshaya Co, Al Tayer, Chalhoub, French Department, Landmark International, Azadea, Al Fahim Enterprises, Al Futtaim and RSH Middle East, leasing in total 207 main units, amounting to 1.84 million sq ft. of GLA as at 31 December 2013 and 38 per cent. of the total rent from The Dubai Mall for 2013. At the Dubai Marina Mall, the ten largest retail groups, measured by GLA of main units leased were, M.H. Alshaya Co., RSH Middle East, Landmark International, LIWA, Al Tayer, Outfit L.L.C., Apparel L.L.C., Azadea, Chalhoub and Kamal Osman JamJoom Trading Est, leasing in total 60 main units, amounting to 132 thousand sq ft. of GLA as at 31 December 2013 and 39.2 per cent. of total rent from Dubai Marina Mall for 2013. Our business and results of operations could therefore be adversely affected if an anchor tenant or any of these major retail groups fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease or reduce their operations. In addition, anchor tenants and these retail groups often have significant bargaining power when negotiating rent and other lease terms.

Should a conflict or a breakdown in commercial relations arise between us and one of our anchor tenants or retail groups, we may face delays in receiving rental payments or have difficulty in negotiating extensions to leases for many or all of the affected units. If any of the anchor tenants or retail groups that lease multiple units in our properties chooses to or is forced to close some or all of their units at the same time, we may not find suitable replacement tenants in a timely manner (or at all) and we may have to incur substantial costs towards re-fitting the affected units for suitable replacement tenants. Retail groups or our anchor tenants may also experience financial difficulties or be subject to business restructurings or reorganisations or changes in corporate strategy. Any of these factors could affect their ability or willingness to continue operations in our properties. In an effort to retain retail groups or anchor tenants, we may agree to lease adjustments, such as a decrease in rent, service charges or chilled water charges on terms that are unfavourable to us, as was the case at the Dubai Marina Mall after the global financial crisis. In addition, closures of anchor stores or of multiple stores of a large retail group may result in decreased footfall in our properties, which could lead to decreased sales at other stores in our properties, which may lead to a loss of the affected tenants. If the sales turnover of stores operating in our properties were to decline significantly due to these closures, our rental income and/or occupancy rates could decline. To the extent that there is vacant space in our malls, rental rates could decline for all of our tenants, which could have a material adverse effect on our business, results of operations, financial conditions and prospects.

We may be unable to lease or re-lease space in our properties on favourable terms or at all.

Our results of operations depend on our ability to continue to strategically lease space in our properties, including re-leasing space in properties where leases are expiring, optimising our tenant mix and leasing properties on more economically favourable terms. As at 31 December 2013, 890 of 1,961 leases for main units in our properties, were due to expire in 2014, of which we have renewed nearly 300 leases in 2014 to date. Leases amounting to a further 16.4 per cent., 15.9 per cent. and 5.6 per cent. of our total leased GLA will expire in 2015, 2016 and 2017, respectively. None of our leases contain automatic renewal or renewal upon notice provisions. Accordingly, we must agree on the terms of a new lease with existing tenants when their leases expire to retain these tenants. In addition, if a tenant disputes a proposed increase in rent upon renewal of its lease, our ability to raise the rent may be constrained by the applicable statutory cap on rent increases in Dubai. Currently, the permitted rent increase is 0 per cent., 5 per cent., 10 per cent., 15 per cent. or 20 per cent. The actual percentage of the permitted rent increase (between the aforementioned range of 0 per cent. and 20 per cent.) is dependent on how low the existing rent of the unit is compared to the average market rent applicable to the unit as determined by the Dubai Real Estate Regulatory Agency. Although the average occupancy rate for The Dubai Mall has increased from 93 per cent. in 2011 to 99 per cent. in 2013, there can be no assurance that the demand for units in our properties will remain high. If any of our tenants choose not to renew their leases, we may not find suitable replacement tenants and any new leases could be on terms less favourable than those contained in the expiring leases. In addition, a loss of certain tenants may adversely affect our ability to optimise the tenant mix at our properties. The occurrence of the foregoing factors could adversely affect footfall levels, rental income and/or occupancy rates at the affected properties, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our results of operations and cash flows are dependent on our tenants' ability to meet their financial obligations.

Our results of operations and cash flows are dependent on our tenants' liquidity, solvency and financial performance and their ability to meet their financial obligations. Many of the tenants in our properties were exposed to declining consumer spending as a consequence of the global financial crisis, local economic conditions and other factors. Although consumer spending levels globally and in UAE have recently recovered, there can be no assurance that this recovery will be sustained. Decreased consumer spending may affect our tenants' sales and their ability to make lease payments, and result in growing delinquencies in payment of rent and other charges due from our tenants. Furthermore, many of our tenants are legal entities organised in Dubai as local franchises of international retail groups which may not have access to the same financial resources as, and could have lower credit profiles than, their respective franchisors.

The bankruptcy or insolvency of one or more significant anchor tenants or large retail groups that lease multiple units in our properties, or a substantial number of smaller tenants, would materially decrease our revenues and available cash flows. Insolvent tenants may seek protection of applicable insolvency laws which could result in the early termination of their leases, resulting in decreases in our rental income. A number of companies in the retail industry, have declared bankruptcy or voluntarily closed certain of their stores in recent years, and our tenants may declare bankruptcy or become insolvent in the future. In order to mitigate the risk of non-payment of rent and other associated charges, we collect post-dated cheques ("**PDCs**") from most of our tenants in the aggregate amount of the aggregate contractual base rent due under the terms of their lease contract, plus service and chilled water charges for the relevant unit, in addition to a security deposit equivalent to three months of contractual base rent. However, as rental payment obligations under our leases are not secured by any cash collateral other than security deposits and as we do not carry insurance against lease defaults, we remain exposed to the credit risk of each of our tenants, whose creditworthiness can decline over a short period of time. As such, adverse developments in our tenants' financial health and credit standing may have a material adverse effect on our business, results of operations, financial conditions and prospects.

Our operating expenses and maintenance capital expenditures may be higher than expected, and all of these costs may not be recoverable.

We are required to incur operational and maintenance capital expenditures to maintain our properties. Our operating expenditure could increase as a result of a number of factors, including but not limited to, an increase in subcontracted costs, labour costs, repair and maintenance costs, insurance premiums and/or utility costs. Not all of these expenses are or can be passed on to our tenants. In particular, in 2013, our service charge recovery ratio (which we define as the ratio of service charges paid by our tenants pursuant to their leases to our total operating expenses) was 57 per cent. for The Dubai Mall compared to 72 per cent. for our other properties (principally due to the large floor area of The Dubai Mall relative to its leasable space and its higher maintenance and personnel requirements). The service charge recovery ratio for all of our properties in 2013 was 60 per cent. Although we usually have the contractual right to raise the chilled water charges and service charges payable by our tenants under the terms of their leases, our ability to introduce across-the-board increases is limited. In addition, if we are required to make unanticipated operational or maintenance capital expenditures that we are unable to recover from our tenants, or if we fail to make such expenditures, with the result that the value or marketability of our properties is negatively impacted, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are exposed to development and construction risks.

We are currently in the process of expanding the Fashion Avenue district of The Dubai Mall, which is expected to add approximately 600 thousand sq ft. of GLA in The Dubai Mall and which we expect to complete by March 2016. We are also constructing Arabian Ranches II, an additional community shopping mall at the Arabian Ranches development, which is expected to have a total GLA of 150 thousand sq ft. and which we expect to complete by the end of 2014. The successful execution of these projects is subject to risks, which include delays in construction and cost overruns whether due to variations to original design plans or for any other reason, a shortage and/or increase in the cost of construction and building materials, equipment or labour as a result of rising commodity prices or inflation or otherwise, unforeseen engineering problems, defective materials or building methods, default by or financial difficulties faced by contractors and other third party service and goods providers, disputes between counterparties to a construction or construction related contract, work stoppages, strikes and accidents. In addition, the expansion of the shopping area at The Dubai Mall may not be matched by a timely or sufficient development of access infrastructure or parking facilities, which may adversely affect our ability to continue to grow footfall at the mall and recoup our investment in its expansion in a timely manner.

We expect to undertake additional development or expansion initiatives in our properties in the future. Any of these future development initiatives may be subject to additional risks and uncertainties, depending on the scale and complexity of the project, including:

- availability of suitable land;
- delays or inability to obtain all necessary zoning, land use, building, development and other required governmental and regulatory licences, permits, approvals and authorizations;
- the need to make significant capital expenditures without receiving revenue from these properties until after they are completed;
- possible shortage of available cash to fund construction and capital improvements and the related possibility that financing for these capital improvements may not be available on acceptable terms or at all; and
- uncertainties as to market demand or a decline in market demand by tenants and consumers for the additional mall space after construction work has begun, whether resulting from a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation hubs or population density, or otherwise.

We cannot assure you that any or all of our current or future development projects will be completed within the anticipated time frame or budget, if at all, whether as a result of the factors specified above or for any other reason. The inability to complete a major development project within the anticipated time frame and budget could have a material adverse effect on our business, results of operations, financial condition and prospects.

Renovation, asset enhancement works, physical damage or latent building or equipment defects to our properties may disrupt the operations of our properties and collection of rental income or otherwise adversely affect our business.

The quality and design of our properties affect the demand for space in, and the rental rates of, our properties, as well as their ability to attract footfall. While our properties are relatively new and have a number of unique or prominent attractions, they will need to undergo renovation or asset enhancement works from time to time to retain their attractiveness to tenants as well as shoppers. They may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. For example, in 2011, we renovated and substantially redeveloped the Gold Souk at The Dubai Mall to create a more accessible shopping area and improve footfall at the total cost of approximately AED

32 million.

The costs of maintaining a retail property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of our properties may suffer some disruption and we may not be able to collect the full rate of, or, as in the case of the Gold Souk, any rental income from space affected by these renovation works. Footfall may also be adversely affected by these renovation or repair works. In addition, physical damage to our properties resulting from fire or other causes, and design, construction or other latent defects in our properties may lead to additional capital expenditure, special repair or maintenance expenditure, business interruption, or payment of damages or other obligations to third parties, which may in turn adversely affect our business, financial condition, results of operations and prospects.

A default by one of our contractors with respect to any liability relating to workmanship or structural defects may adversely affect our reputation.

We intend to subcontract our planned expansion of The Dubai Mall and future development work on our existing properties to third-party contractors. We also subcontracted the redevelopment of the Gold Souk in 2011. The third party contractors typically give a one-year warranty on their workmanship and remain liable for structural defects for a period of ten years. If a contractor defaults on its warranty to correct a workmanship-related or structural defect which is discovered during the relevant period, we may be unable to replace such defaulting contractor in a timely manner or at all and may not be able to recover the cost of such repair from the defaulting contractor. If a significant number of our tenants encounter workmanship or structural defects and these are not addressed in a timely manner or at all, our reputation may be negatively affected, which may in turn materially adversely affect our business, results of operations, financial condition and prospects.

The terms of our indebtedness contain restrictions that may limit our flexibility in operating our business.

On 21 May 2014, we entered into a facility agreement (the "**New Facility**") with a syndicate of banks to refinance our outstanding indebtedness under a previous facility agreement that we entered into on 7 December 2011. The terms of our New Facility contain covenants that limit our ability to engage in specified types of transactions. These include covenants that require us to, among other things, maintain certain maximum ratios of total borrowing to the value of The Dubai Mall and of total borrowings to EBITDA and a minimum ratio of EBITDA to net finance charges, as well as negative covenants that limit our ability to, among other things, incur additional financial indebtedness, guarantee or maintain guarantees in respect of the financial indebtedness of any other person, grant security or create any security interests over our assets, dispose of assets, make substantial changes to the nature of our business, enter into mergers, amalgamations and other similar transactions, acquire businesses or undertakings other than any mall or retail units or interests related thereto, make loans to third parties, pay dividends if there is a default continuing under the New Facility or if a default would result from such payment, make payments in respect of certain subordinated obligations or to enter into transactions other than on arms' length terms and for full market value. We are also required, under the terms of the New Facility, to comply with applicable laws and maintain authorisations as required by law where a failure to do so would have a material adverse effect, as well as to maintain insurances over The Dubai Mall. Any of these covenants and restrictions, and the covenants and restrictions included in the terms of any other indebtedness that we may enter into in the future, may prevent us from engaging in transactions that we may otherwise find desirable.

We are currently in compliance with our obligations under the New Facility and are not currently aware of any circumstances which indicate that we may breach any of these obligations in the future. However, there can be no assurance that we will continue to comply with these obligations in the future, or that we will comply with our obligations under the terms of any other indebtedness that we may enter into in the future, as our ability to comply with these obligations depends on a number of factors, some of which are outside of our control. Further, there can be no assurance that in circumstances where a breach of the relevant obligations occurs, we would be able to obtain a waiver from our lenders for such a breach, restructure or amend the terms of our financing agreements or obtain alternative financing on acceptable terms or at all. Furthermore, the New Facility contains cross-default and cross-acceleration provisions. A failure to comply with the relevant obligations or to meet our debt obligations under our financing agreements may therefore result in an acceleration of our outstanding indebtedness, which would have a material adverse effect on our results of operations, financial conditions and prospects.

Our properties could be exposed to catastrophic events or acts of terrorism.

Our business operations could be adversely affected or disrupted by events outside of our control, including:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- earthquakes, tsunamis or other natural disasters;
- major accidents, including chemical and radioactive or other material environmental contamination;
- major epidemics affecting the health of persons in the region and travel into the region; and/or
- criminal acts or acts of terrorism.

The occurrence of any of these events affecting the GCC region, Dubai or, in particular, our properties may cause material disruptions to our operations, which would have a material adverse effect on our business, results of operations, financial condition and prospects. The effect of any of these events on our results of operations and financial condition may be exacerbated to the extent that any such event involves risks for which we are uninsured or not fully insured. Our properties may also be vulnerable to, and adversely affected by, acts of terrorism because of the large numbers of people they attract and the general public access provided. Furthermore, acts of terrorism in the GCC region or in Dubai could discourage consumers from shopping in public places like The Dubai Mall or Dubai Marina Mall, which could have a material adverse effect on our tenants' sales and, in turn, on our rental income and/or occupancy rates, business, results of operations, financial condition and prospects.

We may not have adequate insurance.

We maintain insurance policies where practicable covering both our assets and employees in line with general business practices in the retail industry, with policy specifications and insured limits which we believe are reasonable. Risks which we are insured against include property damage from fire, lightning, flooding, theft and public liability. Where practicable, we also maintain certain terrorism, property damage, business interruption and general liability insurance. There are, however, certain types of losses, such as from wars, product recall, avian flu, workmen's compensation, employers' liability and nationalisation that generally are not insured because they are either uninsurable or not economically insurable and our properties could suffer physical damage from fire or other causes, resulting in losses (including loss of rent) that may not be fully compensated by insurance. Should an uninsured loss or a loss in excess of insured limits occur or should our insurers fail to fulfil their obligations for the sum insured, we could be required to incur unrecoverable costs to rectify the loss, pay compensation and/or lose capital invested in the affected property, as well as lose anticipated future revenue from that property. We would also remain liable for any debt or mortgage, indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect our business, results of operations, financial condition and prospects. In addition, although we seek to ensure that our properties are appropriately insured, no assurance can be given that adequate insurance coverage will be available in the future on commercially reasonable terms or at all.

We are required to comply with applicable laws and regulations and to maintain licences and permits to operate our businesses, and our failure to do so could adversely affect our results of operations and prospects.

Our operation of our properties requires us to comply with numerous laws and regulations, both at the local and national level, and requires the maintenance and renewal of licences and permits to conduct our businesses in Dubai. Because of the complexities involved in procuring and maintaining numerous licences and permits, as well as in ensuring continued compliance with different and sometimes inconsistent local and national licensing regimes, there can be no assurance that we will at all times be in compliance with all of the requirements imposed on each of our properties.

Our failure to comply with applicable laws and regulations or to obtain and maintain requisite approvals, certifications, permits and licences, whether intentional or unintentional, could lead to substantial sanctions, including criminal, civil or administrative penalties, revocation of our licences and/or increased regulatory scrutiny, and liability for damages. It could also trigger a default under one or more of our financing arrangements or result in contracts to which we are a party being deemed unenforceable. For the most serious violations, we could be required to suspend our operations until we obtain requisite approvals, certifications, permits or licences or otherwise bring our operations into compliance. In addition, any adverse publicity resulting from any such non-compliance, particularly as regards the safety of the leisure and entertainment venues located in our properties, could have a material adverse effect on our reputation, business and prospects.

We may incur unanticipated costs related to compliance with health and safety and environmental laws.

We are required to comply with health and safety standards in accordance with applicable laws and regulations in Dubai. If we or our contractors fail to comply with the relevant standards, we may be liable for penalties and our business or reputation could be materially and adversely affected.

We are also required to comply with applicable environmental laws in Dubai and to take certain steps to ensure our contractors' compliance with these laws. While we have no reason to believe that we are not in compliance with all material environmental laws, there can be no assurance that we will not in the future be subject to potential environmental liability. If an environmental liability arises in relation to any of our properties and it is not remedied, is not capable of being remedied, or is required to be remedied at our expense, this may have a material adverse effect on the relevant property and on our business, results of operations and financial condition, either because of the cost implications or because of disruption to operations at the relevant property.

In addition, amendments to existing laws and regulations relating to safety standards and the environment may impose more onerous requirements on us and may necessitate further capital expenditure by us or subject us to other obligations or liabilities, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Inflation may adversely affect our financial condition and results of operations.

Annual consumer price inflation in the UAE was 0.9 per cent., 0.7 per cent., and 1.1 per cent. in 2011, 2012, 2013, respectively. Should inflation increase in the future, our business, results of operations, financial conditions and prospects could be adversely affected by any of the following:

- decreasing tenant sales as a result of decreased consumer spending levels in our properties, which could result in our receipt of lower amounts of net turnover rent or decreased occupancy levels;
- higher operating expenses, utilities costs, maintenance costs and labour costs, and an inability to receive reimbursement from our tenants for their share of the increased operating expenses in the form of service fees; and/or
- difficulty in replacing or renewing expiring leases with new leases at higher rents to compensate for higher operating costs.

We rely on certain key personnel.

We depend on our senior management for the implementation of our business strategy and day-to-day operations. Accordingly, we face risks related to our ability to continue to attract, retain and motivate our senior management and other skilled personnel in our company. If key personnel leave, it will take time to find appropriately qualified candidates to replace them. In addition, if we are unable to retain key members of our senior management team in particular and cannot hire new qualified personnel in a timely manner, this could have a material adverse effect on the management of our properties.

Erosion of trademarks and other intellectual property could materially adversely affect our business.

We rely on brand recognition and the goodwill associated with our businesses. In particular, the names, "The Dubai Mall," "Dubai Marina Mall" and "Gold & Diamond Park" and associated goodwill, brand, trading names and trademarks are critical to our continued success. Substantial erosion in the value of these brands and other brands on which we rely, whether due to property related issues, customer complaints, adverse publicity, legal action, third-party infringements or other factors, could materially adversely affect our business, results of operations, financial condition and prospects.

We are subject to third-party litigation risk by visitors, contractors and tenants of our properties which could result in significant liabilities and damage our reputation.

As a landlord, owner and manager of properties, we are exposed to the risk of litigation or claims by visitors, contractors and tenants of our retail properties. Claims against us may arise for a variety of reasons, including accidents or injuries that visitors may suffer while at our properties, our tenants' inability to enjoy the use of the properties in accordance with the terms of their lease and our failure to perform any of our obligations under any lease. Disputes may also arise in connection with construction or other contracts or agreements entered into with contractors, tenants or other third parties. If we are required to bear all or a portion of the costs arising out of litigation or dispute as a result of a lack of, or inadequate, insurance proceeds, this may have a material adverse effect on our business, results of operations, financial condition and prospects.

We outsource certain services to third party contractors.

We outsource various services to third-party contractors, including housekeeping, general building maintenance, pest control, lift and elevator maintenance, fire and smoke detection and curtain system and firefighting management, security service and waste management. The third-party contractors providing these services must be appropriately skilled to provide a high quality service and may require licences or permits to carry out these services. If our relationship with a contractor deteriorates, or if a contractor becomes insolvent or is otherwise unable to satisfy its contractual obligations, we would have to appoint new contractors, some of which may require licences or permits to work for us. There can be no assurance that a successor contractor could be found with the requisite approvals, licences, resources and willingness to perform the services for a commercially reasonable fee or at all. If this occurs, our business, results of operations, financial conditions and prospects could be materially adversely affected.

Future changes in the AED/U.S.$ exchange rate

Any changes in the process for determination of the AED/U.S.$ exchange rate or changes in the economic environment in Dubai that cause an appreciation of the U.S.$ against the AED could have a material impact on our financial results.

Risks Relating to the UAE and to the MENA Region

Continued instability and unrest in the MENA region may adversely affect the UAE economy.

Since late 2010, there have been significant civil disturbances and political turmoil affecting several countries in the MENA region, which to date have led to the collapse of the political regimes of Tunisia, Egypt and Libya. Syria is currently in a state of civil war, and there have been frequent, and in some instances still ongoing, protests in other countries in the MENA region, including strikes, demonstrations, marches and rallies, including, in particular, in Bahrain and Oman since 2011.

Our operations are located entirely within the UAE, which is generally viewed as being both politically and socially stable. However, continuing instability and unrest in the MENA region may significantly affect the regional economies and the economy of the UAE and, in particular, Dubai, including both the respective financial markets and real economies. These impacts could occur through a lower flow of foreign direct investment into the region, capital outflows or increased volatility in the regional financial markets. Although the UAE has not been directly impacted by the unrest in the broader region to date, it is unclear what impact this unrest may have on the UAE in the future. Our business, financial condition and results of operations may be materially adversely affected if and to the extent this regional volatility leads to an outflow of expatriate residents or capital, a reduction in tourism to Dubai or potential instability or change of Government in the UAE.

Dubai and the UAE may introduce new laws and regulations that adversely affect the way in which we are able to conduct our businesses.

Emerging market economies generally and the UAE in particular are characterised by less comprehensive legal and regulatory environments. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and we expect will continue, to implement new laws and regulations which could impact the way we conduct our business.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to Government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

For example, in 2007, the Dubai, Sharjah and Ajman governments passed laws restricting the ability of landlords to increase commercial rents and, in 2008, the Oman government followed suit. Furthermore, Dubai's legal system for addressing rent disputes is new and largely untested. Any rent disputes in Dubai are, in the first instance, referred to the Rental Dispute Settlement Centre, which began to operate in November 2013. We may therefore face greater uncertainty of outcomes of any rent disputes with our tenants than we would if we operated in jurisdictions with more developed judicial processes.

There can be no assurance that any future changes to current laws would not increase our costs or otherwise materially adversely affect the way in which we conduct our business.

Risks Relating to Emaar Properties

Emaar Properties' interests may, in certain circumstances, be different from the interests of the Certificateholders.

We are a 100 per cent. beneficially owned subsidiary of Emaar Properties. As our shareholder, Emaar Properties is in a position to control the outcome of actions requiring shareholders' approval and also has the ability to approve the election of our director by a general assembly resolution and thus influence decisions by that body.

We are also party to a number of transactions with Emaar Properties and its other group companies, have receivables owing from Emaar Properties' group companies and share a number of services with Emaar Properties.

Potential Certificateholders should note that the interests of Emaar Properties may differ from those of our creditors (including the Certificateholders) and, in any case where those interests conflict, Certificateholders may be disadvantaged.

We engage in transactions with Emaar Properties and other related parties.

Several direct or indirect subsidiaries of Emaar Properties and other related parties lease units in our properties. These related party tenants include Emaar Retail, Symphony LLC, Retail is Detail LLC, RSH

Middle East LLC, At The Top LLC and Hospitality Group LLC. In addition to leasing a number of retail units in our malls, Emaar Retail, in particular, operates The Dubai Aquarium and Underwater Zoo, Dubai Ice Rink, SEGA Republic, Reel Cinemas and Kidzania, which are the landmark entertainment venues and features of The Dubai Mall. In addition, a number of units in our properties are and in the future may be leased by employees of Emaar Properties or employees of other affiliated companies or the family members of such employees.

Leases with Emaar Retail and other related party tenants have in the past been entered into on an arm's length basis pursuant to market terms. However, there can be no assurance that we will be able to enter into transactions on market terms with our related parties in the future.

Factors which are material for the purpose of assessing the market risks associated with the Certificates

Risks relating to the Wakala Assets

Ownership of the Wakala Assets

In order to comply with the requirements of *Shari'a*, an ownership interest in the Wakala Assets comprised within the Wakala Portfolio will pass to the Trustee under the Sale and Purchase Agreement. The Trustee will declare a trust in respect of the Wakala Portfolio and the other Trust Assets in favour of the Certificateholders pursuant to the Declaration of Trust. Accordingly, Certificateholders will, through the ownership interest of the Trustee, have an ownership interest in the Wakala Portfolio unless the transfer of the Wakala Portfolio is prohibited by, or ineffective under, any applicable law (see "— *Transfer of the Wakala Assets*").

No investigation or enquiry will be made and no due diligence will be conducted in respect of any Wakala Assets comprised within the Wakala Portfolio. The Wakala Assets will be selected by Emaar Malls, and the Certificateholders, the Trustee and the Delegate will have no ability to influence such selection. Only limited representations will be obtained from Emaar Malls in respect of the Wakala Assets. In particular, the precise terms of the Wakala Assets will not be known (including whether there are any restrictions on transfer or any further obligations required to be performed by Emaar Malls to give effect to the transfer of the Wakala Assets). No steps will be taken to perfect the transfer of the ownership interest (including registration) in the Wakala Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee in respect thereof.

In addition, if and to the extent that a third party is able to establish a direct claim against the Trustee, the Delegate or any Certificateholders on the basis of any ownership interest in the Wakala Assets, Emaar Malls has agreed in the Declaration of Trust to indemnify the Trustee, the Delegate and the Certificateholders against any such claim. If Emaar Malls is unable to satisfy any such claims then the Certificateholders may suffer losses in excess of the original face amount invested.

Transfer of the Wakala Assets

No investigation has been or will be made as to whether the Wakala Assets may be transferred as a matter of the law governing the contracts (if any), the law of the jurisdiction where such assets are located or any other relevant law. No investigation will be made to determine if the Sale and Purchase Agreement will have the effect of transferring the Wakala Assets.

Nevertheless, upon any Dissolution Event, the Certificateholders will not have any rights of enforcement as against the particular Wakala Assets comprised within the Wakala Portfolio. Their rights are limited to: (i) enforcement against Emaar Malls of its obligation to purchase the Wakala Assets pursuant to the terms of the Purchase Undertaking; and (ii) upon any failure to comply with its obligations under the Transaction Documents as described in this Prospectus, a *pro rata* share of the proceeds of the enforcement thereof. Accordingly, any such restriction on the ability of Emaar Malls to perfect the sale of the Wakala Assets to the Trustee is likely to be of limited consequence to the rights of the Certificateholders.

By way of further assurance, Emaar Malls has covenanted in the Purchase Undertaking and the Declaration of Trust that to the extent that any transfer of any of the Wakala Assets is not effective in any jurisdiction for any reason, it will make restitution in respect of those Wakala Assets, will fully accept title to the Wakala Assets on the basis of the title interest which the Trustee may have in the same and, if that interest is disputed or challenged, will fully indemnify the Trustee for the purpose of redemption in full or in part, as the case may be, of the Certificates and, accordingly, the amount payable under such indemnity will equal the relevant Exercise Price (see "*Summary of the Principal Transaction Documents — Purchase Undertaking*" and "*Summary of the Principal Transaction Documents — Declaration of Trust*").

Emaar Malls has agreed under the terms of the Declaration of Trust to submit to the exclusive jurisdiction of, at the option of the Delegate, the courts of England or the courts of the Dubai International Financial Centre (the "**DIFC Courts**") in respect of any dispute, claim, difference or controversy arising out of or in connection with the Declaration of Trust, subject to the right of the Trustee (or the Delegate on behalf of the Certificateholders) to elect to bring proceedings in any other court or courts of competent jurisdiction. Dubai Law No. 16 of 2011 on Amending Some Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts ("**Law No. 16 of 2011**") came into force in the Emirate of Dubai on 31 October 2011 and extended the jurisdiction of the DIFC Courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the DIFC Courts, even where such parties are unconnected to the DIFC. None of the Trustee, Emaar Malls or the Delegate are connected to the DIFC.

If Emaar Malls fails to purchase the Wakala Assets in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 12 and the terms of the Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Declaration of Trust against Emaar Malls by commencing proceedings in the DIFC Courts. The DIFC Courts should respect the choice of English law as the governing law of the Declaration of Trust.

Under Article 7 of Law No. 16 of 2011, any final and unappealable judgment, order or award made by the DIFC Courts in favour of the Delegate (on behalf of the Certificateholders) must, upon application by the Delegate to the Dubai Court of Execution, be enforced against Emaar Malls by the Dubai Court of Execution without that court being able to reconsider the merits of the case.

Investors should note however that, as at the date of this Prospectus, Law No. 16 of 2011 remains relatively untested and there is therefore no certainty as to how the DIFC Courts intend to exercise their jurisdiction under the new law should any party dispute the right of the DIFC Courts to hear a particular dispute where any party is unconnected to the DIFC.

Total Loss Event

From a *Shari'a* perspective, as owner of the Wakala Assets, the Issuer is required, among other things, to insure the Wakala Assets. The Issuer has appointed Emaar Malls as its servicing agent, which has undertaken in the Service Agency Agreement, *inter alia*, to insure the Wakala Assets in these circumstances in the name of the Issuer against the occurrence of a Total Loss Event for their Full Reinstatement Value. A Total Loss Event is defined as the total loss or destruction of, or damage to the whole of, the Wakala Assets or any event or occurrence that renders the whole of the Wakala Assets permanently unfit for any economic use and (but only after taking into consideration any insurances payable or other indemnity granted by any third party in respect of the Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical, or the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the Wakala Assets, in each case as determined by the Servicing Agent acting for and on behalf of the Trustee.

Nevertheless, should such an event occur the Certificates will be repaid using the proceeds of the insurance received by Emaar Malls. In this scenario, potential investors should be aware that there may be a delay in the Issuer receiving the proceeds of insurance and therefore in the Certificateholders receiving the Dissolution Distribution Amount in respect of their Certificates. In this regard, the Service Agency Agreement provides that if the insurance proceeds for an amount equal to the Full Reinstatement Value are not paid directly into the Transaction Account within 30 days of the occurrence of the Total Loss Event, the Servicing Agent shall have failed in its responsibility to properly insure the Wakala Assets and accordingly (unless it proves beyond any doubt that any shortfall in the insurance proceeds is not attributable to its negligence or its failure to comply with the terms of the Service Agency Agreement relating to insurance) Emaar Malls shall be responsible for paying any shortfall. The Delegate will be entitled to enforce this undertaking against Emaar Malls on behalf of the Certificateholders.

Risks Relating to the Certificates

The Certificates are unsecured obligations and the claims of the Trustee or the Delegate (on behalf of the Certificateholders) will rank behind the claims of Emaar Malls' secured creditors.

Investors should be aware that if Emaar Malls becomes insolvent, any of Emaar Malls' assets which are the subject of a valid security arrangement will not be available to satisfy the claims of any of Emaar Malls' unsecured creditors, including the Trustee or the Delegate (on behalf of holders of the Certificates, or such Certificateholders following a failure by the Delegate to proceed as provided in the Conditions), and the claims of Emaar Malls secured creditors will rank ahead of the claims of such parties accordingly.

The Certificates are limited recourse obligations.

The Certificates are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of the Certificates is limited to the Trust Assets and the proceeds of such Trust Assets are the sole source of payments on the Certificates. Upon receipt by the Trustee of a Dissolution Notice in accordance with the terms of Condition 12, the sole rights of each of the Trustee and/or the Delegate (acting on behalf of the Certificateholders), will be (subject to Condition 13) against Emaar Malls to perform its obligations under the Transaction Documents to which it is a party.

No Certificateholder shall be entitled to proceed directly against the Trustee or Emaar Malls unless the Delegate, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Obligor shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

Following the enforcement, realisation and ultimate distribution of the net proceeds of the Trust Assets in accordance with the Conditions and the Declaration of Trust, the Trustee shall not be liable for any further sums and, accordingly, Certificateholders may not take any action against the Trustee, the Delegate or any other person (including the Obligor) to recover any such sum in respect of the Certificates or the Trust Assets.

After enforcing the Trust Assets and distributing the net proceeds of such Trust Assets in accordance with Condition 5(b), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

Certificates which have a denomination that is not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

The denomination of the Certificates is U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Certificates may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a Certificateholder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 would need to purchase a principal amount of Certificates such that it holds an amount equal to at least U.S.$200,000 to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Certificates are legal investments for it, (ii) Certificates can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

Absence of secondary market/limited liquidity.

The Certificates may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Certificates.

Admission to listing and trading on NASDAQ Dubai cannot be assured.

The Trustee and Emaar Malls have applied for the Certificates to be admitted to listing with the DFSA and trading on NASDAQ Dubai. However, prospective investors should note that there can be no assurance that such admission to listing and trading will occur or, if it occurs, can be maintained. The absence of admission to listing and trading on NASDAQ Dubai stock exchange, or a delisting of the Certificates from such market, may have an adverse effect on a Certificateholder’s ability to hold, or resell, the Certificates.

The Certificates are subject to modification by a majority of Certificateholders without the consent of all Certificateholders.

The Conditions of the Certificates contain provisions for calling meetings of Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting and/or did not sign the Written Resolution or provide the relevant Electronic Consent and Certificateholders who voted in a manner contrary to the majority. The Delegate and the Trustee may agree to modify the Conditions of the Certificates without the consent of the Certificateholders in cases of, *inter alia*, manifest error. For further details of such matters and the relevant majorities required at meetings of Certificateholders, see Condition 14 and the corresponding provisions of the Declaration of Trust.

Investors may not be able to reinvest redemption proceeds of the Certificates at the same or a higher rate than the profit rate applicable to the Certificates.

The Certificates may be redeemed prior to the Scheduled Dissolution Date if: (i) the Trustee has or will become obliged to increase the amounts payable in respect of the Certificates due to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or any authority therein or thereof having power to tax, and such obligation cannot be avoided by the Trustee taking reasonable measures available to it; (ii) the Obligor has or will become obliged to pay additional amounts to the Trustee pursuant to the Service Agency Agreement due to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Arab Emirates or the Emirate of Dubai or any authority therein or thereof having power to tax, and such obligation cannot be avoided by the Trustee taking reasonable measures available to it, in each case in accordance with Condition 8(b); or (iii) 75 per cent. or more in face amount of the Certificates originally issued have been redeemed pursuant to Condition 8(c).

If the Certificates are redeemed as described above, an investor may not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Exchange rate risks and exchange controls

The Trustee will make all payments on the Certificates in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease: (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency equivalent value of the principal payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less amounts under the Certificates than expected, or no such amounts.

Risks relating to enforcement.

There can be no certainty as to the outcome of any application of UAE bankruptcy law.

In the event of Emaar Malls' insolvency, UAE bankruptcy laws may adversely affect Emaar Malls' ability to perform its obligations under the Service Agency Agreement and, consequently, the Trustee's ability to make payments to Certificateholders. There is little precedent to predict how a claim on behalf of Certificateholders against Emaar Malls upon its insolvency would be resolved.

These uncertainties and lack of precedent make it difficult to predict the exact outcome with respect to possible contractual and payment issues and may materially adversely affect Certificateholders' ability to enforce their rights with respect to the Certificates and any other contractual or performance related remedies that might otherwise be available.

A change of law may adversely affect the Certificates.

The structure of the issue of the Certificates is based on English law, the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, the laws of the DIFC and administrative practices in effect as at the date of this Prospectus, and the Certificates and the Transaction Documents (other than the Sale and Purchase Agreement) are governed by English law. No assurance can be given as to the impact of any possible change to English, Dubai, UAE or DIFC law or administrative practices after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of Emaar Malls to comply with its obligations under the Transaction Documents.

Investors may experience difficulty in enforcing arbitral awards and foreign judgments in Dubai.

Ultimately the payments under the Certificates are dependent upon Emaar Malls making payments to the Trustee in the manner contemplated under the Transaction Documents. If Emaar Malls fails to do so, it may be necessary to bring an action against Emaar Malls to enforce its obligations which could be both time consuming and costly. Emaar Malls has irrevocably agreed that the Transaction Documents (other than the Sale and Purchase Agreement) will be governed by English law and that any dispute arising from such Transaction Documents will, unless the option to litigate is exercised, be referred to arbitration in London under the Rules of the London Court of International Arbitration (the "**LCIA**").

Under the Conditions, any dispute arising from the Conditions or any non-contractual obligations arising out of or in connection with them may be referred to arbitration in London under the Rules of the LCIA.

The 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") entered into force in the UAE on 19 November 2006. Any arbitration award rendered in London should therefore be enforceable in Dubai in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Dubai courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE. There have been limited instances where the UAE courts, most notably the Fujairah Court of First Instance and the Dubai Court of Cassation, have ratified or ordered the recognition and enforcement of foreign arbitration awards under the New York Convention. It should be noted that only the Dubai Court of Cassation decision was a final decision. The uncertainty regarding the interpretation and application of the New York Convention provisions by the courts is further reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force within other Emirates. There is therefore no guarantee that the Dubai courts will take the same approach in similar proceedings in the future.

Under the Conditions and the Transaction Documents, any dispute may also be referred to the courts in England (or such other court with jurisdiction which the Delegate may elect).

Where an English judgment, or such other foreign judgment, has been obtained, there is no assurance that Emaar Malls has or would at the relevant time have assets in the United Kingdom against which such a judgment could be enforced. Emaar Malls is incorporated in, and under the laws of, Dubai and the UAE and all of its assets are located in the UAE. Under current UAE federal law, the courts in the UAE are unlikely to enforce an English judgment, or such other foreign judgment, without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Transaction Documents or the Certificates. In addition, even if English law is accepted as the governing law, this will only be applied to the extent that it is compatible with the laws of Dubai and the UAE, and public policy. This may mean that the Dubai courts may seek to interpret English law governed documents as if governed by UAE law and there can therefore be no certainty that in those circumstances the Dubai courts would give effect to such documents in the same manner as the parties may intend.

As the UAE judicial system is based on a civil code, judicial precedents in the UAE have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in the UAE. These factors create greater judicial uncertainty. The enforcement of a foreign judgment or arbitral award may be a lengthy process in the UAE.

Any dispute under the Conditions and the Transaction Documents may also be referred to the DIFC Courts. See "— *Factors which are material for the purpose of assessing the market risks associated with the Certificates — Risks relating to the Wakala Assets — Transfer of the Wakala Assets*" for certain considerations in connection with the enforcement of a judgment of the DIFC Courts in Dubai.

Additional Risk Factors.

Investors in the Certificates must rely on Euroclear and Clearstream, Luxembourg procedures.

The Certificates will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the ownership interests in the Global Certificate. While the Certificates are represented by the Global Certificate, investors will be able to trade their ownership interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Certificates are represented by the Global Certificate, the Trustee will discharge its payment obligation under the Certificates by making payments through the relevant clearing systems. A holder of an ownership interest in the Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, ownership interests in the Global Certificate.

Holders of ownership interests in the Global Certificate will not have a direct right to vote in respect of the Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

No assurance can be given as to Shari'a rules.

The Executive Committee of the Fatwa and Shariah Advisory Board of Dubai Islamic Bank P.J.S.C., Dar Al Shari'a Legal & Financial Consultancy, the Executive Committee of the Fatwa and Shariah Advisory Board of First Gulf Bank P.J.S.C., the Shari'a Supervisory Board of Morgan Stanley & Co International plc, the Fatwa and Shari'a Supervisory Board of Noor Islamic Bank P.J.S.C. and the Shari'a Supervisory Committee of Standard Chartered Bank have confirmed that the Transaction Documents are, in their view, *Shari'a* compliant. However, there can be no assurance that the Transaction Documents or the issue and trading of the Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars. None of the Trustee, Emaar Malls, the Delegate or the Joint Lead Managers makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof and potential investors are reminded that, as with any *Shari'a* views, differences in opinion are possible.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties would be, if in dispute, the subject of arbitration in London under the LCIA Rules. Emaar Malls has also agreed under certain of the Transaction Documents to submit to the jurisdiction of the courts of England or the DIFC Courts, at the option of the Trustee. In such circumstances, the arbitrator or judge, as the case may be, will first apply the relevant law of the relevant Transaction Document rather than *Shari'a* principles in determining the obligation of the parties.

Shari'a requirements in relation to interest awarded by a court.

In accordance with applicable *Shari'a* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by any court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment given against Emaar Malls, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

Risk Factors relating to taxation.

Foreign Account Tax Compliance Act withholding may affect payments on the Certificates.

Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to: (a) certain payments from sources within the United States; (b) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime; and (c) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Certificates are in global form and held within Euroclear and Clearstream, Luxembourg, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by Euroclear and Clearstream, Luxembourg. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Trustee's obligations under the Certificates are discharged once it has paid a common depositary for Euroclear and Clearstream, Luxembourg, and the Trustee has therefore no responsibility for any amount thereafter transmitted through Euroclear and Clearstream, Luxembourg and custodians or intermediaries. Prospective investors should refer to the section "*Taxation — Foreign Account Tax Compliance Act*".

Taxation risks on payments

Payments made by Emaar Malls to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to taxation. The Service Agency Agreement requires Emaar Malls to pay additional amounts in the event that any withholding or deduction is required by UAE law to be made in respect of payments made by it to the Trustee under that document. Furthermore, Condition 10 provides that the Trustee is required to pay additional amounts in respect of any such withholdings or deductions imposed by the Cayman Islands, the United Arab Emirates or the Emirate of Dubai or any other authority thereof having power to tax in certain circumstances. If the Trustee fails to gross-up for any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, Emaar Malls has, pursuant to the Declaration of Trust, unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 10 in respect of any withholding or deduction in respect of any tax as set out in that Condition.

The circumstances described above may entitle Emaar Malls and the Trustee to redeem the Certificates pursuant to Condition 8(b). See "*— Risks Relating to the Certificates — Investors may not be able to reinvest redemption proceeds of the Certificates at the same or a higher rate than the profit rate applicable to the Certificates*" for a description of the consequences thereof.

EU Savings Directive

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest (or similar income, which may include Periodic Distribution Amounts) paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

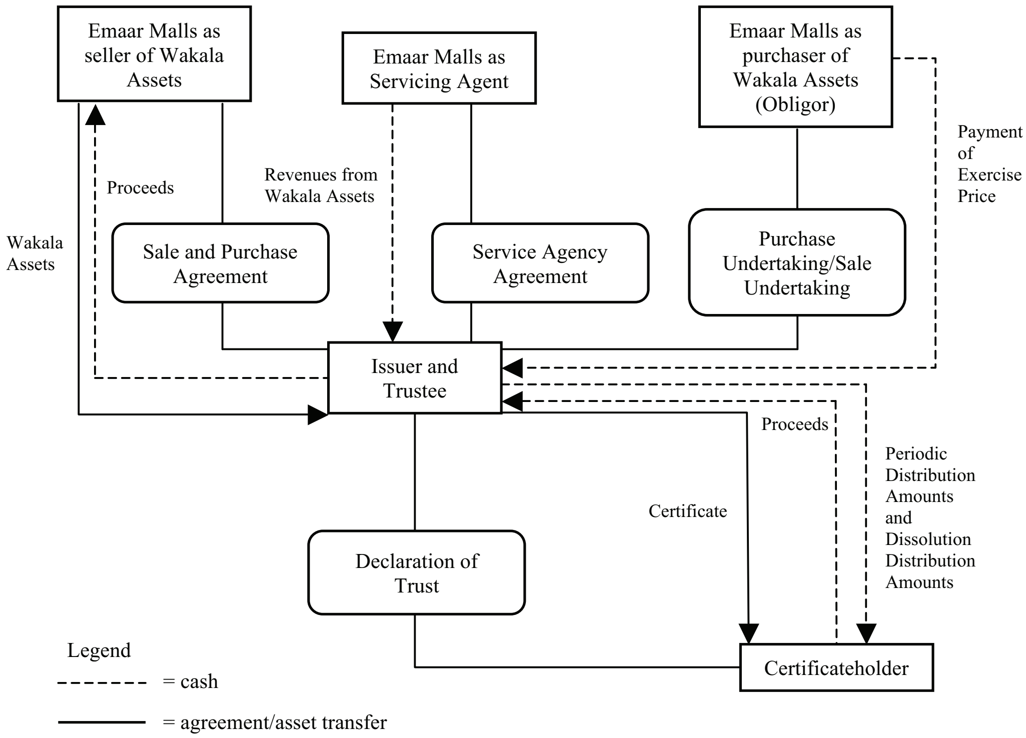
If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Trustee nor any

Paying Agent (as defined in the Conditions) nor any other person would be obliged to pay additional amounts with respect to any Certificates as result of the imposition of such withholding tax.

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Certificates. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read this entire Prospectus carefully, especially the risks of investing in the Certificates discussed under "Risk Factors".

Structure Diagram



Principal cash flows

Payments by the Certificateholders and the Trustee

On the Closing Date, the Trustee will use the proceeds of the Certificates to purchase from Emaar Malls a portfolio (the "**Initial Wakala Portfolio**") of identified income generating real estate related assets consisting of retail units (the "**Real Estate Assets**"), each of which is situated in a mall, shopping centre or other property development and is leased (other than on the basis of a finance lease) to a third party as at the Closing Date (in each case, the lease relating thereto, a "**Lease**" and each such Real Estate Asset which becomes part of the Wakala Portfolio, a "**Wakala Asset**" and the portfolio of such Wakala Assets from time to time, the "**Wakala Portfolio**"). The Trustee will appoint Emaar Malls as the Servicing Agent to manage the Wakala Portfolio pursuant to the Service Agency Agreement.

Periodic Distribution Payments

Prior to each Periodic Distribution Date, the Servicing Agent will pay to the Trustee (by way of a payment into the Transaction Account) an amount comprising returns generated by the Wakala Portfolio ("**Wakala Portfolio Revenues**") during the relevant Wakala Distribution Period, which is intended to be sufficient to fund the Required Amount (as defined below) and shall be applied by the Trustee for that purpose.

If the Wakala Portfolio Revenues to be paid by the Servicing Agent into the Transaction Account on any Wakala Distribution Determination Date (being the Business Day immediately prior to the relevant Periodic Distribution Date) are greater than the Required Amount in respect of the Certificates on the immediately following Periodic Distribution Date, the amount of any excess shall be retained by the Servicing Agent as a reserve and credited to a separate ledger account (the "**Wakala Reserve Collection Account**") maintained by the Servicing Agent and the amount to be transferred to the Transaction Account in respect of such Wakala Portfolio Revenues shall be reduced accordingly.

If there is a shortfall on any Wakala Distribution Determination Date (after transfer of the Wakala Portfolio Revenues into the Transaction Account as described above) between: (i) the amounts standing to the credit of the Transaction Account; and (ii) the aggregate of the Periodic Distribution Amounts (the "**Required Amount**") payable in respect of the Certificates on the immediately following Periodic Distribution Date (a "**Shortfall**"), the Servicing Agent shall first apply the amounts standing to the credit of the Wakala Reserve Collection Account (if any) towards such Shortfall by transferring into the Transaction Account from the Wakala Reserve Collection Account on that Wakala Distribution Determination Date an amount equal to the lesser of the Shortfall and the then balance of the Wakala Reserve Collection Account. If, having applied such amounts standing to the credit of the Wakala Reserve Collection Account (if any), any part of the Shortfall still remains, the Servicing Agent may either:

(a) provide non-interest bearing (or otherwise *Shari'a* compliant) funding to the Trustee itself; or

(b) procure non-interest bearing (or otherwise *Shari'a* compliant) funding from a third party to be paid to the Trustee,

in each case in the amount required to ensure that there is no Shortfall and on terms that such funding is repayable from future excess Wakala Portfolio Revenues or on the date on which the Certificates are redeemed in full through a deduction (by way of set-off) from the Exercise Price payable under the Sale Undertaking or the Purchase Undertaking, as applicable (each a "**Liquidity Facility**").

Dissolution Payments

On the Scheduled Dissolution Date, the Trustee will have the right under the Purchase Undertaking to require Emaar Malls to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio. The Exercise Price payable by Emaar Malls is intended to fund the Dissolution Distribution Amount payable by the Trustee.

The Trust may be dissolved prior to the Scheduled Dissolution Date for the following reasons: (i) redemption following a Dissolution Event, (ii) an early redemption for tax reasons, (iii) at the option of the Certificateholders following any Change of Control Event, (iv) at the option of Emaar Malls if 75 per cent. or more of the face amount of the Certificates originally issued have been redeemed pursuant to Condition 8(c) (and/or otherwise previously purchased and cancelled pursuant to Condition 8(g)) and (v) upon the occurrence of a Total Loss Event.

In the case of (i) above, the amounts payable by the Trustee on the due date for dissolution will be funded in a similar manner as for the payment of the Dissolution Distribution Amount on the Scheduled Dissolution Date. In the case of (ii) and (iv) above, Emaar Malls will have the right under the Sale Undertaking to require the Trustee to sell to Emaar Malls all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio. The exercise price payable by Emaar Malls is then intended to fund the amounts payable by the Trustee on the due date for dissolution. In the case of (iii) above, the Trustee will redeem the Certificates on the Change of Control Event Put Right Date, at the Dissolution Distribution Amount. Any such redemption shall be funded through the exercise by the Trustee of its right under the Purchase Undertaking to require Emaar Malls to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Change of Control Event Wakala Assets with an aggregate value no greater than the aggregate face amount of the Certificates to be redeemed. In the case of (v) above, the amounts payable to Certificateholders will be an amount equal to the sum of: (A) the proceeds of any insurance policies which the Servicing Agent has entered into for and on behalf of the Trustee in respect of the relevant Real Estate Assets and/or any Total Loss Shortfall Amount; and (B) all of the Wakala Portfolio Revenues credited to the Collection Accounts (as defined in the Service Agency Agreement) which the Servicing Agent is required to transfer to the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event, such amount being intended to be sufficient in order to redeem the Certificates in full.

OVERVIEW OF THE OFFERING

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus. This overview does not contain all of the information that an investor should consider before investing in the Certificates. Each investor should read the entire Prospectus carefully, especially the risks of investing in the Certificates discussed under "Risk Factors".

Words and expressions defined in the Conditions shall have the same meanings in this overview.

Certificates	U.S.$ [●] trust certificates due [●].
Trustee	EMG Sukuk Limited as Issuer of the Certificates and as trustee for and on behalf of the Certificateholders, an exempted company with limited liability incorporated on 23 April 2014 under the laws of the Cayman Islands and formed and registered in the Cayman Islands with registered number 287329 with its registered office at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands.
Ownership of the Trustee	The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 ordinary shares of U.S.$1.00 each, of which 250 shares are fully-paid and issued. The Trustee's entire issued share capital is held on trust for charitable purposes by MaplesFS Limited as share trustee under the terms of the Share Declaration of Trust.
Administration of the Trustee	The affairs of the Trustee are managed by MaplesFS Limited (the "**Corporate Administrator**"), who has agreed to perform certain management functions and provide certain management, administrative and other services pursuant to a Corporate Services Agreement dated [●] June 2014 between MaplesFS Limited and the Trustee (the "**Corporate Services Agreement**"). The Corporate Administrator's registered office is P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.
Obligor, Seller and Service Agent	Emaar Malls Group LLC, incorporated in the UAE on 19 December 2005 with registration number 77763.
Risk Factors	Certain factors may affect the Trustee's ability to fulfil its obligations under the Certificates and Emaar Malls' ability to fulfil its obligations under the Transaction Documents to which it is a party. In addition, certain factors are material for the purpose of assessing the market risks associated with the Certificates. These are set out under "*Risk Factors*".
Joint Lead Managers	Dubai Islamic Bank P.J.S.C., Emirates NBD Capital Limited, First Gulf Bank P.J.S.C., Mashreqbank P.S.C., Morgan Stanley & Co. International plc, National Bank of Abu Dhabi P.J.S.C., Noor Islamic Bank P.J.S.C. and Standard Chartered Bank.
Delegate	Deutsche Trustee Company Limited. Pursuant to the Declaration of Trust, the Trustee shall delegate to the Delegate certain of the present and future powers, trusts, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified

	and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Obligor and/or Emaar Malls following a Dissolution Event.
Principal Paying Agent	Deutsche Bank AG, London Branch.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Summary of the transaction structure and Transaction Documents	An overview of the structure of the transaction and the principal cash flows is set out under "*Structure Diagram and Cash Flows*" and a description of the principal terms of certain of the Transaction Documents is set out under "*Summary of the Principal Transaction Documents*".
Closing Date	[●] June 2014.
Issue Price	[●] per cent.
Scheduled Dissolution Date	Unless the Certificates are previously redeemed or purchased and cancelled, the Certificates shall be redeemed by the Trustee at the Dissolution Distribution Amount on the Scheduled Dissolution Date (being [●]) and the Trust will be dissolved by the Trustee.
Dissolution Date	The Dissolution Date shall be, as the case may be: (i) following the occurrence of a Dissolution Event, the date on which the Certificates are redeemed in accordance with the provisions of Condition 12; (ii) following the occurrence of an early redemption for tax reasons or a Total Loss Event, the date on which the Certificates are redeemed in accordance with the provisions of Condition 8; (iii) any Change of Control Event Put Right Date; or (iv) the Clean Up Call Right Dissolution Date.
Periodic Distribution Dates	[●] and [●] every year, commencing on [●] December 2014.
Periodic Distributions	A profit distribution shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date and shall accrue at the rate of [●] per cent. per annum.
Return Accumulation Period	The period from and including the Closing Date to but excluding the first Periodic Distribution Date and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date or, if earlier, the relevant Dissolution Date.
Optional Redemption by the Trustee	The Conditions will contain a provision for optional redemption by the Trustee, at any time, in whole but not in part if (i) (A) the Trustee has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after [●] June 2014, and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or (ii) (A) the Obligor has or will become obliged to pay additional amounts to the Trustee pursuant to the terms of the Service Agency Agreement as a result of any change in, or amendment to, the laws or regulations of the United Arab Emirates or the Emirate of Dubai or any political

subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after [●] June 2014, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it. The terms of exercise are further described in Condition 8(b).

Optional Redemption by Certificateholders upon a Change of Control Event

The Conditions will contain a provision for optional redemption by any Certificateholder of all or part of the Certificates held by it, at the Dissolution Distribution Amount, upon the occurrence of a Change of Control Event. A Change of Control Event shall occur if Emaar Properties PJSC ceases to own, directly or indirectly, more than 50 per cent. of the issued share capital of the Obligor or otherwise ceases to control, directly or indirectly, the Obligor, as more particularly described in Condition 8(c).

Furthermore, if 75 per cent. or more in face amount of the Certificates originally issued have been redeemed pursuant to Condition 8(c) (and/or otherwise previously purchased and cancelled pursuant to Condition 8(g)), the Obligor may in its sole discretion instruct the Trustee to redeem all (but not some only) of the remaining outstanding Certificates at their Dissolution Distribution Amount.

The terms of exercise are further described in Condition 8(c).

Total Loss Event

A "**Total Loss Event**" is: (i) the total loss or destruction of, or damage to the whole of, the Wakala Assets or any event or occurrence which renders the whole of the Wakala Assets permanently unfit for any economic use and (but only after taking into consideration any insurances payable or other indemnity granted by any third party in respect of the Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the Wakala Assets, in each case as determined by the Servicing Agent acting for and on behalf of the Trustee.

The Servicing Agent will irrevocably undertake with the Trustee, in relation to the Wakala Portfolio to: (a) ensure that the Wakala Assets are properly insured (and to use its reasonable endeavours to obtain such insurances on a *takaful* basis if such *takaful* insurance is available on commercially viable terms) to the extent consistent with general industry practice by prudent owners of similar assets, and, accordingly, will effect such insurances in respect of the Wakala Assets (the "**Insurances**"), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event and ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the "**Full Reinstatement Value**" (being the aggregate face amount of the Certificates plus all accrued but unpaid Periodic Distribution Amounts relating to such Certificates); (b) promptly make a claim in respect of each loss relating to the Wakala Assets in accordance with the terms of the Insurances; and (c) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are paid in U.S. dollars directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly.

If the Servicing Agent fails to comply with such undertaking and as a result of such breach the amount (if any) credited to the Transaction Account pursuant to the Service Agency Agreement is less than the Full Reinstatement Value (the difference between such Full Reinstatement Value and the amount credited to the Transaction Account being the "**Total Loss Shortfall Amount**"), then the Servicing Agent (unless it proves beyond any doubt that any shortfall in the insurance proceeds is not attributable to its negligence or its failing to comply with the terms of the Service Agency Agreement relating to insurance) will irrevocably and unconditionally indemnify (on an after Tax basis) the Trustee for the Total Loss Shortfall Amount, which will be payable (in same day, freely transferable, cleared funds) directly to the Transaction Account by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Thereafter, and subject to the Servicing Agent's strict compliance with such obligations, any insurance proceeds received from such insurer will be for the Servicing Agent's sole account and the Trustee shall have no further rights against the Servicing Agent in respect of its breach of such insurance provisions. Any such breach will not however constitute a Obligor Event.

Form of Certificates

The Certificates will be issued in registered form as described in "*Global Certificate*". The Certificates will be represented on issue by ownership interests in a Global Certificate which will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in the Global Certificate only in limited circumstances.

Clearance and Settlement

Certificateholders must hold their interest in the Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing systems.

Denomination of the Certificates

The Certificates will be issued in registered form in face amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Status of the Certificates

Each Certificate will represent an undivided ownership interest in the Trust Assets, will be a limited recourse obligation of the Trustee and will rank *pari passu* without any preference or priority with all other Certificates; see Condition 4.

The payment obligations of Emaar Malls under the Transaction Documents to which it is a party shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)(i), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

Trust Assets

The Trust Assets comprise:

(a) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Portfolio;

(b) the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding (A) any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to Clause 18.1 of the Declaration of Trust); and

(c) all monies standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing. The Trustee shall hold the Trust Assets upon trust absolutely for and on behalf of the Certificateholders pro rata according to the face amount of Certificates held by each holder in accordance with the Declaration of Trust and the Conditions.

Dissolution Events

Subject to Condition 12, upon the occurrence of a Dissolution Event the Trustee and/or the Delegate shall take the actions referred to in Condition 13.

Withholding Tax

Subject to Condition 9(b) and Condition 10, all payments in respect of the Certificates shall be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Cayman Islands, the United Arab Emirates or the Emirate of Dubai or any authority thereof having power to tax, unless such withholding or deduction is required by law. In such event (and subject as aforesaid), the Trustee will pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required.

The Transaction Documents provide that payments thereunder by the Obligor shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Arab Emirates or the Emirate of Dubai or any authority thereof having power to tax, unless such withholding or deduction is required by law and, in such case, provide for the payment by the Obligor of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

Trustee Covenants

The Trustee has agreed to certain restrictive covenants as set out in Condition 6(a).

Obligor Negative Pledge and Other Covenants	The Obligor has agreed to certain covenants as set out in Condition 6(b).
Cancellation of Certificates held by Emaar Malls, any Subsidiary of Emaar Malls and/or the Trustee	Pursuant to Condition 8(g), Emaar Malls, any Subsidiary of Emaar Malls and/or or the Trustee may at any time purchase Certificates in the open market or otherwise. If Emaar Malls wishes to cancel such Certificates purchased by it, Emaar Malls will deliver those Certificates to the Principal Paying Agent for cancellation. Emaar Malls may also exercise its option under the Sale Undertaking to require the Trustee to transfer to Emaar Malls all of its rights, title, interests, benefits and entitlements in, to and under the Cancellation Wakala Assets (as defined in the Sale Undertaking) with an aggregate value no greater than the aggregate face amount of the Certificates so delivered to the Principal Paying Agent for cancellation and, upon such cancellation, the Trustee will transfer those Wakala Assets to Emaar Malls.
Wakala Asset Substitution	The Servicing Agent may substitute Wakala Assets in accordance with the relevant provisions of the Service Agency Agreement and the Sale Undertaking, provided that the value of any substitute assets shall have an aggregate value which is not less than the aggregate value of the Wakala Assets to be so substituted.
Ratings	The Certificates are expected to be assigned a rating of "[BBB-]" by Standard & Poor's and "[Baa2]" by Moody's. A rating is not a recommendation to buy, sell or hold the Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Certificateholder Meetings	A summary of the provisions for convening meetings of the Certificateholders to consider matters relating to their interests as such is set out in Condition 14.
Tax Considerations	See "*Taxation*" for a description of certain tax considerations applicable to the Certificates.
Listing and Admission to Trading	Application has been made to the DFSA for the Certificates to be admitted to the official list of securities maintained by the DFSA and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai.
Transaction Documents	The Declaration of Trust, the Agency Agreement, the Sale and Purchase Agreement, the Service Agency Agreement, the Purchase Undertaking and the Sale Undertaking are referred to herein as the "**Transaction Documents**".
Governing Law and Dispute Resolution	The Certificates and any non-contractual obligations arising out of or in connection with the Certificates will be governed by, and construed in accordance with, English law. The Declaration of Trust, the Agency Agreement, the Service Agency Agreement, the Purchase Undertaking and the Sale Undertaking and any non-contractual obligations arising out of or in connection with the same will be governed by English law. In respect of any dispute under any such agreement or deed to which it is a party, Emaar Malls has agreed to arbitration in London under the LCIA Rules. Emaar Malls has also agreed to submit to the jurisdiction of the courts of England or the DIFC Courts, at the

option of the Trustee, in respect of any dispute under the Declaration of Trust, the Agency Agreement, the Service Agency Agreement, the Purchase Undertaking and the Sale Undertaking (subject to the right of the Trustee and the Delegate to require any dispute to be resolved by any other court of competent jurisdiction).

Each of the Sale and Purchase Agreement, each Sale Agreement and Transfer Agreement entered into under the Purchase Undertaking and each Sale Agreement and Transfer Agreement entered into under the Sale Undertaking will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, and will be subject to the non-exclusive jurisdiction of the Dubai courts.

Waiver of Immunity

To the extent that the Obligor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Obligor or its assets or revenues, the Obligor has agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.

Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as otherwise provided in Condition 4(b), the Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Obligor, any of the Agents or any of their respective affiliates. Subject to Condition 12, if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders or corporate services provider in their capacity as such) (other than the Trust Assets) or of the Delegate or the Agents or any of their respective affiliates, in each case in respect of any shortfall or otherwise. See Condition 4(b) for further details.

Selling Restrictions

There are restrictions on the distribution of this Prospectus and the offer or sale of Certificates in the United States, the United Kingdom, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Cayman Islands, the Kingdom of Bahrain, the State of Qatar and Malaysia. See "*Subscription and Sale*".

Use of Proceeds

The proceeds of the issue of the Certificates will be paid by the Trustee (as Purchaser) to Emaar Malls (as Seller) for the purchase from the Seller of all of its rights, title, interests, benefits, entitlements in, to and under the Initial Wakala Portfolio as described in "*Use of Proceeds*".

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which (subject to modification and except for the text in italics) will be endorsed on each Certificate in definitive form and will apply to the Global Certificate.

EMG Sukuk Limited (in its capacity as issuer and in its capacity as trustee as applicable, the "**Trustee**") has issued trust certificates (the "**Certificates**") in an aggregate face amount of U.S.$ [●].

The Certificates are constituted by a declaration of trust dated [●] June 2014 (the "**Issue Date**") between (among others) the Trustee, Emaar Malls Group LLC (the "**Obligor**") and Deutsche Trustee Company Limited as the Trustee's delegate (the "**Delegate**", which expression shall include all persons for the time being the delegate or delegates under the Declaration of Trust) (the "**Declaration of Trust**").

An Agency Agreement (the "**Agency Agreement**") dated the Issue Date has been entered into in relation to the Certificates between the Trustee, the Obligor, the Delegate, Deutsche Bank AG, London Branch as initial principal paying agent and the other agents named in it. The principal paying agent, the other paying agents, the registrar and the transfer agents are referred to below respectively as the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Principal Paying Agent), the "**Registrar**" and the "**Transfer Agents**" (which expression shall include the Registrar), and together the "**Agents**".

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Declaration of Trust, which includes the form of Certificates referred to below, the Agency Agreement and the remaining Transaction Documents (as defined below). The Certificateholders are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents. Copies of the Transaction Documents are available for inspection and/or collection during usual business hours at the principal office of the Delegate and of the Principal Paying Agent.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (a) to apply the proceeds of the issue of the Certificates towards the purchase from the Obligor of the Initial Wakala Portfolio described in the Sale and Purchase Agreement, and (b) to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions.

1 Interpretation

Unless defined herein or the context otherwise requires, capitalised words and expressions used but not defined herein shall have the meaning given to them in the Declaration of Trust and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings:

"**Asset Sale**" means any sale, sale and lease back, transfer or other disposition by any member of the Group of all or any of the legal or beneficial interest in any Capital Stock or any property or assets of any member of the Group (either in one transaction or in a series of related transactions at the same time or over a period of time) to any Person who is not a member of the Group;

"**Authorised Signatory**" means, in relation to the Obligor, any person who: (a) is a director or manager of the Obligor; or (b) is duly authorised and in respect of whom a certificate has been provided to the Delegate signed by a director, manager or another duly authorised person of the Obligor setting out the name and signature of such person and confirming such person's authority to act;

"**Average Life**" means, as of the date of determination with respect to any Financial Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of:

 (i) the numbers of years from the date of determination to the date or dates of each successive scheduled principal payment of such Financial Indebtedness; and

(ii) the amount of each such principal payment;

by

(b) the sum of all such principal payments;

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's equity, including any preferred stock of such Person, whether outstanding at the Issue Date or issued after the Issue Date, including, without limitation, all series and classes of such Capital Stock;

"**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in U.S. dollars;

"**Calculation Amount**" means U.S.$1,000;

"**Certificateholder**" or "**holder**" has the meaning given to it in Condition 2;

"**Change of Control Event**" shall occur if at any time Emaar Properties PJSC ceases to own, directly or indirectly, more than 50 per cent. of the issued share capital of the Obligor or otherwise ceases to control, directly or indirectly, the Obligor and "**control**" for these purposes shall be the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of the Obligor or to control or have the power to control the affairs and policies of the Obligor (in each case whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise);

"**Change of Control Event Exercise Notice**" has the meaning given to it in Condition 8(c);

"**Change of Control Event Notice**" has the meaning given to it in Condition 8(c);

"**Change of Control Event Put Period**" has the meaning give to it in Condition 8(c);

"**Change of Control Event Put Right**" means the right exercisable by Certificateholders pursuant to Condition 8(c);

"**Change of Control Event Put Right Date**" shall be the tenth Business Day after the expiry of the Change of Control Event Put Period;

"**Clean Up Call Right Dissolution Date**" has the meaning given to it in Condition 8(c);

"**Consolidated Cash and Cash Equivalents**" means, at any time:

(a) cash in hand or on deposit with any acceptable bank;

(b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an acceptable bank;

(c) any investment in marketable obligations issued or guaranteed by (i) the government of the United States of America or the United Kingdom or by an instrumentality or agency of the government of the United States of America or the United Kingdom having an equivalent credit rating or (ii) the Government of the UAE or the Government of Dubai or the Government of Abu Dhabi, provided in the case of (ii) such obligations have a maturity of less than one year;

(d) open market commercial paper:

(i) for which a recognised trading market exists;

(ii) issued in the United States of America or the United Kingdom;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 by Standard & Poor's or Fitch or P-1 by Moody's or if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating;

(e) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an acceptable bank. An acceptable bank for this purpose is a commercial bank or trust company which has a rating of BBB- or higher by Standard & Poor's or Fitch or Baa3 or higher by Moody's or a comparable rating from a nationally recognised credit rating agency for its long-term obligations;

"**Consolidated EBITDA**" means, in respect of any Measurement Period, the consolidated net pre-taxation profits of the Group for such Measurement Period as adjusted by:

(a) adding back Consolidated Net Finance Charges Payable;

(b) taking no account of any exceptional or extraordinary item;

(c) adding back any amount attributable to minority interests;

(d) adding back depreciation and amortisation; and

(e) taking no account of any revaluation of an asset or any loss or gain over book value arising on the disposal of an asset (otherwise than the ordinary course of trading) by a member of the Group during the Measurement Period, and:

(i) including the net pre-taxation profits of a member of the Group or business or assets acquired during that Measurement Period for the part of that Measurement Period when it was not a member of the Group and/or the business or assets were not owned by a member of the Group; but

(ii) excluding the net pre-taxation profits attributable to any member of the Group or to any business or assets sold during that Measurement Period;

"**Consolidated Finance Charges Payable**" means, in respect of any Measurement Period, all Finance Charges (but excluding Finance Charges on trade payables) incurred by the Group during such Measurement Period;

"**Consolidated Finance Charges Receivable**" means, in respect of any Measurement Period, all financing charges received or receivable by the Group during such Measurement Period;

"**Consolidated Net Finance Charges Payable**" means, in respect of any Measurement Period, Consolidated Finance Charges Payable less Consolidated Finance Charges Receivable during such Measurement Period;

"**Consolidated Total Indebtedness**" means, in respect of the Group, at any time the aggregate of the following:

(a) the outstanding principal amount of any monies borrowed but excluding all trade payables (as defined in the most recently available audited financial statements or interim financial statements, as the case may be, of the Obligor);

(b) the outstanding principal amount of any bond, note, debenture, loan stock or other similar instrument;

(c) the capitalised element of indebtedness under a finance or capital lease;

(d) the outstanding principal amount of all monies owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);

(e) the outstanding principal amount of any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;

(f) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (b) above;

(g) the outstanding principal amount of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement and whether in connection with any Islamic financing arrangements or otherwise) which has the commercial effect of a borrowing; and

(h) the outstanding principal amount of any indebtedness of any person of a type referred to in paragraphs (a) to (g) above which is the subject of a guarantee, indemnity or similar assurance against financial loss given by a member of the Group;

"**Consolidated Total Net Indebtedness**" means at any time Consolidated Total Indebtedness less Consolidated Cash and Cash Equivalents;

"**Corporate Administrator**" means MaplesFS Limited as corporate administrator of the Trustee;

"**Corporate Services Agreement**" means the corporate services agreement entered into between the Trustee and the Corporate Administrator on or about the Issue Date;

"**Day Count Fraction**" has the meaning given to it in Condition 7(b);

"**Delegation**" has the meaning given to it in Condition 15(a);

"**DIFC**" means the Dubai International Financial Centre;

"**Dispute**" has the meaning given to it in Condition 19(b);

"**Dissolution Date**" means, as the case may be,

(a) the Scheduled Dissolution Date;

(b) any Early Tax Dissolution Date;

(c) any Change of Control Event Put Right Date;

(d) any Total Loss Event Dissolution Date;

(e) any Dissolution Event Redemption Date; or

(f) the Clean Up Call Right Dissolution Date;

"**Dissolution Distribution Amount**" means the sum of:

(a) the outstanding face amount of such Certificate; and

(b) any due and unpaid Periodic Distribution Amounts for such Certificate;

"**Dissolution Event**" means an Obligor Event or a Trustee Event;

"**Dissolution Event Redemption Date**" has the meaning given to it in Condition 12(a);

"**Dissolution Notice**" has the meaning given to it in Condition 12(a)(ii);

"**Early Tax Dissolution Date**" has the meaning given to it in Condition 8(b);

"**EBIT**" means, in respect of any Measurement Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

(a) before deducting any interest/profit, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Measurement Period;

(b) not including any accrued interest/profit owing to any member of the Group;

(c) before taking into account any Exceptional Items;

(d) before taking into account any unrealised gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis);

(e) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation;

"**EBITDA**" means, in respect of any Measurement Period, EBIT for that Measurement Period after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Group, as determined by reference to the most recently published consolidated financial statements of the Group prepared in accordance with IFRS;

"**Exceptional Items**" means any exceptional, one off, non-recurring or extraordinary items;

"**Exercise Notice**" means an exercise notice given pursuant to the terms of the Purchase Undertaking or the Sale Undertaking (as the case may be);

"**Expected Wakala Portfolio Revenues**" has the meaning given to it in the Service Agency Agreement;

"**Extraordinary Resolution**" has the meaning given to it in the Declaration of Trust;

"**Fair Market Value**" means, with respect to any Capital Stock, asset or property, the sale value that would be paid in an arm's-length transaction between an independent, informed and willing seller under no compulsion to sell and an independent, informed and willing buyer under no compulsion to buy;

"**Finance Charges**" means, for any Measurement Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness (whether, in each case, paid or payable by any member of the Group (calculated on a consolidated basis)) in respect of that Measurement Period;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit or bill discount facility (or dematerialised equivalent);

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond (other than performance or bid bonds), standby or documentary letter of credit or any other instrument issued by a bank or financial institution by way of support for borrowings under paragraphs (a) to (e) (inclusive) and (g) to (k) (inclusive) of this definition;

(g) shares which are expressed to be redeemable shares or any amount raised by the issue of such shares which are redeemable on or prior to the Scheduled Dissolution Date;

(h) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of an asset or service;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and leaseback arrangement, sale and saleback arrangement or securitisation) having the commercial effect of a borrowing;

(j) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(k) obligations incurred in respect of any Islamic financing arrangement; and

(l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) (inclusive) above,

but shall not include any indebtedness owed by one member of the Group to another member of the Group;

"**Fitch**" means Fitch Ratings Ltd;

"**Full Reinstatement Value**" has the meaning given to it in the Service Agency Agreement;

"**Group**" means the Obligor and its Subsidiaries (if any);

"**IFRS**" means International Financial Reporting Standards as published by the International Accounting Standard Board;

"**Indebtedness**" means all obligations, and guarantees or indemnities in respect of obligations, for moneys borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) or any *Shari'a* compliant alternative of the foregoing other than any such obligations, guarantees or indemnities owing or given by one member of the Group to another member of the Group;

"**Independent Appraiser**" means (i) for the purposes of assets comprising interests in real estate and leases, an independent registered firm of chartered surveyors and (ii) for the purposes of any assets other than those described in (i), any independent firm of appraisers or internationally recognised investment banking firm or firm of public accountants, in the case of (i) and (ii) being of international standing, selected by the Obligor;

"**Investment Grade Rating**" means a rating equal to or higher than: (i) Baa3 (or the equivalent) by Moody's; (ii) BBB- (or the equivalent) by Standard & Poor's; or (iii) BBB- (or the equivalent) by Fitch or in each case the equivalent thereof from any other Rating Agency (as applicable);

"**Investment Grade Status**" means that the Obligor has an Investment Grade Rating from at least two Rating Agencies;

"**Initial Wakala Portfolio**" means the initial portfolio of identified assets in relation to the Certificates as more particularly described in the Sale and Purchase Agreement but not including any obligations or liabilities of Emaar Malls in respect of any such assets;

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, fee, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis and references to "**Liabilities**" shall mean all of these;

"**Measurement Period**" means a period of 12 months ending on (i) the last day of the most recently completed financial year of the Obligor and (ii) if consolidated reviewed interim financial statements of the Obligor are published, the last day of the relevant period in respect of which such financial statements were prepared;

"**Moody's**" means Moody's Investors Service, Inc.;

"**Non-recourse Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any project, provided that: (a) any Security Interest given by the Obligor or the relevant Subsidiary, as the case may be, in connection therewith is limited solely to assets of the project; (b) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced; and (c) there is no other recourse to the Obligor or the relevant Subsidiary, as the case may be, in respect of any default by any person under the financing;

"**Obligor Event**" shall mean each of the following events (but in the case of the happening of any of the events described in paragraph (b) below or (other than the happening of any such event in relation to the Obligor) paragraphs (d), (e), (g) and (h) below, only if the Delegate shall have certified in writing to the Trustee and the Obligor that such event is, in its opinion, materially prejudicial to the interests of the Certificateholders):

(a) **Non-payment:** if the Obligor (acting in any capacity) fails to pay an amount in the nature of profit payable by it pursuant to any Transaction Document to which it is a party and the failure continues for a period of 14 days, or the Obligor (acting in any capacity) fails to pay an amount in the nature of principal payable by it pursuant to any Transaction Document to which it is a party and the failure continues for a period of seven days; or

(b) **Breach of other obligations:** if the Obligor (acting in any capacity) does not perform or comply with any one or more of its covenants or other obligations in the Transaction Documents to which it is a party, which failure is, in the opinion of the Delegate, incapable of remedy or, if in the opinion of the Delegate is capable of remedy, is not, in the opinion of the Delegate, remedied within the period of 30 days after written notice of such failure shall have been given to the Obligor by the Trustee (or the Delegate) requiring the same to be remedied, except that a failure by the Obligor (acting in its capacity as Servicing Agent) to comply with its obligations set out in clause 3.2 and clause 3.4 of the Service Agency Agreement will not constitute an Obligor Event; or

(c) **Cross acceleration:** if: (i) the holders of any Indebtedness of the Obligor or any Principal Subsidiary accelerate such Indebtedness or declare such Indebtedness to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or pursuant to an option granted to the holders by the terms of such Indebtedness), prior to the stated maturity thereof by reason of default on the part of the Obligor or such Principal Subsidiary; or (ii) the Obligor or any Principal Subsidiary fails to pay in full any principal of, or interest or profit, as the case may be, on, any of its Indebtedness when due (after expiration of any originally applicable grace period) or any guarantee of any Indebtedness of others given by the Obligor or any Principal Subsidiary shall not be honoured when due and called upon, provided that the aggregate amount of the relevant Indebtedness or guarantee in respect of which one or more of the events mentioned above in this paragraph (c) shall have occurred exceeds U.S.$40,000,000 (or its equivalent in any other currency or currencies); or

(d) **Order for dissolution:** if any order is made by any competent court or resolution passed for the winding up or dissolution of the Obligor or any Principal Subsidiary, save in connection with a Permitted Reorganisation; or

(e) **Cessation of business:** if the Obligor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business, save in connection with a Permitted Reorganisation, or the Obligor or any Principal Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) **Order to pay specified amount:** if one or more judgments or orders for the payment of any sum in excess of U.S.$40,000,000 (or its equivalent in any currency or currencies) is rendered against the Obligor or any Principal Subsidiary and continues unsatisfied, unstayed and unappealed for a period of thirty (30) days after the date thereof (or, if appealed, the appeal is unsuccessful and thereafter the judgment continues unsatisfied and unstayed for a period of 30 days); or

(g) **Liquidation proceedings:** if: (i) any court or other formal proceedings are initiated against the Obligor or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, Corporate Administrator or other similar official (and such proceedings are not being actively contested in good faith by the Obligor or the relevant Principal Subsidiary, as the case may be), or an administrative or other receiver, manager, Corporate Administrator or other similar official is appointed, in relation to the Obligor or any Principal Subsidiary or, as the case may be, in relation to all or substantially all of the undertakings or assets of any of them; and/or (ii) if an encumbrancer takes possession of all or substantially all of the undertaking or assets of the Obligor or any Principal Subsidiary, or a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the same; and in each case (other than the appointment of an Corporate Administrator) is not discharged within thirty (30) days; or

(h) **Insolvency proceedings:** if the Obligor or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save, in all cases, in connection with a Permitted Reorganisation; or

(i) **Analogous events:** if any event occurs which under the laws of the United Arab Emirates or any Emirate thereof or any other relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d), (g) and (h) above; or

(j) **Unlawfulness:** if at any time it is or becomes unlawful for the Obligor to perform any or all of its obligations under or in respect of the Transaction Documents to which it is a party or any of the obligations of the Obligor thereunder are not or cease to be legal, valid, binding or enforceable; or

(k) **Assets seized:** if all or substantially all of the undertaking and assets of the Obligor or any Principal Subsidiary is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government.

"**Officers' Certificate**" means a certificate substantially in the form set out in Schedule 5 of the Declaration of Trust;

"**outstanding**" shall have the meaning given to it in the Declaration of Trust;

"**Periodic Distribution Amount**" has the meaning given to it in Condition 7(a);

"**Periodic Distribution Date**" means [●] and [●] in each year, commencing on [●] December 2014, and subject to Condition 7(c);

"**Permitted Financial Indebtedness**" means any one or more of the following:

(a) any Financial Indebtedness outstanding on the Signing Date;

(b) Financial Indebtedness owed by the Obligor or any Subsidiary of the Obligor to the Obligor or any other Subsidiary of the Obligor; provided, however, that any subsequent disposition, pledge or transfer of such Financial Indebtedness (other than to the Obligor or a Subsidiary of the Obligor) shall be deemed, in each case, to constitute the Incurrence of such Financial Indebtedness by the obligor thereof;

(c) Financial Indebtedness of the Obligor or a Subsidiary of the Obligor Incurred and outstanding on or prior to the date on which such Subsidiary became a Subsidiary of the Obligor (other than Financial Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilised to consummate, the transaction or series of related transactions pursuant to which the Subsidiary became a Subsidiary of the Obligor);

(d) any amounts owed to suppliers, contractors, sub-contractors and/or project consultants in respect of goods supplied and/or services provided, in each case in the ordinary course of business;

(e) any Non-recourse Project Financing of the Obligor or a Subsidiary of the Obligor or any Securitisation;

(f) Financial Indebtedness arising in the form of deferred payment obligations of the Obligor or a Subsidiary of the Obligor in respect of the acquisition of any business, assets or Capital Stock, in each case in the ordinary course of business; and

(g) Refinancing Financial Indebtedness Incurred by the Obligor or a Subsidiary of the Obligor in respect of Financial Indebtedness Incurred by the Obligor or a Subsidiary of the Obligor: (i) at any time when the Obligor had Investment Grade Status; or (ii) pursuant to paragraph (a), (b), (c), (d), (e) or (f) above;

"**Permitted Reorganisation**" means;

(a) (i) any winding-up or dissolution of a Principal Subsidiary whereby the business, undertaking or assets of that Principal Subsidiary are transferred to or otherwise vested in the Obligor and/or any of the Obligor's other Subsidiaries; or (ii) any winding up or dissolution of the Obligor whereby the business, undertaking or assets of the Obligor are transferred to or otherwise vested in one of its Subsidiaries, provided that, in the case of (ii) only, at the same time or prior to any such transfer or vesting, all amounts payable by the Obligor under each Transaction Document to which it is a party have been assumed by such other Subsidiary on terms previously approved by an Extraordinary Resolution; or

(b) any composition or other similar arrangement on terms previously approved by an Extraordinary Resolution;

"**Permitted Security Interest**" means:

(a) any Security Interest existing on the Signing Date;

(b) any Security Interest granted by a Person where such Security Interest exists at the time that such person is merged into, or consolidated with, the Obligor or the relevant Principal Subsidiary (as the case may be), provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Obligor or the relevant Principal Subsidiary (as the case may be);

(c) any Security Interest existing on any property or assets prior to the acquisition thereof by the Obligor or the relevant Principal Subsidiary (as the case may be), provided that such Security Interest was not created in contemplation of such acquisition; or

(d) any renewal of or substitution for any Security Interest permitted by any of paragraphs (a) to (c) (inclusive) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Potential Dissolution Event**" means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing) would constitute a Dissolution Event;

"**Principal Subsidiary**" means any Subsidiary of the Obligor:

(a) whose EBITDA (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Obligor and its Subsidiaries relate, are equal to) not less than 10 per cent. of EBITDA or, as the case may be, consolidated total assets of the Obligor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Obligor and its Subsidiaries, provided that in the case of a Subsidiary of the Obligor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Obligor and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Obligor and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Obligor;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Obligor which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (b) on the date on which the consolidated accounts of the Obligor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Obligor and its Subsidiaries relate, generate EBITDA equal to) not less than 10 per cent. of EBITDA, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Obligor and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate EBITDA equal to) not less than 10 per cent. of EBITDA, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Obligor and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (c) on the date on which the consolidated accounts of the Obligor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

A report signed by two Authorised Signatories of the Obligor (whether or not addressed to the Delegate) that in their opinion a Subsidiary of the Obligor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Delegate without further enquiry or evidence (without any liability to any person for so relying) and, if relied upon by the Delegate, shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Profit Rate**" means [●] per cent. per annum;

"**Prospectus**" means the prospectus dated the Signing Date and published by the Obligor and the Trustee in connection with the issue and offering of the Certificates;

"**Purchase Undertaking**" means the purchase undertaking dated the Issue Date and granted by the Obligor for the benefit of the Trustee and the Delegate;

"**Rating Agencies**" means (i) Standard & Poor's, (ii) Moody's, (iii) Fitch and (iv) if any one or more of Standard & Poor's, Moody's or Fitch do not make a rating of the Obligor publicly available, one or more internationally recognised securities rating agencies selected by the Obligor;

"**Refinancing**"' means, in respect of any Financial Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Financial Indebtedness in exchange or replacement for, such Financial Indebtedness, and "**Refinances**" and similar terms are to be construed accordingly;

"**Refinancing Financial Indebtedness**" means Financial Indebtedness that Refinances any Financial Indebtedness of the Obligor or any Subsidiary of the Obligor, including Financial Indebtedness that Refinances Refinancing Financial Indebtedness; provided, however, that:

(a) such Refinancing Financial Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Financial Indebtedness being Refinanced;

(b) such Refinancing Financial Indebtedness has an Average Life at the time such Refinancing Financial Indebtedness is Incurred that is equal to or greater than the Average Life of the Financial Indebtedness being Refinanced;

(c) such Refinancing Financial Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium) under the Financial Indebtedness being Refinanced; and

(d) if the Financial Indebtedness being Refinanced is subordinated in right of payment to the Obligor's payment obligations under the Transaction Documents, such Refinancing Financial Indebtedness is subordinated in right of payment to the Obligor's payment obligations under the Transaction Documents at least to the same extent as the Financial Indebtedness being Refinanced;

"**Record Date**" has the meaning given to it in Condition 9(a);

"**Register**" has the meaning given to it in Condition 2;

"**Regulated Market**" means a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC);

"**Relevant Date**" has the meaning given to it in Condition 10;

"**Relevant Indebtedness**" means any present or future indebtedness, other than any Indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of, or which is represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Relevant Powers**" has the meaning given to it in Condition 15(a);

"**Relevant Sukuk Obligation**" means any Sukuk Obligation, other than any Sukuk Obligation incurred in connection with a Non-recourse Project Financing or a Securitisation, in respect of which the relevant trust certificates or other securities are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Return Accumulation Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

"**Sale and Purchase Agreement**" means the sale and purchase agreement dated the Issue Date and entered into between the Obligor and the Trustee;

"**Sale Undertaking**" means the sale undertaking dated the Issue Date and granted by the Trustee for the benefit of the Obligor;

"**Scheduled Dissolution Date**" means [●];

"**Securitisation**" means any securitisation of existing or future assets and/or revenues, provided that (a) any Security Interest given by the Obligor or the relevant Subsidiary, as the case may be, in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (b) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (c) there is no other recourse to the Obligor or the relevant Subsidiary, as the case may be, in respect of any default by any person under the securitisation;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Service Agency Agreement**" means the service agency agreement dated the Issue Date and entered into between the Servicing Agent and the Trustee;

"**Servicing Agent**" means Emaar Malls Group LLC in its capacity as servicing agent under the Service Agency Agreement;

"**Signing Date**" means [●] June 2014;

"**Standard & Poor's**" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc.;

"**Stated Maturity**" means, with respect to any Financial Indebtedness, the date specified in the relevant documentation as the fixed date on which the final payment of principal in respect thereof is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such Financial Indebtedness at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred);

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**") whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, or the power to appoint or remove members of the governing body of the second Person;

"**Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in compliance with the principles of *Shari'a*, whether or not in return for consideration of any kind;

"**Total Assets**" means the aggregate value (less depreciation and amortisation computed in accordance with international accounting standards) of all assets of the Group which are treated as assets determined in accordance with IFRS, as shown in the most recently available audited financial statements of the Obligor prepared in accordance with IFRS or, if no such value is specified in those most recently available financial statements, the Fair Market Value of such assets;

"**Total Equity**" means the share capital of the Group for the time being issued and paid up or credited as paid up; and the aggregate of the amounts standing to the credit of the consolidated capital and revenue reserves (including share premium account, statutory reserves and profit and loss account but excluding hedging reserves) of the Group;

"**Total Loss Event**" means: (i) the total loss or destruction of, or damage to the whole of, the Wakala Assets or any event or occurrence which renders the whole of the Wakala Assets permanently unfit for any economic use and (but only after taking into consideration any insurances payable or other indemnity granted by any third party in respect of the Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the Wakala Assets, in each case as determined by the Servicing Agent acting for and on behalf of the Trustee;

"**Total Loss Event Dissolution Date**" has the meaning given to it in Condition 8(e);

"**Total Loss Shortfall Amount**" has the meaning given to it in the Service Agency Agreement;

"**Transaction Account**" means the account in the Trustee's name held with the Principal Paying Agent, into which the Obligor will deposit all amounts due to the Trustee under the Transaction Documents;

"**Transaction Documents**" means:

(a) the Declaration of Trust;

(b) the Agency Agreement;

(c) the Sale and Purchase Agreement;

(d) the Service Agency Agreement;

(e) the Purchase Undertaking; and

(f) the Sale Undertaking;

"**Trust Assets**" has the meaning given to it in Condition 5(a);

"**Trustee Event**" means any of the following events (but, in the case of the happening of any of the events described in paragraph (b) below, only if the Delegate shall have certified in writing to the Trustee and the Obligor that such event is, in its opinion, materially prejudicial to the interests of the Certificateholders):

(a) **Non-Payment:** default is made for more than seven days in the payment of the Dissolution Distribution Amount (or any other amount in the nature of principal) on the date fixed for payment thereof or default is made for more than 14 days in the payment of any Periodic Distribution Amount on the due date for payment thereof; or

(b) **Breach of Other Obligations:** the Trustee does not perform or comply with any one or more of its other duties, obligations or undertakings in the Certificates or the Transaction Documents to which it is a party, which failure is, in the opinion of the Delegate, incapable of remedy or, if in the opinion of the Delegate is capable of remedy, is not, in the opinion of the Delegate, remedied within the period of 30 days after written notice of such failure shall have been given by the Delegate to the Trustee requiring the same to be remedied; or

(c) **Enforcement Proceedings:** any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Trustee and is not discharged or stayed within 90 days; or

(d) **Insolvency:** the Trustee is insolvent or bankrupt or unable to pay its debts as they fall due, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or

(e) **Winding-up:** an Corporate Administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Trustee, or the Trustee shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Delegate or by an Extraordinary Resolution; or

(f) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (x) to enable the Trustee lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under the Certificates and the Declaration of Trust; (y) to ensure that those duties, obligations and undertakings are legally binding and enforceable; or (z) to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in the courts of the Cayman Islands is not taken, fulfilled or done; or

(g) **Illegality:** it is or will become unlawful for the Trustee to perform or comply with any one or more of its duties, obligations and undertakings under any of the Certificates or the Transaction Documents or any duties, obligations or undertakings of the Trustee under the Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

(h) **Repudiation:** the Trustee repudiates any Certificate or any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Certificate or any Transaction Document; or

(i) **Analogous Events:** any event occurs that under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraph (d) or (e) above.

For the purpose of paragraph (a) above, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts expressed to be payable under Condition 7) notwithstanding that the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts (whether as a result of the application of Condition 5(b) or otherwise);

"**Wakala Portfolio**" has the meaning given to it in the Service Agency Agreement; and

"**Wakala Portfolio Revenues**" has the meaning given to it in the Service Agency Agreement.

All references to the face amount of a Certificate shall be deemed to include the Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

All references to "U.S.$", "U.S. dollars" and "$" are to the lawful currency of the United States of America.

2 Form, Denomination and Title

The Certificates are issued in registered form in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Certificates are represented by registered certificates and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Certificates by the same holder.

Title to the Certificates shall pass by registration in the register that the Trustee shall procure to be kept by the Registrar outside the United Kingdom in accordance with the provisions of the Agency Agreement (the "**Register**"). Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Certificate shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

In these Conditions, "**Certificateholder**" or "**holder**" means the person in whose name a Certificate is registered.

3 Transfers

(a) **Transfer of Registered Certificates:** Subject to Condition 3(d), one or more Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Certificates to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Trustee), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Trustee, with the prior written approval of the Registrar and the Delegate, provided that any such change is not materially prejudicial to the interests of the Certificateholders. A copy of the current regulations will be made available by the Registrar to any Certificateholder upon request.

(b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 3(a) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(b), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) **Transfers Free of Charge:** Transfers of Certificates on registration or transfer shall be effected without charge by or on behalf of the Trustee, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(d) **Closed Periods:** No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of 15 days ending on the due date for payment of the Dissolution Distribution Amount or Periodic Distribution Amount or any other date on which any payment of the face amount or payment of any profit in respect of that Certificate falls due, (ii) after any such Certificate has been called for redemption pursuant to Condition 8(b) or (iii) during the period of seven days ending on (and including) any Record Date.

4 Status

(a) **Status of Certificates:** The Certificates represent an undivided ownership interest in the Trust Assets and are limited recourse obligations of the Trustee. Each Certificate will constitute unsecured obligations of the Trustee and shall at all times rank *pari passu* and without any preference or priority with all other Certificates. The payment obligations of the Obligor (in any capacity) under the Transaction Documents shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)(i), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

(b) **Limited Recourse and Agreement of Certificateholders:** Save as provided in this Condition 4(b), the Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Obligor, any of the Agents or any of their respective affiliates.

The proceeds of the Trust Assets are the sole source of payments on the Certificates. The net proceeds of the realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. Subject to Condition 12, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

(i) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the Trust Assets and further acknowledge and agree that no recourse shall be had for the payment of any amount due and owing hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;

(ii) the Trustee may only realise or deal with its interest, rights, benefit and entitlements, present and future in, to and under the Wakala Portfolio in the manner expressly permitted by the Transaction Documents;

(iii) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders or corporate services provider in their capacity as such) (other than the Trust Assets) or of the Delegate or the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in each case in respect of any shortfall or otherwise;

(iv) no Certificateholders will be able to petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding- up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (and/or its directors), the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;

(v) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or Delegate arising under or in connection with the Declaration of Trust by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director or corporate services provider in their capacity as such. The obligations of the Trustee and the Delegate under the Certificates and the Transaction Documents are corporate or limited liability obligations of the Trustee and/or the Delegate, as the case may be, and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents, directors or corporate services provider of the Trustee and/or the Delegate (in their capacity as such), save in the case of their gross negligence, wilful default or actual fraud. Reference in these Conditions to gross negligence, wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and

(vi) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations under the Certificates (without prejudice to the negative pledge provisions described in Condition 6(b)).

Pursuant to the terms of the Transaction Documents, the Obligor is obliged to make payments under the relevant Transaction Documents to which it is a party directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate will thereby have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4(b). Such right of the Trustee and the Delegate shall (subject to the negative pledge provisions described in Condition 6(b)) constitute an unsecured claim against the Obligor. None of the Certificateholders, the Trustee and the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Obligor in connection with the enforcement of any such claim.

5 The Trust

(a) **Trust Assets:** Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each holder. The term "**Trust Assets**" means:

(i) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Portfolio;

(ii) the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding (A) any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to Clause 18.1 of the Declaration of Trust); and

(iii) all moneys standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing.

(b) **Application of Proceeds from Trust Assets:** On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the monies standing to the credit of the Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) **first**, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other analogous officer and any agent appointed in respect of the Trust by the Delegate in accordance with the Declaration of Trust;

(ii) **second**, only if such payment is due on a Periodic Distribution Date (to the extent not previously paid) to pay *pro rata* and *pari passu* (i) the Trustee in respect of all amounts properly incurred and documented (each in the opinion of the Delegate) owing to it under the Transaction Documents in its capacity as Trustee; (ii) the Corporate Administrator in respect of all amounts owing to it under the Transaction Documents and the Corporate Services Agreement in its capacity as Corporate Administrator for the Trustee; and (iii) each Agent in respect of all amounts owing to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any liability incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;

(iii) **third**, only if such payment is due on a Periodic Distribution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;

(iv) **fourth**, only if such payment is due on a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the Dissolution Distribution Amount; and

(v) **fifth**, only on the Scheduled Dissolution Date and provided that all amounts required to be paid on the Certificates hereunder have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Servicing Agent as an incentive fee for its performance under the Service Agency Agreement.

6 Covenants

(a) **Trustee Covenants:**

The Trustee covenants that, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate):

(i) incur any indebtedness in respect of borrowed money or in respect of financing raised in accordance with the principles of *Shari'a*, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;

(ii) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);

(iii) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;

(iv) except as provided in Condition 14, amend or agree to any amendment of any Certificate, any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;

(v) except as provided in the Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;

(vi) have any subsidiaries or employees;

(vii) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;

(viii) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;

(ix) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding- up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(x) enter into any contract, transaction, amendment, obligation or liability other than the Certificates and the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:

    (A) as contemplated, provided for or permitted in the Certificates and the Transaction Documents;

    (B) the ownership, management and disposal of the Trust Assets as provided in the Certificates and the Transaction Documents; and

    (C) such other matters which are incidental thereto.

The Trustee covenants that, for so long as any Certificate is outstanding:

(i) it will furnish to the Delegate an Officers' Certificate delivered together with each copy of the Obligor's financial statements referred to in Condition 6(b)(viii) and otherwise promptly upon request by the Delegate (and in any event within 10 Business Days of such request): (i) certifying compliance with the provisions of Condition 6(b); and (ii) stating whether since the date of the last Officers' Certificate or (if none) the Issue Date, any Dissolution Event, Potential Dissolution Event, Change of Control Event or Total Loss Event has occurred and, if any such event shall have occurred, providing details in respect thereof and stating what action the Obligor is taking or proposes to take with respect thereto; and

(ii) it will use all reasonable endeavours to maintain the listing and/or quotation of the Certificates on NASDAQ Dubai or, (a) if it is unable to do so having used all reasonable endeavours; or (b) if the maintenance of such listing or trading is impracticable or unduly onerous; and (c) the Delegate is of the opinion that to do so would not be materially prejudicial to the interests of the Certificateholders, it will obtain and maintain a quotation or listing of the Certificates on a Regulated Market.

(b) **Obligor Covenants:** The Obligor covenants that, for so long as any Certificate is outstanding:

(i) **Negative pledge:** it will not, and will ensure that none of its Principal Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without (i) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is party (in whatever capacity) or (ii) providing such security for those obligations as either: (A) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of Certificateholders; or (B) shall be approved by an Extraordinary Resolution;

(ii) **Disposals:** it will not, and will ensure that none of its Subsidiaries will, directly or indirectly, enter into an Asset Sale in respect of an asset which has a book value (as determined by reference to the most recently available financial statements of the Obligor or of its relevant Subsidiary, as the case may be, prepared in accordance with IFRS) that exceeds 50 per cent. of the Total Assets at the time of such proposed Asset Sale, unless:

(A) such Asset Sale has been approved by the board of directors of the Obligor;

(B) the consideration received by the Obligor or its Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of (such determination to be made by an Independent Appraiser at the time of such Asset Sale); and

(C) either, at the Obligor's sole discretion: (i) the net proceeds of such Asset Sale received by the Obligor or its Subsidiary, as the case may be, are applied directly or indirectly towards any business of the Group (including, without limitation, towards the payment (including early payment) of any outstanding debt, liability or obligation of the Obligor or any of its Subsidiaries), save that (notwithstanding the foregoing) up to 20 per cent. of such net proceeds may be used to pay dividends and distributions to the Obligor's shareholders or may otherwise be returned to the Obligor's shareholders; or (ii) a proportion of the aggregate amount of the net proceeds of such Asset Sale received by the Obligor or its Subsidiary that is at least equal to the sum of (x) the aggregate outstanding face amount of the Certificates at the time of the relevant Asset Sale (as such amount may be reduced from time to time) and (y) the remaining scheduled Periodic Distribution Amounts up to (and including) the Scheduled Dissolution Date at the time of the relevant Asset Sale (as the aggregate amount of such remaining scheduled Periodic Distribution Amounts may be reduced from time to time), is held by the Obligor and/or any of its Subsidiaries as Consolidated Cash and Cash Equivalents (with any remaining balance of such net proceeds not being subject to any restriction or requirement under these Conditions);

(iii) **Limitation on indebtedness:** it will not, and will not permit any of its Subsidiaries to create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "**Incur**" or, as appropriate, an "**Incurrence**") any Financial Indebtedness (other than Permitted Financial Indebtedness); provided that the Obligor and its Subsidiaries will be permitted to Incur additional Financial Indebtedness if:

(A) no Potential Dissolution Event or Dissolution Event would occur as a consequences of such Incurrence; and

(B) the ratio of Consolidated EBITDA to Consolidated Net Finance Charges Payable for the immediately preceding Measurement Period is not less than 1.5:1; and

(C) the ratio of Consolidated Total Net Indebtedness to Total Equity at the end of the immediately preceding Measurement Period does not exceed 1.5:1.

The provisions of this Condition 6(b)(iii) shall not apply for so long as the Obligor has Investment Grade Status. However, the provisions of this Condition 6(b)(iii) shall immediately apply if and for so long as the Obligor ceases to have Investment Grade Status.

7 Periodic Distribution Amounts

(a) **Periodic Distribution Amounts:** A profit distribution shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date and which shall accrue at the Profit Rate, the amount of which shall be calculated as provided in Condition 7(b) (each such distribution being referred to in these Conditions as a "**Periodic Distribution Amount**"). Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5(b) and Condition 9. Periodic Distribution Amounts will be payable by the Trustee from the Wakala Portfolio Revenues and other amounts received by the Trustee under the Transaction Documents.

(b) **Calculations:** The amount of profit payable per Calculation Amount in respect of any Certificate for any period shall be equal to the product of the Profit Rate, the Calculation Amount, and the Day Count Fraction for such period, with the result being rounded to the nearest U.S.$0.01, U.S.$0.005 being rounded upwards. For these purposes, "**Day Count Fraction**" means, in respect of the calculation of an amount of profit on any Certificate for any period (whether or not constituting a Return Accumulation Period, the "**Calculation Period**"), the number of days in the Calculation Period divided by 360 (the number of days in such period to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed).

(c) **Entitlement to Profit:** No further amounts will be payable on any Certificate from and including its due date for redemption, as a result of the failure of the Obligor to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Purchase Undertaking or Sale Undertaking (as the case may be), unless default is made in payment of the Dissolution Distribution Amount, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 7, provided that, in respect of such accrual, no sale agreement has been executed in accordance with the terms of the Purchase Undertaking or Sale Undertaking (as the case may be) and no Total Loss Event has occurred.

8 Redemption and Dissolution of the Trust

(a) **Dissolution on the Scheduled Dissolution Date:** Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Certificate shall be finally redeemed on the Scheduled Dissolution Date at its Dissolution Distribution Amount, and the Trust shall be dissolved by the Trustee on the Scheduled Dissolution Date following the payment of all such amounts in full. Upon such dissolution as aforesaid and the termination of the Trust, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) **Early Dissolution for Taxation Reasons:** The Certificates may be redeemed at the option of the Trustee in whole, but not in part, at any time (such date being an "**Early Tax Dissolution Date**"), on giving not less than 30 nor more than 60 days' notice to the Certificateholders (which notice shall be irrevocable) at their Dissolution Distribution Amount if the Trustee satisfies the Delegate immediately before the giving of such notice that:

(i) (A) the Trustee has or will become obliged to pay additional amounts as described under Condition 10 as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Signing Date, and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(ii) (A) the Obligor has or will become obliged to pay additional amounts to the Trustee pursuant to the terms of the Service Agency Agreement as a result of any change in, or amendment to, the laws or regulations of the United Arab Emirates or the Emirate of Dubai or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Signing Date, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

provided that, in either case, (x) no such notice of dissolution shall be given to Certificateholders unless a duly completed Exercise Notice has been received by the Trustee from the Obligor pursuant to the Sale Undertaking; and (y) no such notice of dissolution may be given earlier than 90 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Certificates (in the case of the Trustee) or pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 8(b), the Trustee shall deliver to the Delegate:

(A) a certificate signed by two directors of the Trustee (in the case of Condition 8(b)(i)) or a certificate signed by two directors of the Obligor (in the case of Condition 8(b)(ii)), in each case stating that the obligation referred to in Condition 8(b)(i) or 8(b)(ii), as the case may be, cannot be avoided by the Trustee or the Obligor taking reasonable measures available to it; and

(B) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment,

and the Delegate shall be entitled to accept and rely on such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in Condition 8(b)(i) or, as the case may be, Condition 8(b)(ii), in which event it shall be conclusive and binding on Certificateholders.

Upon expiry of any such notice given in accordance with this Condition 8(b) and payment of the Dissolution Distribution Amount to Certificateholders, the Trustee shall be bound to dissolve the Trust. Upon such dissolution as aforesaid and the termination of the Trust, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(c) **Dissolution at the Option of the Certificateholders (Change of Control Event Put Right):** The Obligor has agreed in the Purchase Undertaking to notify the Trustee and the Delegate forthwith upon the occurrence of a Change of Control Event and to provide a description of the Change of Control Event. The Trustee, upon receipt of such notice from the Obligor or otherwise upon becoming aware of the occurrence of a Change of Control Event, shall promptly give notice (a "**Change of Control Event Notice**") of the occurrence of a Change of Control Event to the Certificateholders in accordance with these Conditions. The Change of Control Event Notice shall provide a description of the Change of Control Event and shall require Certificateholders to elect within 30 days of the date on which the Change of Control Event Notice is given (the "**Change of Control Event Put Period**") if they wish all or any of their Certificates to be redeemed.

If a Change of Control Event occurs, and provided that Certificateholders elect to redeem their Certificates, in whole or in part, in accordance with this Condition 8(c), the Trustee shall redeem such Certificates on the Change of Control Event Put Right Date at the Dissolution Distribution Amount and shall require the Obligor to purchase and accept the transfer of all of the Trustee's interest, rights, benefits and entitlements, present and future, in and to certain specified Wakala Assets pursuant to the Purchase Undertaking.

To elect to redeem all or any of its Certificates in accordance with this Condition 8(c), a Certificateholder must deposit its Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed change of control event put right exercise notice (a "**Change of Control Event Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). No Certificate so deposited and right exercised may be withdrawn (except if the condition referred to in the previous paragraph is not satisfied and as otherwise provided in the Agency Agreement) without the prior consent of the Trustee.

The foregoing provisions of this Condition 8(c) shall apply on each occasion (if any) on which a Change of Control Event occurs.

If 75 per cent. or more in face amount of the Certificates originally issued have been redeemed pursuant to this Condition 8(c) (and/or otherwise previously purchased and cancelled pursuant to Condition 8(g)), the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking and, upon receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days' irrevocable notice to the Delegate and the Certificateholders, redeem all of the Certificates on the date specified in such notice, which shall be a date falling no later than 80 days after the Change of Control Event Put Right Date (the "**Clean Up Call Right Dissolution Date**"). Any such redemption of Certificates shall be at their Dissolution Distribution Amount and upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

(d) **Dissolution following a Dissolution Event:** Upon the occurrence and continuation of a Dissolution Event, the Certificates may be redeemed at the Dissolution Distribution Amount and the Trustee shall dissolve the Trust, in each case as more particularly specified in Condition 12.

(e) **Dissolution following a Total Loss Event:** The Obligor has agreed in the Service Agency Agreement to ensure that the Wakala Assets are properly insured against a Total Loss Event. The Trustee, upon becoming aware of the occurrence of a Total Loss Event, shall on giving not less than 30 nor more than 60 days' irrevocable notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) (a "**Total Loss Event Notice**") redeem all of the Certificates on the date specified for such redemption in such Total Loss Event Notice (a "**Total Loss Event Dissolution Date**"). Any such redemption of Certificates shall be at their Dissolution Distribution Amount using either (i) the proceeds of insurance payable in respect of the Total Loss Event which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event, or (ii) if the insurance proceeds (if any) standing to the credit of the Transaction Account on the 30th day following the occurrence of a Total Loss Event are less than the Full Reinstatement Value, the amount standing to the credit of the Transaction Account on the 31st day following the occurrence of a Total Loss Event, representing the aggregate of the insurance proceeds paid in respect of any Total Loss Event (if any) and the Total Loss Shortfall Amount funded by the Servicing Agent in accordance with the terms of the Service Agency Agreement. Upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

(f) **Purchases:** Each of the Trustee, the Obligor and the Obligor's Subsidiaries may at any time purchase Certificates in the open market or otherwise at any price.

(g) **Cancellation:** Certificates purchased by or on behalf of the Trustee, the Obligor or any of the Obligor's Subsidiaries may in the Trustee's and Obligor's sole discretion be surrendered for cancellation in accordance with the terms of the Declaration of Trust, the Sale Undertaking and the Agency Agreement. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Trustee in respect of any such Certificates shall be discharged.

(h) **No other Dissolution:** The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust other than as provided in this Condition 8 and Condition 12.

9 Payments

(a) **Method of Payment:** Payments of the Dissolution Distribution Amount shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts or the Dissolution Distribution Amount in respect of each Certificate shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**").

Payments of Periodic Distribution Amounts or the Dissolution Distribution Amount in respect of each Certificate shall be made in U.S. dollars by transfer to an account in U.S. dollars maintained by the payee with a bank that processes payments in U.S. dollars notified by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date.

(b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

(c) **Payment Initiation:** Where payment is to be made by transfer to an account in U.S. dollars, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of the Dissolution Distribution Amount, where the relevant Certificate has not been surrendered at the specified office of the Registrar or any Transfer Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents:** The Principal Paying Agent, the Paying Agent, the Registrar and the Transfer Agent initially appointed by the Trustee and their respective specified offices are listed below. The Principal Paying Agent, the Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Trustee and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Trustee reserves the right at any time with the approval of the Delegate to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Trustee shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) a Paying Agent (which may be the Principal Paying Agent) having a specified office in a major European city, (v) such other agents as may be required by any stock exchange on which the Certificates may be listed and (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any such change or any change of any specified office shall promptly be given to the Certificateholders.

(e) **Non-Business Days:** If any date for payment in respect of any Certificate is not a business day, the holder shall not be entitled to payment until the next following business day nor to any profit or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and, where payment is to be made by transfer to an account maintained with a bank in U.S. dollars, on which foreign exchange transactions may be carried on in U.S. dollars in New York.

10 Taxation

All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Cayman Islands, the United Arab Emirates or the Emirate of Dubai or any authority thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

(a) **Other Connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with the Cayman Islands, the United Arab Emirates or the Emirate of Dubai, other than the mere holding of the relevant Certificate; or

(b) **Surrender more than 30 Days after the Relevant Date:** if the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate for payment on the last day of such period of 30 days assuming that day to have been a business day (as defined in Condition 9(e)); or

(c) **Payment to Individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) **Payment through another Paying and Transfer Agent in a Member State of the European Union:** if the relevant Certificate is held by a Certificateholder who would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders that, upon further presentation of the Certificate being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to Periodic Distribution Amounts and the Dissolution Distribution Amount shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Declaration of Trust.

11 Prescription

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

12 Dissolution Events

(a) **Dissolution Event:** Upon the occurrence of a Dissolution Event:

(i) the Delegate, upon receiving notice thereof under the Declaration of Trust or otherwise upon becoming aware of a Dissolution Event, shall (subject to it being indemnified, secured and/or prefunded to its satisfaction promptly give notice of the occurrence of the Dissolution Event to the Certificateholders in accordance with Condition 17 with a request to the Certificateholders to indicate to the Trustee and the Delegate if they wish the Certificates to be redeemed and the Trust to be dissolved; and

(ii) the Delegate in its sole discretion may, and shall if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution, subject in each case to being indemnified, secured and/or prefunded to its satisfaction, give notice (a "**Dissolution Notice**") to the Trustee, the Obligor and the Certificateholders in accordance with Condition 17 that the Certificates are to be redeemed at the Dissolution Distribution Amount and the Certificates shall become immediately due and payable at the Dissolution Distribution Amount. A Dissolution Notice may be given pursuant to this paragraph (ii) whether or not notice has been given to Certificateholders as provided in paragraph (i) above.

Upon receipt of such Dissolution Notice, the Trustee (failing which the Delegate) shall deliver an Exercise Notice under the Purchase Undertaking and shall use the proceeds of such exercise to redeem the Certificates at the Dissolution Distribution Amount on the date specified in the relevant Dissolution Notice (the relevant "**Dissolution Event Redemption Date**") and the trust constituted by the Declaration of Trust shall be dissolved on the day after the last outstanding Certificate has been so redeemed in full.

Upon payment in full of such amounts and dissolution of the trust constituted by the Declaration of Trust as aforesaid, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) **Enforcement and Exercise of Rights:** Upon the occurrence and continuation of a Dissolution Event, to the extent that any amount payable in respect of the Certificates has not been paid in full (notwithstanding the provisions of Condition 12(a)), the Trustee or the Delegate, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall (acting for the benefit of the Certificateholders) take one or more of the following steps:

(i) enforce the provisions of the Purchase Undertaking against the Obligor; and/or

(ii) take such other steps as the Trustee or the Delegate may consider necessary to recover amounts due to the Certificateholders.

13 Realisation of Trust Assets

(a) The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action or steps or proceedings against the Trustee and/or the

Obligor under any Certificate or any Transaction Document to which either of the Trustee or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Certificates and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

(b) No Certificateholder shall be entitled to proceed directly against the Trustee or the Obligor unless the Delegate, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Obligor shall be to enforce their respective obligations under the Certificates and the Transaction Documents to which they are a party.

(c) The foregoing paragraphs in this Condition 13 are subject to this paragraph (c). After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with Condition 5(b), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

14 Meetings of Certificateholders, Modification, Waiver and Substitution

(a) **Meetings of Certificateholders:** The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Declaration of Trust or other Transaction Documents. Such a meeting may be convened by Certificateholders holding not less than 10 per cent. in face amount of the Certificates for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in face amount of the Certificates for the time being outstanding, or at any adjourned meeting one or more persons being or representing Certificateholders whatever the face amount of the Certificates held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the Scheduled Dissolution Date or any date on which Certificates are to be redeemed or any date for payment of Periodic Distribution Amounts in respect of the Certificates, (ii) to reduce or cancel or vary the method for calculating the amount of any payment due in respect of the Certificates, (iii) to amend the covenant given by the Trustee and the Delegate in Clause 15.1 of the Declaration of Trust, (iv) to change any of the Obligor's covenants set out in the Transaction Documents to which it is a party, (v) to vary the currency of payment or denomination of the Certificates, (vi) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass the Extraordinary Resolution, or (vii) to amend the above list, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in face amount of the Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

The Declaration of Trust provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates then outstanding (a "**Written Resolution**") or (ii) where the Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Trustee, the

Obligor or the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates then outstanding (an "**Electronic Consent**"), shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a Written Resolution may be contained in one document or several documents in like form, each signed by or on behalf of one or more Certificateholders. Such a Written Resolution and/or Electronic Consent will be binding on all Certificateholders whether or not they participated in such Written Resolution or Electronic Consent.

(b) **Modification of the Declaration of Trust, any Certificate or any Transaction Document:** The Delegate may, without the consent of the Certificateholders, (i) agree to any modification of any of the provisions of the Declaration of Trust, any Certificate or the Transaction Documents that is, in the opinion of the Delegate, of a formal, minor or technical nature or is made to correct a manifest error, or (ii) (A) agree to any other modification (except as mentioned in the Declaration of Trust), or to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Declaration of Trust, any Certificate or the Transaction Documents or (B) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such provided that such modification, waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Certificateholders and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of the Certificates. Any such modification, authorisation or waiver shall be binding on the Certificateholders and, if the Delegate so requires, such modification shall be notified to the Certificateholders in accordance with Condition 17 as soon as practicable.

(c) **Entitlement of the Delegate:** In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition) the Delegate shall have regard to the interests of the Certificateholders as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Trustee, the Obligor or the Delegate any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

15 Delegate

(a) **Delegation of Powers:** The Trustee will in the Declaration of Trust irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deeds, to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Declaration of Trust) and discretions vested in the Trustee by the Declaration of Trust, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction, exercise all of the rights of the Trustee under the Transaction Documents and make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the Declaration of Trust, provided that no obligations, duties, liabilities or covenants of the Trustee pursuant to the Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of this Delegation (together the "**Delegation**" of the "**Relevant Powers**"), provided further that in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the Trust Assets and provided further that such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to hold any of the Trust Assets, to dissolve any of the trusts constituted by the Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution

Event or to determine the remuneration of the Delegate (save as provided in the Declaration of Trust). The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

(b) **Indemnification:** The Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the Trust Assets or any other right it may have pursuant to the Declaration of Trust, the Delegate shall in no circumstances be bound to take any action, step or proceeding unless directed to do so in accordance with Condition 12 or 13, and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(c) **No Liability:** The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor under the Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Obligor but are not so paid and shall not in any circumstances have any liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.

(d) **Reliance on Certificates and/or Reports:** The Delegate may rely on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Obligor or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Declaration of Trust or the other Transaction Documents and such certificate or report may be relied upon by the Delegate as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Obligor or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

(e) **Proper Performance of Duties:** Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or actual fraud of which either of them may be guilty in relation to their duties under the Declaration of Trust.

(f) **Notice of Events:** The Delegate shall not be responsible for monitoring or ascertaining whether or not a Dissolution Event, Potential Dissolution Event or Change of Control Event has occurred or exists and, unless and until it shall have received express notice to the contrary, it will be entitled to assume that no such event or circumstance exists or has occurred (without any liability to any person for so doing).

16 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Trustee for the purpose and notice of whose designation is given to Certificateholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Trustee on demand the amount payable by the Trustee in respect of such Certificates) and otherwise as the Trustee may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17 Notices

Notices to the holders of Certificates shall be mailed to them by first class mail (airmail if overseas) at their respective addresses in the Register. In addition, the Trustee shall ensure that notices to the holders of Certificates are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Certificates are for the time being admitted to listing, trading and/or quotation. Any notices shall be deemed to have been given on the fourth day after being so mailed or on the date of publication, or if so published more than once on different dates, on the date of the first publication.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19 Governing Law and Arbitration

(a) **Governing Law:** The Declaration of Trust (including these Conditions), the Agency Agreement and the Certificates and any non-contractual obligations arising out of or in connection with the same are governed by, and shall be construed in accordance with, English law.

(b) **Arbitration:** The Delegate, the Trustee and the Obligor have in the Declaration of Trust agreed that, subject to Condition 19(c), any dispute, claim, difference or controversy arising out of or in connection with the Certificates (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA**") (the "**Rules**"), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 19(b). For these purposes:

(i) the seat of arbitration shall be London, England;

(ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and

(iii) the language of the arbitration shall be English.

(c) **Option to Litigate:** Notwithstanding the agreement described in Condition 19(b), the Delegate may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Obligor in accordance with the Declaration of Trust:

(i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(ii) if no arbitration has commenced,

require that the Dispute be heard by a court of law. If the Delegate gives such notice, the Dispute to which such notice refers shall be determined in the manner described in Condition 19(e) and any arbitration commenced under Condition 19(b) in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the Trustee, failing whom the Obligor), each of the parties to the terminated arbitration will bear its own costs in relation thereto.

(d) **Notice to Terminate:** If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate must also promptly give notice to the LCIA and to any Tribunal (as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be functus officio. The termination is without prejudice to:

(i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(ii) his entitlement to be paid his proper fees and disbursements; and

(iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(e) **Effect of Exercise of Option to Litigate:** If a notice is issued pursuant to Condition 19(c), the following provisions shall apply:

(i) subject to paragraph (iii) below, the courts of England or the courts of the DIFC, at the option of the Delegate, shall have jurisdiction to settle any Dispute and each of the Trustee and the Obligor submits to the exclusive jurisdiction of such courts;

(ii) each of the Trustee and the Obligor agrees that the courts of England or the courts of the DIFC, at the option of the Delegate, are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(iii) this Condition 19(e) is for the benefit of the Delegate for and on behalf of the Certificateholders only. As a result, and notwithstanding paragraphs (i) and (ii) above, the Delegate shall not be prevented from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

(f) **Appointment of Process Agent:** Each of the Trustee and the Obligor irrevocably appoints Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London EC1A 4HD, United Kingdom to receive for it and on its behalf, service of process in respect of any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Trustee and/or the Obligor). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, each of the Trustee and the Obligor irrevocably agrees to appoint a substitute process agent, and shall immediately notify the Delegate of such appointment. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

(g) **Enforcement:** An arbitral award of judgment or order of an English or other court, in connection with a Dispute arising out of or in connection with these Conditions, shall be binding on the Delegate, the Trustee and the Obligor and may be enforced against each of them in the courts of any competent jurisdiction.

(h) **Other Documents:** Each of the Trustee and the Obligor has in the Transaction Documents to which it is a party made provision for arbitration, submitted to jurisdiction and appointed an agent for service of process in terms substantially similar to those set out above.

(i) **Waiver of Immunity:** The Obligor has agreed in the Transaction Documents to which it is party that, to the extent that it may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Obligor or its assets or revenues, it shall not claim, and irrevocably waives, such immunity to the full extent permitted by the laws of such jurisdiction.

(j) **Waiver of Interest:**

(i) Each of the Trustee, the Delegate and the Obligor has irrevocably agreed in the Declaration of Trust that no interest will be payable or receivable under or in connection therewith and if it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.

(ii) For the avoidance of doubt, nothing in this Condition 19(j) shall be construed as a waiver of rights in respect of Wakala Portfolio Revenues, Expected Wakala Portfolio Revenues, Periodic Distribution Amounts or profit of any kind howsoever described payable by the Obligor (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or the Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Certificates whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Unless otherwise defined, terms defined in the Conditions have the same meaning below.

Form of the Certificates

The Certificates will be in registered form and will be issued outside the United States in reliance on Regulation S.

The Certificates will be represented by beneficial interests in a global certificate in registered form (the "**Global Certificate**"). The Global Certificate will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and will be registered in the name of a nominee for the Common Depositary. Persons holding ownership interests in the Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Certificates (as defined below) in fully registered form.

Holders

For so long as the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, the registered holder of the Global Certificate shall, except as ordered by a court of competent jurisdiction or as required by law, be treated as the owner thereof (the "**Registered Holder**"). Each person (other than another clearing system) who is for the time being shown in the records of either such clearing system as the holder of a particular aggregate face amount of such Certificates (the "**Accountholders**") (in which regard any certificate or other document issued by a clearing system as to the aggregate face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, other than for the purpose of payments in respect thereof, the right to which shall be vested solely in the Registered Holder, as against the Trustee and an Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Registered Holder, and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly. In addition, holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the relevant Certificates. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Cancellation

Cancellation of any Certificate represented by the Global Certificate will be effected by reduction in the aggregate face amount of the Certificates in the Register.

Payments

Payments of any amount in respect of the Global Certificate will, in the absence of any provision to the contrary, be made to, or to the order of, the person shown on the Register as the registered holder of the Global Certificate at the close of the Business Day (being for this purpose, a day on which Euroclear and Clearstream, Luxembourg are open for business) immediately prior to the relevant due date for such payment.

None of the Trustee, the Delegate, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payments of the Dissolution Distribution Amount in respect of Certificates represented by the Global Certificate will be made upon presentation and surrender of the Global Certificate at the specified office of the Registrar or such other office as may be specified by the Registrar subject to and in accordance with the Conditions and the Declaration of Trust. Distributions of amounts with respect to book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of participants in the relevant clearing system in accordance with the relevant clearing system's rules and procedures. A record of each payment made in respect of the Certificates will be entered into the Register by or on behalf of the Registrar and shall be *prima facie* evidence that payment has been made.

Notices

So long as all the Certificates are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg or any other clearing system, as the case may be, notices may be given by delivery of the relevant notice to those clearing systems for communication to their Accountholders or otherwise to the holder of the Global Certificate rather than by publication as required by the Conditions except that, so long as the Certificates are listed, traded or quoted on any stock exchange or securities market, notices shall also be published in accordance with the rules of the relevant listing authority, stock exchange, securities market and/or quotation system. Any such notice shall be deemed to have been given on the day on which such notice is delivered to the relevant clearing systems.

Whilst any of the Certificates held by a Certificateholder are represented by the Global Certificate, notices to be given by such Certificateholder may be given (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Registrar and Euroclear and Clearstream, Luxembourg may approve for this purpose.

Electronic Consent and Written Resolution

For so long as the Certificates are in the form of a Global Certificate and while any Global Certificate is registered in the name of any nominee for one or more of Euroclear, Clearstream, Luxembourg or another clearing system, then:

(a) approval of a resolution proposed by the Trustee, the Obligor or the Delegate given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their respective operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates outstanding (an "**Electronic Consent**" as defined in the Declaration of Trust) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum (as specified in the Declaration of Trust) was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held, and shall be binding on all Certificateholders whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Declaration of Trust and Condition 14(a)) has been validly passed, the Trustee, the Obligor and the Delegate shall be entitled to rely on consent or instructions given in writing directly to the Trustee, the Obligor and/or the Delegate, as the case may be, by Accountholders in the relevant clearing system(s) with entitlements to such Global Certificate and/or, where the Accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the Accountholder or via one or more intermediaries and provided that, in each case, the Trustee, the Obligor and the Delegate, as the case may be, has obtained commercially reasonable evidence to ascertain the validity of such holding and has taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instructions and prior to the effecting or implementation of such consent or instructions. Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph (b), "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, and/or issued by an Accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Certificates. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the Accountholder of a particular principal or face amount of the Certificates is clearly identified together with the amount of such holding. None of the Trustee, the Obligor and/or the Delegate shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Put Option

The Certificateholders' put option in Condition 8(c) of the Certificates may be exercised by the holder of the Global Certificate giving notice to the Registrar or Paying and Transfer Agent of the face amount of Certificates in respect of which the option is exercised and presenting the Global Certificate within the time limits specified in Condition 8(c).

Registration of Title

The Registrar will not register title to the Certificates in a name other than that of a nominee for the Common Depositary for a period of seven calendar days preceding the due date for any payment of any Periodic Distribution Amount or the Dissolution Distribution Amount in respect of the Certificates.

Record dates will be determined in accordance with the standard practices of Euroclear and Clearstream, Luxembourg.

Transfers

Transfers of book-entry interests in the Certificates will be effected through the records of Euroclear or Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

Exchange for Definitive Certificates

Interests in the Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of legal holiday) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available. In the event of the occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in the Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the Global Certificate shall be exchanged in full for Definitive Certificates and the Trustee will, at the cost of the Trustee (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar within 10 days following the request for exchange for completion and dispatch to the Certificateholders. A person having an interest in the Global Certificate must provide the Registrar with a written order containing instructions (and such other information as the Trustee and the Registrar may require) to complete, execute and deliver such Definitive Certificates.

In this Prospectus, "**Definitive Certificate**" means a trust certificate in definitive registered form issued by the Trustee in accordance with the provisions of the Declaration of Trust in exchange for the Global Certificate, such trust certificate substantially in the form set out in the Schedules to the Declaration of Trust.

USE OF PROCEEDS

The net proceeds of the issue of the Certificates will be paid by the Trustee (as Purchaser) to Emaar Malls (as Seller) for the purchase from the Seller of all of its rights, title, interests, benefits and entitlements in, to and under the Initial Wakala Portfolio. Emaar Malls shall use the purchase price so received for refinancing existing debt, repayment of a shareholder loan, payment of a dividend to shareholders, maintenance and development capital expenditure and general corporate purposes.

DESCRIPTION OF THE TRUSTEE

General

EMG Sukuk Limited, a Cayman Islands exempted company with limited liability, was incorporated on 23 April 2014 under the Companies Law (2013 Revision) of the Cayman Islands with company registration number 287329. The Trustee has been established as a company for the sole purpose of issuing the Certificates and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at PO Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands, and its telephone number is +1 345 945 7099.

The authorised share capital of the Trustee is U.S.$50,000 shares of U.S.$1.00 each, of which 250 shares have been issued as at the date of this Prospectus. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited as share trustee (the "**Share Trustee**") under the terms of a declaration of trust (the "**Share Declaration of Trust**") under which the Share Trustee holds the Shares on trust until the Termination Date (as defined in the Share Declaration of Trust). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit a Qualified Charity (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to a Qualified Charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from its holding of the Shares.

Business of the Trustee

The Trustee will not have any substantial liabilities other than in connection with the Certificates and any further certificates issued pursuant to the Conditions. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 23 April 2014.

Financial Statements

Since the date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Directors of the Trustee

The Directors of the Trustee are as follows:

Name	Principal Occupation
Andrew Millar	Regional Head of Fiduciary, Middle East, Maples Fund Services (Middle East) Limited
Cleveland Stewart	Senior Vice President, MaplesFS Limited

The business address of Andrew Millar is c/o Maples Fund Services (Middle East) Limited, Liberty House, 6th Floor, Office 616, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates.

The business address of Cleveland Stewart is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Trustee.

The Corporate Administrator

MaplesFS Limited also acts as the corporate administrator of the Trustee (in such capacity, the "**Corporate Administrator**"). The office of the Corporate Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement entered into between the Trustee and the Corporate Administrator, the Corporate Administrator has agreed to perform in the Cayman Islands various management, administrative and other services on behalf of the Trustee until termination of the Management Agreement. In consideration of the foregoing, the Corporate Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement provide that either the Trustee or the Corporate Administrator may terminate such agreement upon the occurrence of certain stated events, including certain breaches by the other party of its obligations under such agreement. In addition, the Corporate Services Agreement provides that either party shall be entitled to terminate such agreement by giving at least three month's notice in writing.

The Corporate Administrator will be subject to the overview of the Trustee's Board of Directors.

The Corporate Administrator's principal office is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, KY1-1102, Grand Cayman, Cayman Islands.

The Directors of the Trustee are all employees or officers of the Corporate Administrator or an affiliate thereof. The Trustee has no employees and is not expected to have any employees in the future.

SELECTED FINANCIAL INFORMATION

The historical financial data in the tables is extracted from the Annual Financial Statements included elsewhere in this Prospectus. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Statements of Financial Position Data

The table below shows Emaar Malls' statements of financial position data at 31 December in each of 2011, 2012 and 2013.

	As at 31 December		
	2011	**2012**	**2013**
		AED'000	
Non-current assets			
Property, plant and equipment	231,191	424,165	303,207
Investment properties	7,352,742	7,255,367	7,329,802
Investment in subsidiaries	447	447	447
	7,584,380	7,679,979	7,633,456
Current assets			
Inventories	7,485	9,148	14,524
Trade receivables	233,031	238,203	194,312
Advances and prepayments	20,677	44,013	34,830
Due from related parties	128,073	121,355	171,854
Bank balances and cash	32,842	669,951	1,362,709
	422,108	1,082,670	1,778,229
TOTAL ASSETS	8,006,488	8,762,649	9,411,685
Equity			
Share capital	300	300	300
Statutory reserve	150	150	150
Retained earnings	1,163,080	1,893,903	2,993,342
Hedging reserve	–	(45,096)	(34,862)
TOTAL EQUITY	1,163,530	1,849,257	2,958,930
Non-current liabilities			
Employees' end of service benefits	6,919	8,044	10,852
Islamic finance facility – long term portion	722,318	3,442,567	3,275,067
Due to related parties	5,243,472	2,330,446	1,825,792
	5,972,709	5,781,057	5,111,711
Current liabilities			
Islamic finance facility – short term portion	–	90,000	180,000
Accounts payable and accruals	191,655	276,582	335,605
Advances and security deposits	332,686	394,878	448,942
Deferred income	345,908	370,875	376,497
	870,249	1,132,335	1,341,044
TOTAL LIABILITIES	6,842,958	6,913,392	6,452,755
TOTAL EQUITY AND LIABILITIES	8,006,488	8,762,649	9,411,685

Statements of Income Data

The tables below show Emaar Malls' statements of income data for each of the years ended 31 December 2011, 2012 and 2013.

	Year ended 31 December		
	2011	**2012**	**2013**
		AED'000	
REVENUE			
Rental Income	1,520,989	1,944,192	2,385,683
Other Income	3,606	5,382	9,600
Total revenue	1,524,595	1,949,574	2,395,283
EXPENSES			
Operating expenses	(354,229)	(361,948)	(436,834)
Sales and marketing expenses	(25,340)	(39,432)	(63,752)
Depreciation of property, plant and equipment	(18,738)	(17,338)	(57,881)
Depreciation of investment properties	(296,607)	(296,808)	(249,130)
General and administrative expenses	(108,292)	(102,383)	(155,378)
Finance costs	(458,012)	(400,842)	(332,869)
Total expenses	(1,261,218)	(1,218,751)	(1,295,844)
PROFIT FOR THE YEAR	263,377	730,823	1,099,439

Statements of Cash Flows Data

The tables below show Emaar Malls' statements of cash flow data for each of the years ended 31 December 2011, 2012 and 2013.

	Year ended 31 December		
	2011	**2012**	**2013**
		AED'000	
Net cash flows from operating activities	1,249,478	1,302,849	1,876,290
Net cash flows used in investing activities	(353,215)	(650,633)	(1,190,961)
Net cash flows used in financing activities	(1,090,130)	(263,729)	(927,523)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(193,867)	388,487	(242,194)
Cash and cash equivalents at 1 January	204,209	10,342	398,829
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	10,342	398,829	156,635

The tables below show the reconciliation of net profit to EBITDA for Emaar Malls for each of the years ended 31 December 2011, 2012 and 2013.

	Year ended 31 December		
	2011	2012	2013
		AED'000	
EBITDA	1,036,734	1,445,811	1,739,319
Less:			
Depreciation on Property, plant & equipment	(18,738)	(17,338)	(57,881)
Depreciation on investment properties	(296,607)	(296,808)	(249,130)
Finance costs	(458,012)	(400,842)	(332,869)
Net Profit	263,377	730,823	1,099,439

Notes:

(1) For the purposes of this Prospectus, Emaar Malls calculates EBITDA as earnings before interest, tax, depreciation and amortisation. The table below sets forth a reconciliation of net profit to EBITDA:

	Year ended 31 December		
	2011	2012	2013
		AED'000	
Net profit	263,377	730,823	1,099,439
Add:			
Finance Costs	458,012	400,842	332,869
Depreciation of property, plant and equipment	18,738	17,338	57,881
Depreciation of investment properties	296,607	296,808	249,130
EBITDA	**1,036,734**	**1,445,811**	**1,739,319**

EBITDA is not a financial performance or liquidity measure calculated in accordance with IFRS. As referred to in this Prospectus, Emaar Malls has calculated EBITDA for each period as the sum of (i) its net profit for that period, (ii) its finance costs for that period and (iii) its depreciation for that period.

EBITDA should not be considered as an alternative measure to operating profit, as an indicator of operating performance, as an alternative to operating cash flows or as a measure of Emaar Malls' liquidity. EBITDA as presented in this Prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

EBITDA has important limitations as an analytical tool and should not be considered in isolation from, or as a substitute for an analysis of, Emaar Malls' operating results as reported under IFRS. Some of the limitations are:

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest/profit (or the equivalent liability in accordance with *Shari'a* principles) or principal payments on debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future and EBITDA does not reflect any cash requirements for such replacements; and
- other companies may calculate EBITDA differently, limiting its usefulness as a comparative measure.

UNAUDITED FINANCIAL INFORMATION AS AT, AND FOR THE THREE MONTHS ENDED, 31 MARCH 2014

The following financial information has been prepared by Emaar Malls and is not audited. This financial information is not presented as reviewed interim financial statements in the Financial Statements section of this Prospectus on the basis that this financial information has not been consolidated for the subsidiaries of Emaar Malls as required by IFRS 10 and accordingly, to such extent, this financial information is not compliant with the requirements of IAS34 Interim Financial Reporting. Whilst Emaar Malls was previously exempt from the requirement to produce consolidated financial statements in accordance with IFRS 10(4), as a result of the process of seeking a listing of the Certificates, Emaar Malls no longer has the benefit of this exemption. Emaar Malls prepared separate, unconsolidated, financial statements as at and for the three months ended 31 March 2014, as, although it had material subsidiaries during this period, the transfer of ownership of these material subsidiaries from Emaar Malls to its parent, Emaar Properties, was completed on 3 April 2014. As at the date of this Prospectus, Emaar Malls continues to have subsidiaries but Emaar Malls does not consider them to be material to its financial position, as they are entities which are not actively operational.

Statements of Income Data

The tables below show Emaar Malls' statements of income data for each of the three months ended 31 March 2013 and 2014.

	Notes	***31 March 2014***	*31 March 2013*
		AED'000	*AED'000*
REVENUE			
Rental income		**600,868**	521,934
Other income		**3,915**	1,264
Total revenue		**604,783**	523,198
EXPENSES			
Operating expenses		**85,014**	100,517
Sales and marketing expenses		**11,165**	11,447
Depreciation of property, plant and equipment		**18,265**	10,307
Depreciation of investment properties		**61,799**	59,644
General and administrative expenses		**36,775**	41,663
Finance costs		**62,719**	88,891
Total expenses		**275,737**	312,469
PROFIT FOR THE PERIOD	4	**329,046**	210,729
Earnings per share:			
– basic and diluted earnings per share		**1,097**	702

Statements of Comprehensive Income Data

The tables below show Emaar Malls' statements of comprehensive income data for each of the three months ended 31 March 2013 and 2014.

	31 March 2014	*31 March 2013*
	AED'000	*AED'000*
Profit for the period	**329,046**	210,729
Other comprehensive income/ (loss):		
Net movement on cash flow hedges	**5,380**	(5,833)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**334,426**	204,896

Statements of Financial Position Data

The table below shows Emaar Malls' statements of financial position data at 31 December 2013 and 31 March 2014.

		31 March 2014	*31 December 2013*
	Notes	***AED'000***	*AED'000*
ASSETS			
Non-current assets			
Property, plant and equipment	5	**311,143**	303,207
Investment properties	6	**7,313,589**	7,329,802
Investment in subsidiaries		**447**	447
		7,625,179	7,633,456
Current assets			
Inventories		**14,876**	14,524
Trade receivables	7	**97,180**	194,312
Advances and prepayments		**38,420**	34,830
Due from related parties	12	**198,572**	171,854
Bank balances and cash	8	**979,567**	1,362,709
		1,328,615	1,778,229
TOTAL ASSETS		**8,953,794**	9,411,685

EQUITY AND LIABILITIES			
Equity			
Share capital	9	**300**	300
Statutory reserve		**150**	150
Retained earnings		**3,322,388**	2,993,342
Hedging reserve		**(29,482)**	(34,862)
Total equity		**3,293,356**	2,958,930
Non-current liability			
Employees' end of service benefits		**11,838**	10,852
Islamic finance facility - long term portion		**3,210,764**	3,275,067
Due to related parties	12	**1,003,592**	1,825,792
		4,226,194	5,111,711
Current liabilities			
Islamic finance facility - short term portion		**202,500**	180,000
Accounts payable and accruals	10	**334,778**	335,605
Advances and security deposits		**467,623**	448,942
Deferred income		**429,343**	376,497
		1,434,244	1,341,044
Total liabilities		**5,660,438**	6,452,755
TOTAL EQUITY AND LIABILITIES		**8,953,794**	9,411,685

Statements of Cash Flows Data

The tables below show Emaar Malls' statements of cash flow data for each of the three months ended 31 March 2013 and 2014.

	Notes	***31 March 2014*** ***AED'000***	*31 March 2013* *AED'000*
OPERATING ACTIVITIES			
Profit for the period		**329,046**	210,729
Adjustments for:			
Depreciation of property, plant and equipment		**18,265**	10,307
Depreciation of investment properties		**61,799**	59,644
Provision for doubtful debts		**7**	2,295
Provision for employees' end of service benefits		**955**	804
Finance costs		**62,719**	88,891
Gain on disposal of property, plant and equipment		**(13)**	–
Liabilities no longer payable		**(24,890)**	–
Other income		**(3,915)**	(1,264)
		443,973	371,406
Working capital changes:			
Inventories		**(352)**	(1,571)
Trade receivables		**97,125**	74,247
Due from related parties		**(26,718)**	(20,232)
Advances and prepayments		**(2,217)**	(6,239)
Accounts payable and accruals		**29,444**	26,063
Advances and security deposits		**18,681**	17,047
Deferred income		**52,846**	75,906

Net cash flows from operations		**612,782**	536,627
Employees' end of service benefits paid		**(78)**	(57)
Net cash flows from operating activities		**612,704**	536,570
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(28,957)**	(16,078)
Amounts incurred on investment properties		**(45,473)**	(71,227)
Interest received		**5,739**	2,324
Proceeds from disposal of property, plant and equipment		**35**	1,923
Deposits under lien or maturing after three months		**298,775**	(65,851)
Net cash flows from/ (used in) investing activities		**230,119**	(148,909)
FINANCING ACTIVITIES			
Movement in due to related parties, net		**(851,350)**	(627,223)
Movement in Islamic finance facility, net		**(45,000)**	(22,500)
Finance cost paid		**(30,840)**	(46,974)
Net cash flows used in financing activity		**(927,190)**	(696,697)
DECREASE IN CASH AND CASH EQUIVALENTS		**(84,367)**	(309,036)
Cash and cash equivalents at the beginning of the period	8	**156,635**	398,829
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	**72,268**	89,793

Statements of Changes in Equity Data

The tables below show Emaar Malls' statements of changes in equity data for each of the three months ended 31 March 2013 and 2014.

	Share capital	*Statutory reserve*	*Retained earnings*	*Hedging reserve*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*
At 1 January 2014	300	150	2,993,342	(34,862)	2,958,930
Profit for the period	–	–	329,046	–	329,046
Other comprehensive income for the period	–	–	–	5,380	5,380
Balance at 31 March 2014	**300**	**150**	**3,322,388**	**(29,482)**	**3,293,356**

	Share capital	*Statutory reserve*	*Retained earnings*	*Hedging reserve*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*
At 1 January 2013	300	150	1,893,903	(45,096)	1,849,257
Profit for the period	–	–	210,729	–	210,729
Other comprehensive income for the period	–	–	–	(5,833)	(5,833)
Balance at 31 March 2013	300	150	2,104,632	(50,929)	2,054,153

Notes to the Unaudited Financial Information as at, and for the three months ended, 31 March 2014

1 CORPORATE INFORMATION

Emaar Malls Group L.L.C. (the "Company") was registered as a limited liability company in the Emirate of Dubai on 16 November 2005 in accordance with UAE Federal Commercial Companies Law No. 8 of 1984 (as amended).

The Company is a 100 per cent. beneficially owned subsidiary of Emaar Properties PJSC (the "Parent Company"), a company incorporated in the United Arab Emirates and listed on the Dubai Financial Market.

The principal activities of the Company are retail development and management of shopping malls.

The address of the registered office of the Company is P.O. Box 9440, Dubai, United Arab Emirates

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements of the Company for the three months ended 31 March 2014 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and applicable requirements of United Arab Emirates law.

The interim condensed financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands except where otherwise indicated.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual financial statements as at 31 December 2013.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014, which do not impact the interim condensed financial statements of the Company.

New standards, interpretations and amendments adopted by the Company:

The nature and the effect of changes with respect to adoption of new standards, interpretations and amendments apply for the first time in 2014 are disclosed below:

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

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through interim income statement. These amendments have no impact to the Company.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

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

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

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Company.

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

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

IFRIC Interpretation 21 *Levies* (IFRIC 21) - clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. During the three months period ended 31 March 2014, the Company has changed its segments disclosure from 2 to 5 segments.

Business segments

For management purposes, the Company is organised into five segments, namely:

Super Regional Malls:

Super regional malls include shopping centres individually holds gross leasable area of more than 500 thousands sq. ft.

Regional Malls:

Regional malls include shopping centres individually holds gross leasable area of more than 300 thousands sq. ft. but less than 500 thousands sq. ft.

Community Retail:

Community Retail includes shopping centres or retail outlets individually hold gross leasable area of less than 300 thousands sq. ft.

Speciality Retail:

Speciality retail includes shopping centres mainly offering speciality stores for fine and casual dining, commercial offices or retail outlets of manufacturers.

Others:

Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments* and head office balances.

The following tables include revenue, profit and other segment information for the three month periods ended 31 March 2014 and 31 March 2013. Assets and liabilities information regarding business segments are presented as at 31 March 2014 and 31 December 2013.

	Super Regional Malls	*Regional Malls*	*Community Retail*	*Speciality Retail*	*Others*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Three months period ended 31 March 2014:						
Revenue						
Rental income	**493,154**	**29,245**	**47,292**	**31,177**	**–**	**600,868**
Results						
Contributions for the period	**298,538**	**13,985**	**34,314**	**16,604**	**(34,395)**	**329,046**
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties) ..	**66,452**	**1,394**	**1,529**	**2,063**	**2,992**	**74,430**
Depreciation (Property, plant and equipment and investment properties) ..	**60,230**	**6,917**	**5,620**	**7,067**	**230**	**80,064**
Assets and liabilities as at 31 March 2014:						
Segment Assets	**5,953,211**	**805,564**	**548,083**	**459,773**	**1,187,163**	**8,953,794**
Segment Liabilities	**4,339,028**	**61,643**	**131,737**	**68,778**	**1,059,252**	**5,660,438**

	Super Regional Malls	Regional Malls	Community Retail	Speciality Retail	Others	Total
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Three months period ended 31 March 2013:						
Revenue						
Rental income	435,892	25,957	30,134	29,951	–	521,934
Results						
Contributions for the period	235,237	9,393	17,793	16,018	(67,712)	210,729
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties) ..	40,665	273	42,166	3,698	503	87,305
Depreciation (Property, plant and equipment and investment properties) ..	54,299	7,073	3,210	5,176	193	69,951
Assets and liabilities as at 31 December 2013:						
Segment Assets	6,037,229	804,208	550,063	463,890	1,556,295	9,411,685
Segment Liabilities	4,305,505	64,367	125,264	66,401	1,891,218	6,452,755

4 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	31 March 2014	31 March 2013
	AED'000	*AED'000*
Liabilities no longer payable	**24,890**	–

5 PROPERTY, PLANT AND EQUIPMENT

Additions

During the three months period ended 31 March 2014, the Company purchased property, plant and equipment of AED 28,957 thousands (year ended 31 December 2013: AED 159,010 thousands).

6 INVESTMENT PROPERTIES

Additions

During the three months period ended 31 March 2014, the Company has additions of AED 45,473 thousands (year ended 31 December 2013: AED 105,251 thousands) in investment properties.

7 TRADE RECEIVABLES

	31 March 2014	*31 December 2013*
	AED'000	*AED'000*
Trade receivables-net	**97,180**	194,312

Included in the trade receivable is an amount of AED 5,997 thousands (31 December 2013: AED 9,504 thousands) due from related parties (note 12).

The above trade receivables are net of allowance for doubtful debts of AED 57,881 thousands (31 December 2013: AED 58,301 thousands) representing management's best estimate of doubtful trade receivables which are past due and impaired.

Movement in the allowance for doubtful debts is as follows:

	31 March 2014	*31 December 2013*
	AED'000	*AED'000*
At the beginning of the period/ year	**58,301**	89,478
Net charge/ (reversal) for the period/ year	**7**	(365)
Written off during the period/ year	**(427)**	(30,812)
At the end of the period/ year	**57,881**	58,301

8 BANK BALANCES AND CASH

Cash and cash equivalents in the interim condensed statement of cash flows consist of the following interim condensed statement of financial position amounts:

	31 March 2014	*31 December 2013*
	AED'000	*AED'000*
Cash in hand	**183**	213
Bank balances:		
Current and call accounts	**72,085**	26,422
Deposits maturing within three months	**–**	130,000
Cash and cash equivalents	**72,268**	156,635
Deposits under lien	**68,593**	68,542
Deposits maturing after three months	**838,706**	1,137,532
Balance at the end of period/ year	**979,567**	1,362,709

Cash at banks earn interest at floating rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Fixed deposits maturing after three months earn interest at rates between 1.1% and 1.7% per annum (31 December 2013: 1.1% and 1.7%).

9 SHARE CAPITAL

Share capital consists of 300 authorised, issued and fully paid up shares (31 December 2013: 300 shares) amounting to AED 300 thousands (31 December 2013: AED 300 thousands).

10 ACCOUNTS PAYABLE AND ACCRUALS

	31 March 2014	*31 December 2013*
	AED'000	*AED'000*
Trade payables	**48,066**	34,536
Accrued expenses	**237,838**	253,058
Interest payable	**10,477**	10,622
Other payables	**38,397**	37,389
	334,778	335,605

11 CONTINGENCIES

Commitments

As at 31 March 2014, the Company had commitments of AED 283,232 thousands (31 December 2013: AED 406,491 thousands) which includes project commitments of AED 145,507 thousands (31 December 2013: AED 180,214). This represents the value of contracts issued as at the reporting date net of invoices received and accruals made as at that date.

Operating lease commitments - Company as lessor

The Company leases out its property under operating leases as a lessor. The future minimum lease payments receivable (base rent) under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	31 March 2014	*31 December 2013*
	AED'000	*AED'000*
Within one year	**1,299,986**	1,348,088
After one year but not more than five years	**2,024,034**	2,088,846
More than five years	**232,134**	264,519
	3,556,154	3,701,453

In addition to the base rent, the Company also charges annual service charges to its tenants. The total amount of service charges for the three months period ended 31 March 2014 was AED 60,300 thousands (Year end 31 December 2013: AED 229,675 thousands).

Legal claims

As at 31 March 2014, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 13,938 thousands (31 December 2013: AED 16,008 thousands). The management is confident that the outcome of these claims will be in favour of the Company and will have no adverse impact on the financial statements of the Company.

12 RELATED PARTY DISCLOSURES

(a) During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	31 March 2014	*31 March 2013*
	AED'000	*AED'000*
Rental income		
Parent Company	**2,549**	1,566
Associated companies	**4,667**	3,150
Subsidiaries	**14,183**	13,054
Entities owned by Directors and other related parties	**20,259**	15,914
	41,658	33,684
Operating expenses		
Parent Company	**12,556**	31,556
General and administrative expenses		
Parent Company	**30,478**	19,297
Finance costs		
Parent Company	**28,828**	38,863

(b) Balances with related parties included in the statement of financial position are as follows:

	Due from related parties	***Due to related parties***	***Trade receivables***	***Deferred income***
31 March 2014	***AED '000***	***AED '000***	***AED '000***	***AED '000***
Non-current				
Parent company – loan	**–**	**972,315**	**–**	**–**
– interest	**–**	**6,698**	**–**	**–**
– other	**–**	**24,311**	**–**	**–**
Associated companies	**–**	**268**	**–**	**–**
	–	**1,003,592**	**–**	**–**
Current				
Parent company	**–**	**–**	**4,670**	**3,260**
Associated companies	**1,109**	**–**	**422**	**2,727**
Subsidiaries	**197,463**	**–**	**–**	**19,617**
Entities owned by Directors and other related parties	**–**	**–**	**905**	**25,413**
	198,572	**–**	**5,997**	**51,017**

31 December 2013	Due from related parties AED '000	Due to related parties AED '000	Trade receivables AED '000	Deferred income AED '000
Non-current				
Parent company – loan	–	1,583,493	–	–
– interest	–	86,212	–	–
– other	–	155,785	–	–
Associated companies	–	302	–	–
	–	1,825,792	–	–
Current				
Parent company	–	–	655	–
Associated companies	10,783	–	520	1,502
Subsidiaries	161,071	–	507	18,530
Entities owned by Directors and other related parties	–	–	7,822	40,903
	171,854	–	9,504	60,935

(c) Due to the Parent Company represents the amount payable for the investment properties and property, plant and equipment transferred to the Company at cost.

In 2010, the Company reached an agreement with the Parent Company to convert an amount of AED 6,372,059 thousands, from the balance due, to a long term loan carrying interest at 8% p.a. This loan is repayable when the funds are available with the Company. Movement in the loan balance is as follows:

	31 March 2014	*31 December 2013*
	AED'000	*AED'000*
Balance at period/ year-end	**1,583,493**	2,001,973
Repayments made during the period/ year	**(611,178)**	(418,480)
Balance at period/ year-end	**972,315**	1,583,493

13 EVENTS AFTER THE REPORTING PERIOD

– The shareholders have announced their intention to sell 25% of shares in the Company through an Initial Public Offering ("IPO") and subsequently the listing of the Company on the Dubai Financial Market depending on the market conditions.

– Subsequent to the period end, the Company has secured a USD 1.50 billion Islamic loan facility from banks to be repaid in 2021. The existing Islamic facility of USD 1 billion will be prepaid in full from the proceeds of new borrowing.

– The Company also intends to raise additional finance through fixed income Sukuk offering via the issuance of trust certificates depending upon favourable market conditions.

– Subsequent to the period end, the Company's investment in subsidiaries which are accounted for at cost were transferred to Emaar Properties PJSC (the "Parent Company").

BUSINESS DESCRIPTION

Overview

We are the leading owner and operator of shopping malls in Dubai, UAE. Our portfolio of properties comprises four shopping malls and 30 community shopping centres and other retail properties, which together had a total GLA of approximately 5.9 million sq ft. as at 31 December 2013 and a GLA occupancy rate of 93 per cent. in 2013. Our properties include some of the most iconic malls, entertainment and community integrated retail centres in the Middle East, including The Dubai Mall, our flagship asset, which has been the most visited shopping and entertainment mall worldwide in each of the last three years. Our properties were developed as an integral part of the master plan developments of our controlling shareholder, Emaar Properties, and, therefore, are strategically located in key areas of Dubai that benefit from favourable socio-economic demographics and increasing tourism.

We manage and operate our business principally through four divisions: Super-Regional Malls, Regional Malls, Community Integrated Retail and Specialty Retail.

- *The Super-Regional Malls division.* This division comprises The Dubai Mall, and accounted for 83 per cent. of our revenues in 2013. The Dubai Mall is a regional and global retail and fashion destination located in the prestigious Dubai Downtown area. It has over 1,000 main units, of which 27 are anchor tenants, including Bloomingdale's and Galeries Lafayette. Among its tenants are more than 80 international luxury fashion brands conveniently located in Fashion Avenue, The Dubai Mall's destination shopping area for international luxury fashion brands. The Dubai Mall's retail units also include more than 40 high-end jewellery and watch brands, and more than 400 apparel and accessories stores and electronics retailers. It has more than 170 food and beverage outlets located throughout the mall and in two large food courts, including over 25 casual dining restaurants located on the Waterfront Promenade, which enjoy views of the Dubai Fountain and Burj Khalifa, the world's tallest building. The Dubai Mall also features renowned attractions, including the Dubai Aquarium & Underwater Zoo, SEGA Republic, Kidzania®, Reel Cinemas, an Olympic-sized ice rink, an Airbus A380 flight simulator and DubaiDino, a 155 million year old dinosaur fossil exhibit, and provides exclusive direct access to 'At The Top', the observation deck of Burj Khalifa. The mall is also adjacent to the Dubai Fountain, Souk Al Bahar, and two of Dubai's leading hotels, The Address Downtown and The Address Dubai Mall.

  The Dubai Mall was the most visited shopping and entertainment mall worldwide in 2011, 2012 and 2013. In 2013, the mall attracted 74.8 million visitors, an increase of 15 per cent. compared to 2012, surpassing significantly the number of visitors in the same year at other leading malls worldwide, such as Les Quatre Temps (46 million), Mall of America (40 million), Bullring Birmingham (40 million) and the Trafford Centre Manchester (30 million). In 2013, The Dubai Mall accounted for approximately 50 per cent. by value of all luxury goods sold in Dubai, and continues to strengthen its position as the fashion capital of the Middle East. It is the largest shopping mall in the world by total built-up area (approximately 12.1 million sq ft.), the sixth largest in the world by GLA (approximately 3.7 million sq ft.) and in 2013, had a GLA occupancy rate of 99 per cent.

  We are currently undertaking a major expansion of Fashion Avenue. This project is expected to add approximately 600 thousand sq ft. of GLA to Fashion Avenue, which can accommodate more than 200 units for some of the world's top luxury brands, further enhancing the fashion portfolio of The Dubai Mall. It is expected to be completed in 2016.

- *The Regional Malls division.* This division comprises the Dubai Marina Mall and accounted for 5 per cent. of our revenues in 2013. The Dubai Marina Mall is a fully integrated retail, leisure and entertainment development, benefitting from a catchment area of over 120 thousand residents, a waterfront location and proximity to two of our Community Integrated Retail properties, the Marina Walk and the Marina Promenade, as well as other waterfront landmarks, which enhance a "lifestyle" shopping experience. The Dubai Marina Mall has approximately 150 main units and total GLA of 426 thousand sq ft. (including Pier 7). In 2013, the Dubai Marina Mall had a GLA occupancy rate of 98 per cent. and attracted more than 6 million visitors.

- *The Community Integrated Retail division.* This division comprises 30 community shopping centres and other retail properties in various residential communities developed by Emaar Properties, and accounted for 6 per cent. of our revenues in 2013. The principal properties included within this division are:
  - Mohammed Bin Rashid Boulevard retail development, which includes a number of community integrated retail properties with a total GLA of approximately 535 thousand sq ft. and a GLA occupancy rate of 63 per cent. in 2013, as well as other retail properties in the Downtown Dubai area;
  - Dubai Marina retail development, including the Marina Walk, Marina Promenade and other retail properties with a total GLA of over 247 thousand sq ft. and a GLA occupancy rate of 58 per cent. in 2013;
  - shopping centres in other Emaar residential communities, such as Arabian Ranches and the Greens; and
  - community shopping centres currently under construction, such as Arabian Ranches II and Springs Village.

Our community integrated retail properties feature, among other things, supermarkets, restaurants, fitness clubs, day-care facilities and clinics, and cater to the needs of residents in the surrounding areas. In aggregate, these properties have 363 retail units and 152 food and beverage units, a total GLA of 983 thousand sq ft. and, in 2013, had a GLA occupancy rate of 69 per cent.

- *The Specialty Retail division.* This division comprises Souk Al Bahar and the Gold & Diamond Park, and accounted for 5 per cent. of our revenues in 2013.
  - Souk Al Bahar is a shopping, entertainment and fully licensed dining destination focused on fine dining and Arabic-themed shopping. Located next to The Dubai Mall and the Dubai Fountain in the heart of Downtown Dubai, Souk Al Bahar has 77 main units, comprising 21 food and beverage outlets and 56 retail stores, and has a total GLA of approximately 210 thousand sq ft. In 2013, Souk Al Bahar had a GLA occupancy rate of 94 per cent., attracted 6 million visitors and accounted for 3 per cent. of our total revenue.
  - Gold & Diamond Park is one of Dubai's leading wholesale and retail destinations for gold and diamond jewellery. Gold & Diamond Park has 451 main units, comprising 110 manufacturing spaces, 98 retail outlets and 243 offices, and has a total GLA of approximately 532 thousand sq ft. In 2013, Gold & Diamond Park had a GLA occupancy rate of 83 per cent., attracted 2 million visitors and accounted for 2 per cent. of our total revenue.

In addition to the properties described above, we will also seek to leverage our strong relationship with Emaar Properties to potentially acquire additional retail properties. If our proposed IPO goes ahead, we would expect to enter into a relationship agreement with Emaar Properties, pursuant to which we would have the contractual right, but not the obligation, to acquire additional portfolio assets currently in the development pipeline of Emaar Properties, including any retail assets developed by Emaar Properties in the GCC during the next ten years, so long as Emaar Properties retains a shareholding of 30 per cent. or more in Emaar Malls.

History

Emaar Malls was incorporated and established on 19 December 2005 under the laws of the United Arab Emirates with a registered address of Building 3, Level 4, Emaar Square, Downtown Dubai, P.O. Box 191741, Dubai, United Arab Emirates and its telephone number is +971 (0) 4 367 5588.

Our properties have been developed by Emaar Properties as an integrated part of its master plan developments, such as the Downtown Dubai area, the Dubai Marina and a number of residential communities throughout Dubai. Key milestones relating to our operations include the following:

- May 2001: opening of Gold & Diamond Park.
- December 2007: opening of Souk al Bahar.
- November 2008: opening of The Dubai Mall.
- December 2008: opening of Dubai Marina Mall.
- 2009: The Dubai Mall records annual footfall of 30.6 million visitors.
- 2010: The Dubai Mall annual footfall reaches 47.4 million visitors, a 55 per cent. increase on 2009, despite the global financial crisis.
- 2011: redevelopment of the Gold Souk area of The Dubai Mall.
- 2011: The Dubai Mall becomes the world's most visited shopping and entertainment mall, with annual footfall of 54.3 million visitors, a 15 per cent. increase over 2010.
- December 2012: opening of the metro link bridge connecting The Dubai Mall with the Dubai Metro; The Dubai Mall annual footfall reaches 64.5 million visitors, a 19 per cent. increase over 2011.
- October 2013: The Dubai Mall hosts the Vogue Fashion Dubai Experience in strategic partnership with Vogue Italia – a first of its kind global fashion event in the Middle East – which helps to position The Dubai Mall and Dubai among the world's leading fashion hubs.
- 2013: The Dubai Mall annual footfall reaches 74.8 million visitors, a 16 per cent. increase over 2012.
- January 2014: work commences on the Fashion Avenue extension.
- March 2014: The Dubai Mall unveils DubaiDino, a 155 million year old dinosaur fossil exhibit to the public.
- April 2014: The Dubai Mall unveils an Emirates A380 flight simulator.

Competitive Strengths

Our competitive strengths include the following:

Dubai is one of the most attractive global economies and provides an excellent platform for continued growth in our business

Our profitable track record and our expectations of robust growth in our business are fundamentally linked to our market position in Dubai and the platform it provides for successful operation of our assets. Dubai is the second largest Emirate (by area, population and GDP) in the UAE after Abu Dhabi and, as such, is an important part of the wider UAE economy. In 2012, Dubai contributed 31 per cent. to overall UAE GDP. Dubai has a diversified economy and has demonstrated consistent nominal GDP growth since rebounding from the global financial crisis in 2010. Nominal GDP in Dubai grew by approximately 3.2 per cent. in 2010, 3.9 per cent. in 2011, 5.8 per cent. in 2012 and 4.5 per cent. in the first nine months of 2013 compared to the same period in 2012. No single economic sector contributed more than 31 per cent. to real GDP in 2012, with the largest contributor being the wholesale and retail trade and services sector, which accounted for AED 96.3 billion, or 30.3 per cent., of Dubai's real GDP. We benefit from the strong fundamentals of Dubai's economy, including its successful diversification.

Dubai has successfully positioned itself as an important business and leisure tourism hub within the Middle East and has developed a significant tourism infrastructure to facilitate this strategy. According to the Dubai Department of Tourism and Commerce Marketing, there were 611 hotels, guest houses and hotel apartments in Dubai as at 31 December 2013 (of which 69 were five star hotels in 2012), with an overall average occupancy rate of 80 per cent. These facilities accommodated approximately 11 million guests in 2013, an increase of over one million guests from 2012.

Dubai has two airports, the Dubai International Airport and the Al Maktoum International Airport. Approximately 66 million passengers transited through the Dubai International Airport during 2013, which offered connections to 220 destinations during 2013 through non-stop flights and Emirates Airlines, which is wholly-owned by the Government of Dubai, operates more than 1,200 weekly flights to six continents from its hub at the Dubai International Airport. The Government-owned Dubai Airports Company has developed a strategic plan (the Strategic Plan 2020) targeting an increase in capacity at the Dubai International Airport to 90 million passengers per year by 2018 and completion of Phase 2 of the Al Maktoum Airport between 2018 and 2023, anticipated to create the world's largest airport with a design capacity of 150 million passengers per year.

Dubai has further established itself as a leading hub for many regional and international companies. The Jebel Ali Free Zone is the largest free zone in the UAE, providing a base for over 7,000 companies during 2013, including 120 of the Fortune Global 500 companies. The Dubai International Financial Centre (the "**DIFC**") was established in order to promote Dubai as an international hub for financial services and a regional gateway for capital and investment. As at 31 December 2013, more than 1,000 companies were registered in the DIFC. Dubai is the world's foremost destination for shopping, according to Tripadvisor's Cities Survey, released in May 2014 and Dubai is currently tied with London as the world's leading retail destination in terms of the highest representation of global brands (Euromonitor 2013 Retail Brand Presence Rankings). There is a significant addressable retail market within Dubai, with a population of 2.2 million as of 31 December 2013 (Dubai Statistics Centre), and within the wider UAE and GCC region with a population of 9.3 million and 48.7 million, respectively (Global Insight).

Dubai has been successful in establishing itself as a centre for luxury retail accounting for approximately 30 per cent. of the luxury market of the Middle East and approximately 60 per cent. of the UAE as of May 2013 (Bain & Company: Worldwide Luxury Markets Monitor). The Dubai Mall accounted for approximately 50 per cent. by value of all luxury goods sold in Dubai in 2013 (Bain & Company: Worldwide Luxury Markets Monitor). A study by Bain & Company in March 2014 recognised Middle East consumers as the world's highest per capita luxury goods spenders, at USD 1,928 a year.

We believe that the strong fundamentals of Dubai's economy, together with its advancing infrastructure and status as an international trade, transit and tourism hub, provide an optimal platform for robust growth in our business.

Our business benefits from Dubai's high growth consumer oriented retail market

All of our assets are located in Dubai. Retail spending in Dubai is supported by increasing domestic demand, tourism volumes and spending levels.

Retail sales in the UAE are expected to grow from around USD 65 billion in 2014 to USD 92 billion in 2017, and our market position in Dubai makes us extremely well placed to benefit from any such growth. As at September 2013,the UAE had significantly higher consumer confidence levels than the global average. Consumer confidence, coupled with the absence of personal income taxes, a young and growing population of Emiratis and expatriates and increasing per capita GDP, is likely to contribute to an increase in aggregate household spending in the UAE, which is forecast to grow from USD 209 billion in 2013 to USD 318 billion in 2017 (a compound annual growth rate ("**CAGR**") of 11.1 per cent.) (Business Monitor International UAE Retail Report Q1 2014). It is estimated that approximately 67 per cent. of the UAE's population in 2013 was aged 20-39. Over the same time period, nominal per capita GDP is expected to grow from approximately USD 43 thousand per year to approximately USD 52 thousand per year.

Our business is further supported by increasing tourism volumes and spending levels. Building upon initiatives to increase tourism contained in the Dubai Strategic Plan 2015 and Dubai's Medium Term Economic Plan, the Government has set itself the target of increasing tourist arrivals to 20 million tourists annually by 2020, from 11 million in 2013, and aims to triple annual revenues from tourism to AED 300 billion (USD 83 billion) by 2020.

Dubai recently ranked #7 on MasterCard's Q2 2013 *Global Destination Cities Index*, ahead of major cities such as Barcelona, Rome, Vienna and Los Angeles. The Dubai Mall is a leading destination for tourists, with customers from the UAE's key tourism markets, which are China, Saudi Arabia, India, Russia and Qatar, contributing 44.5 per cent. of the total spending at The Dubai Mall during the two main promotional shopping seasons of 2013. Our management has also observed significant domestic customer flows to our properties from the other Emirates in the UAE.

Dubai has been selected to host the World Expo 2020, which is expected to contribute approximately USD 24 billion to Dubai's economy between 2014 and 2020. A total of 25 million visitors are expected to attend by the Government, 70 per cent. of which are expected to be non-UAE residents. The total estimated budget of the Expo is USD 8.8 billion, of which USD 7 billion will be dedicated to further develop city-wide infrastructure, and the Expo site.

According to The Dubai Airport Strategic Plan 2020, one third of the world's population lives within a four-hour flight radius and two thirds of the world's population live within an eight-hour flight radius of Dubai, and it is expected that many of the economies within our catchment area will be characterised by growing populations enjoying increasing per capita GDP and increasing tourism spending that is concentrated in retail. The majority of our catchment area, including the GCC, India, China and Africa, is expected to experience population growth during the period from 2013 to 2017, with a CAGR expected to range from 0.5 per cent. in China to 2.4 per cent. in Africa over the period. Over the same period nominal per capita GDP is expected to experience a CAGR ranging from 4.2 per cent. in the GCC to 11.2 per cent. in India. Tourism receipts in the UAE are expected to increase from approximately USD 10.0 billion in 2013 to USD 14.2 billion in 2017 (equivalent to a CAGR of 9.0 per cent.) and retail has recently been both the largest and fastest growing component of tourism spending in the UAE (based on 2012 versus 2011 receipts). Historically, super-regional malls, such as The Dubai Mall, have been among the main beneficiaries of tourism spending in Dubai, with one-third of spending through Visa cards in 2012 being spent in retail outlets in the UAE and 66.4 per cent. of retail space in Dubai being located in super-regional malls as of December 2013.

Against the backdrop of significant and increasing retail shopping demand from both domestic consumers and tourists, we consider Dubai to offer a fast-growing consumer market that can support our plan to deliver maximum value to shareholders through our property portfolio, which is designed to capture both tourism driven as well as domestic demand. Our Specialty and Community Integrated Retail divisions are mainly focused on domestic demand, while our Super-Regional and Regional Malls divisions benefit from domestic as well as tourism driven demand.

Our key assets are iconic global retail and leisure destinations integrated within Dubai's best known attractions

We aim to offer shoppers not only an unparalleled level of quality and variety of retail options, but also the chance to visit iconic destinations that are unique to Dubai. The success we have achieved with our key portfolio assets is attributable in part to our successful integration of our malls into renowned Dubai landmarks.

The Dubai Mall is currently the largest mall by total built-up area globally and has been the most visited shopping and entertainment mall worldwide in each of the last three years. In 2013, The Dubai Mall attracted 74.8 million visitors, an increase of 16 per cent. compared to 2012, surpassing significantly the number of visitors in the same year at other leading malls worldwide, such as Les Quatre Temps (46 million), Mall of America (40 million), Bullring Birmingham (40 million) and the Trafford Centre Manchester (30 million).

Customers are drawn to The Dubai Mall by its over 1,000 main retail units, which include over 80 international luxury fashion brands and over 40 high-end jewellery and watch brands, more than 400 apparel and accessories stores and electronic retailers, and over 170 food and beverage outlets. The Dubai Mall is located in the prestigious Downtown Dubai area, which is home to two iconic Dubai landmarks, the Burj

Khalifa and The Dubai Fountain, which are accessible through the mall. As the world's tallest building, the Burj Khalifa has redefined the Dubai skyline and set new standards in architectural excellence to global acclaim. The Burj Khalifa has surpassed numerous architectural records, including the tallest existing structure, at 829.8 metres. Access to the 124th floor observation deck, *At the Top*, which recorded approximately 1.87 million visitors in 2013, is exclusively through The Dubai Mall.

Visitors can also access the Dubai Fountain on the Burj Khalifa Lake through The Dubai Mall. The Dubai Fountain was inaugurated as the largest choreographed water display in the world in May 2009. Built by Emaar Properties at a cost of approximately AED 1,000 million, The Dubai Fountain is 275 metres long and its choreographed water displays can shoot water up to 150 metres in the air, accompanied by music, 6,600 lights and 25 coloured projectors.

In addition to the strong footfall attributable to The Dubai Mall's integration with the Burj Khalifa and The Dubai Fountain, visitors are also attracted to The Dubai Mall by its unique anchor leisure and entertainment tenants, which, as of 31 December 2013, accounted for 8.2 per cent. of its GLA. The Dubai Mall is attached to the Address Dubai Mall Hotel (a 244 room five star hotel and 453 serviced residences) and is situated adjacent to the Address Downtown Dubai Hotel (a 196 room five star hotel and 628 serviced residences). Souk Al Bahar, which is adjacent to The Dubai Mall and faces the Burj Khalifa and the Dubai Fountain, provides a complementary offer focused on fine dining and Arabic-themed shopping, with 35 food and beverage outlets. The Dubai Mall also benefits from excellent transport infrastructure, with over 14 thousand covered car parking spaces and is accessible by public transport with a direct connection to the Dubai Metro.

Like The Dubai Mall, the Dubai Marina Mall benefits from integration into one of Dubai's landmark lifestyle development projects – the Dubai Marina. Developed as a master planned community by Emaar Properties, the Dubai Marina is a feat of urban engineering that involved the excavation of three kilometres of desert coastline and the redirection of water from the Arabian Gulf to create what has become the largest man-made marina in the world. The Dubai Marina features eight kilometres of landscaped public walkways and features upscale residences, dining and shopping experiences, including the Dubai Marina Mall, and is connected to the Dubai Metro.

The Dubai Marina Mall, which has 426 thousand sq ft. of GLA, is a fully integrated retail, leisure and entertainment development, benefitting from a waterfront location and proximity to the Dubai Marina's residential and retail landmarks, including The Walk, the Jumeirah Beach Residence and The Beach. Attracting more than six million visitors in 2013, the Dubai Marina Mall was designed to offer residents and visitors of the Dubai Marina a "lifestyle" shopping experience and has been a popular destination for an integrated retail experience in the Dubai Marina since it opened in December 2008.

Together with our commitment to excellence in mall operations and diversity of retail, dining and entertainment options in our key properties, the successful integration of our key portfolio assets within Dubai's landmark attractions provides support for continued growth in footfall levels and outperformance of competitors in the malls business.

Our management has developed a best-in-class shopping mall portfolio and a track-record of creating significant value

Our highly experienced senior management team has developed a best in class shopping mall portfolio and created significant value. The members of our senior management team have on average 20 years of experience in the real estate and retail sectors and have been employees of Emaar Malls and/or Emaar Properties or its subsidiaries for seven years on average.

Our management has established a track record of double digit revenue growth during each of the last three years, as our revenue increased from AED 1,219 million in 2009 to AED 1,353 million in 2010 (an 11 per cent. increase year-on-year), to AED 1,525 million in 2011 (a 12.7 per cent. increase year-on-year), AED 1,950 million in 2012 (a 27.8 per cent. increase year-on-year) and AED 2,395 million in 2013 (a 22.8 per cent. increase year-on-year). Our tenant's sales at The Dubai Mall over this period have also increased from AED 3.4 billion in 2009 to AED 6.2 billion in 2010, AED 8.5 billion in 2011, AED 10.6 billion in 2012 and AED 13.6 billion in 2013, and the GLA occupancy rate of The Dubai Mall increased from 79 per cent.

in 2009 (the first full year of the mall's operations) to 90 per cent. in 2010, 93 per cent. in 2011, 92 per cent. in 2012 and 99 per cent. in 2013. Our highly successful management team has also consistently improved our profitability during this period, as evidenced by rising EBITDA (AED 1,036 million in 2011, AED 1,446 million in 2012 and AED 1,739 million in 2013). This has resulted in strong cash flow generation and significant value creation for the business.

Underpinning our successful results has been a management focus on lease monitoring and active tenant management that has resulted in a high quality and diversified tenant mix. In the nearly 300 leases we have renewed in 2014 to date, we have achieved an increase in the aggregate contractual base rent for the first year of the new leases relative to the aggregate contractual base rent in 2013 for these leases of over AED 80 million. We have a waitlist of more than 4,000 businesses that represent a broad mix of tenant categories. This list represents a potential GLA in excess of the current GLA of our properties. Although we may not be able to replace all of our tenants with the businesses on the waiting list due to the significant number of international brands already represented in our malls, we believe that this level of demand makes any decline in the GLA occupancy rate at our properties unlikely in the near to medium term, assuming we are able to replace tenants on a like-for-like basis. We benefit from a strong bargaining position in lease negotiations as a result of the excess of demand for space in The Dubai Mall. Management engages in year-round tenant management, with most leases as of March 2014 on three year terms (weighted average lease term for The Dubai Mall: 5.73 years; weighted average lease term for the Dubai Marina Mall: 4.98 years). This allows management to replace underperforming tenants, optimise the tenant mix in our properties and negotiate favourable lease terms.

Our management team has also driven our successful results by realising a number of redevelopment and enhancement projects for our assets. From 2011 to 2012, we undertook extensive redevelopment of the Gold Souk in The Dubai Mall at a total cost of AED 32 million. Following completion of this project, footfall levels in the Gold Souk increased, and tenant sales grew by more than five times in 2013 (after the redevelopment was completed) compared to 2011 (before the redevelopment began). Our team also oversaw the Pier 7 extension at the Dubai Marina Mall, an AED 123 million expansion of the Dubai Marina's waterfront restaurant offerings that resulted in signed leases for 100 per cent. of GLA at Pier 7 as at 31 December 2013, and the successful connections of the Burj Khalifa and Dubai Mall metro station to level two of The Dubai Mall via a new metrolink service in December 2012, contributing to an increase of 27 per cent. in second floor sales in 2013. We expect to recover the cost of the metrolink within four years from advertising revenues and rental income within the metrolink.

In addition, our management team has, since 2011, successfully introduced a number of key changes to our standard lease terms, including the introduction of terms to support advanced collection of turnover rent by making annual adjustments to tenant base rents based on turnover rent in the prior lease year, which has increased and is expected to continue to increase revenue and cash flow predictability. In addition, our management team has started to integrate our IT systems with the point-of-sales ("**POS**") systems of our tenants, which will allow us to automatically monitor tenants' gross sales, which are the basis for our determining the amount of turnover rent. We expect this initiative will increase revenue and cash flow predictability even further.

Our management team covers the entire value chain of our business, with a team of 48 professionals dedicated to asset developments and enhancements, 120 professionals dedicated to asset management and 379 professionals dedicated to mall operations.

We have a strong, reputable and committed major shareholder and an excellent working relationship with the Government

As a subsidiary of Emaar Properties, we enjoy the support of a strong, reputable and committed major shareholder. Emaar Properties is one of the largest real estate master developers operating in the GCC. Emaar Properties has substantial experience in successfully designing and executing property development projects, from the land acquisition stage through to the design, approvals, marketing and sales stages of the real estate development lifecycle. Our affiliation with Emaar Properties allows us to pursue our business strategies with the support of one of Dubai's most respected companies. We will have access to Emaar Properties' expertise, human resources and supplier relationships.

Through our major shareholder, we have also established an excellent working relationship with the Government. Emaar Properties is 29.4 per cent. owned by the Investment Corporation of Dubai (the "**ICD**"), the investment arm of the Government. The Government's strong support for our business and our alignment with the development goals of the ICD has been recently evidenced by the land which has been made available by the Government for the car park of The Dubai Mall's Zabeel expansion and the commissioning of the only second floor road in Dubai for optimal access to The Dubai Mall. Our excellent working relationship with the Government also means that we benefit from the opportunity for marketing alliances and joint ventures with other government-related brands, such as Emirates Airline and Meraas Holding (currently co-developing Mohammed Bin Rashid City alongside Emaar Properties). The Government is highly supportive of our business objectives and our business is a significant contributor to Dubai's economy, with The Dubai Mall alone accounting for around 4 per cent. of Dubai's total GDP in 2012.

We will continue to have access to Emaar Properties' expertise, human resources and supplier relationships after our proposed IPO, if it goes ahead.

We have unique access to attractive growth opportunities

We expect that the growth of our business will be driven by the following factors: increases in rental income from existing assets through our active asset management approach, development and expansion projects currently under development, development and expansion projects currently under evaluation, and the establishment of joint ventures.

Our current positioning in master plan developments such as Downtown Dubai, which houses the Burj Khalifa and The Dubai Mall, and the Dubai Marina, which houses the Dubai Marina Mall, is a direct result of our relationship with Emaar Properties. Emaar Properties has exercised the vision to develop master plan developments across Dubai and its support for us, as one of its subsidiaries, allows us unique access to opportunities to establish mall operations in landmark master plan developments. If our proposed IPO goes ahead, we would expect to enter into a relationship agreement with Emaar Properties, pursuant to which we expect to have the contractual right, but not the obligation, to acquire additional portfolio assets currently in the development pipeline of Emaar Properties, including any retail assets developed by Emaar Properties in the GCC during the next ten years, so long as Emaar Properties retains a shareholding of 30 per cent. or more in Emaar Malls. We expect that the relationship agreement will grant us the right to acquire these assets before they are fully developed and let, providing us with additional upside from subsequent rental income growth. We would expect to be actively involved in the design of these assets.

Based on our estimates, there is no non-Government owned undeveloped land in central locations in Dubai that is available for a large scale retail development, as the majority of undeveloped land is owned by Government related entities. We believe that our strong working relationship with the Government has placed us in an ideal position to gain access to future retail developments of undeveloped land in attractive locations in Dubai.

Our strong balance sheet and flexible investment policy allows us to capitalise on growth opportunities

We benefit from a strong balance sheet and have investment grade credit ratings from both Moody's and Standard & Poor's. Our balance sheet compares favourably with key international peers, based on net financial indebtedness to EBITDA.

Our malls generate a substantial amount of recurring cashflow. We believe that a significant portion of this cashflow is predictable due to the amount of contractual base rent in our tenancy agreements, the lack of tenant termination clauses and the post-dated cheques we require from our tenants covering the contractual base rent. We expect that we will be able to meet currently committed capital expenditures from our future operating cash flow.

The Government does not levy corporate income taxes. As such, we achieve full tax transparency to our shareholders. Unlike REIT regimes in other jurisdictions, we achieve this tax transparency without incurring any of the restrictions relating to reinvestment and dividend policies.

Based on our focused investment policy and our strong balance sheet, we will be in a strong position to benefit from and capitalise on sustainable growth opportunities that present themselves.

Strategy

Deliver long-term growth through active tenant portfolio management

Our active tenant portfolio management strategy includes a comprehensive understanding of our tenants' needs in order to tailor marketing campaigns to encourage revenue growth. We will continue to seek to be the first shopping mall to bring leading global retail brands to the GCC region, such as Bloomingdales and Galeries Lafayette at The Dubai Mall.

We continuously monitor our tenant portfolio and lease terms in order to maximise revenue growth and minimise costs. Since 2011, we have introduced a number of key changes to our standard lease terms, including the introduction of terms to support advanced collection of turnover rent by making annual adjustments to tenant base rents based on turnover rent in the prior lease year. We have also introduced terms designed to enhance the cost efficiency of our operations, including the removal of firm caps on chilled water fees, the introduction of additional design fees and project management charges related to store retrofitting.

The Dubai Mall's high occupancy rate demonstrates our strong bargaining power, which has allowed us to increase rents within our properties. This also demonstrates the demand for retail space, especially within our Super-Regional Malls division.

We will continue our active tenant portfolio management and seek to continue to successfully negotiate favourable lease terms, particularly at The Dubai Mall. We anticipate maintaining anchor tenants on 10 to 20 year tenancy agreements and non-anchor tenants on three to five year lease contracts. We aim to further increase our strong collection rates by mitigating lease payment risk through the use of PDCs covering aggregate contractual base rent for the term of the lease and an additional security deposit covering the first three months of contractual base rent for all tenants. We will also continue to manage lease payment risk by maintaining a diversified tenant mix across a significant number of tenants and a variety of tenant categories, with key anchor tenants being comprised largely of well-known regional and international brands, by continuing to refine our rigorous tenant screening procedures, and by pro-actively managing underperforming tenants by implementing shorter lease terms for these tenants to incentivise performance and decrease risk.

Maximise returns from our existing portfolio through active asset management and expansions as well as development of new assets

Although we are already the leading owner and operator of shopping malls in Dubai, we believe that the fundamentals of Dubai's economy, together with expected population, tourism and GDP growth in our catchment area, means that there is an opportunity for us to further strengthen our market leading position.

Our growth strategy involves expansion of our existing assets beyond the current portfolio GLA of 5.9 million sq ft. to drive revenue growth and increase shareholder value. Our initial focus will be to reinforce the status of The Dubai Mall as an iconic retail and leisure destination globally in order to maximise returns from our flagship asset.

We have a current development pipeline consisting of a total GLA of over 1 million sq ft. and a total cost of approximately AED 1,500 million. Of this development pipeline, 85 per cent. of the GLA and 90 per cent. of the cost relate to expansions and redevelopments of existing assets:

- *Fashion Avenue:* Expansion of the Fashion Avenue area in The Dubai Mall that will add approximately 600 thousand sq ft. of GLA, which can accommodate over 200 units for some of the world's top luxury brands. The construction commenced in January 2014 and is expected to be completed in March 2016.

- *Springs Village:* Redevelopment of the existing mall in Springs Village with a total of 230 thousand sq ft. of GLA and expected completion in 2015.
- *Arabian Ranches II:* Development of a new community shopping centre adjacent to the existing Arabian Ranches development with a total of 150 thousand sq ft. of GLA and expected completion by the end of 2014.

In addition, we, together with Emaar Properties, are evaluating projects with a total GLA of over 865 thousand sq ft., which would be developed by Emaar Properties. These projects comprise:

- *The Boulevard Expansion:* Conversion of a portion of the existing parking space of The Dubai Mall into retail space and constructing a connection to the retail space in the adjacent Fountain Views development, which, if undertaken, would add 400 thousand sq ft. of additional retail space to The Dubai Mall.
- *The Zabeel Expansion:* Expansion of The Dubai Mall in the adjacent Zabeel area on land which has been made available by the Government. If undertaken, the expansion could add 400 thousand sq ft. new retail space and 4,000 car parking spaces, and could be completed as early as 2015.
- *Al Reem:* Development of the Al Reem community shopping centre with an approximately 65 thousand sq ft. of GLA.

In addition, to promote our growth strategy, we will also seek to leverage our strong relationship with Emaar Properties. If our proposed IPO goes ahead, we would expect to enter into a relationship agreement with Emaar Properties, pursuant to which we would have the contractual right, but not the obligation, to acquire additional portfolio assets currently in the development pipeline of Emaar Properties, including any retail assets developed by Emaar Properties in the GCC during the next ten years, so long as Emaar Properties retains a shareholding of 30 per cent. or more in Emaar Malls. We expect that the relationship agreement will grant us the right to acquire these assets before they are fully developed and let, providing us with additional upside from subsequent rental income growth. We would expect to be actively involved in the design of these assets. Further, we currently anticipate that we will target our own development pipeline of shopping malls outside of Emaar Properties master plan developments of not more than 20 per cent. of our GAV. We may also consider projects outside the UAE if attractive opportunities present themselves.

Following the success of our world-class entertainment facilities at The Dubai Mall that are operated through Emaar Retail, a subsidiary of Emaar Properties, we will also seek opportunities to operate integrated shopping and entertainment lifestyle properties while maintaining a balanced portfolio across property types and sizes. To the extent opportunities for partnerships and joint ventures with other leading brands and Government-related enterprises present themselves, we will consider opportunities for organic growth that are in line with our goal of delivering long-term value.

Fund growth opportunities and dividend distributions while maintaining a conservative capital structure

We maintain a conservative capital structure with sufficient flexibility to be able to execute on sustainable growth opportunities as they arise and to maintain prudent leverage levels while funding dividend distributions to enhance long-term shareholder value. We anticipate distributing approximately 70 per cent. of excess annual cash flow in the form of dividends to shareholders, following consideration by the directors and/or executive management of Emaar Malls of the cash management requirements with regards to operating expenses including interest for the year ahead and planned development capital expenditure. In addition, the board would also consider market conditions, the then current operating environment and its outlook for the business. Any level or payment of dividends depends on future profits and the business plan of Emaar Malls, amongst other factors, at the discretion of the board.

We operate within prudent leverage limits for a company in our sector. We have been assigned investment grade credit ratings from both Moody's (Baa2) and Standard & Poor's (BBB-) and we are committed to maintaining investment grade credit ratings and a balanced maturity profile on our debt. We utilise a diverse mix of funding sources to support our liquidity profile, including bank loans and debt capital markets financing. We have recently proven our ability to obtain financing on attractive terms through the New Facility.

Improve brand awareness to drive footfall and support tenant sales growth

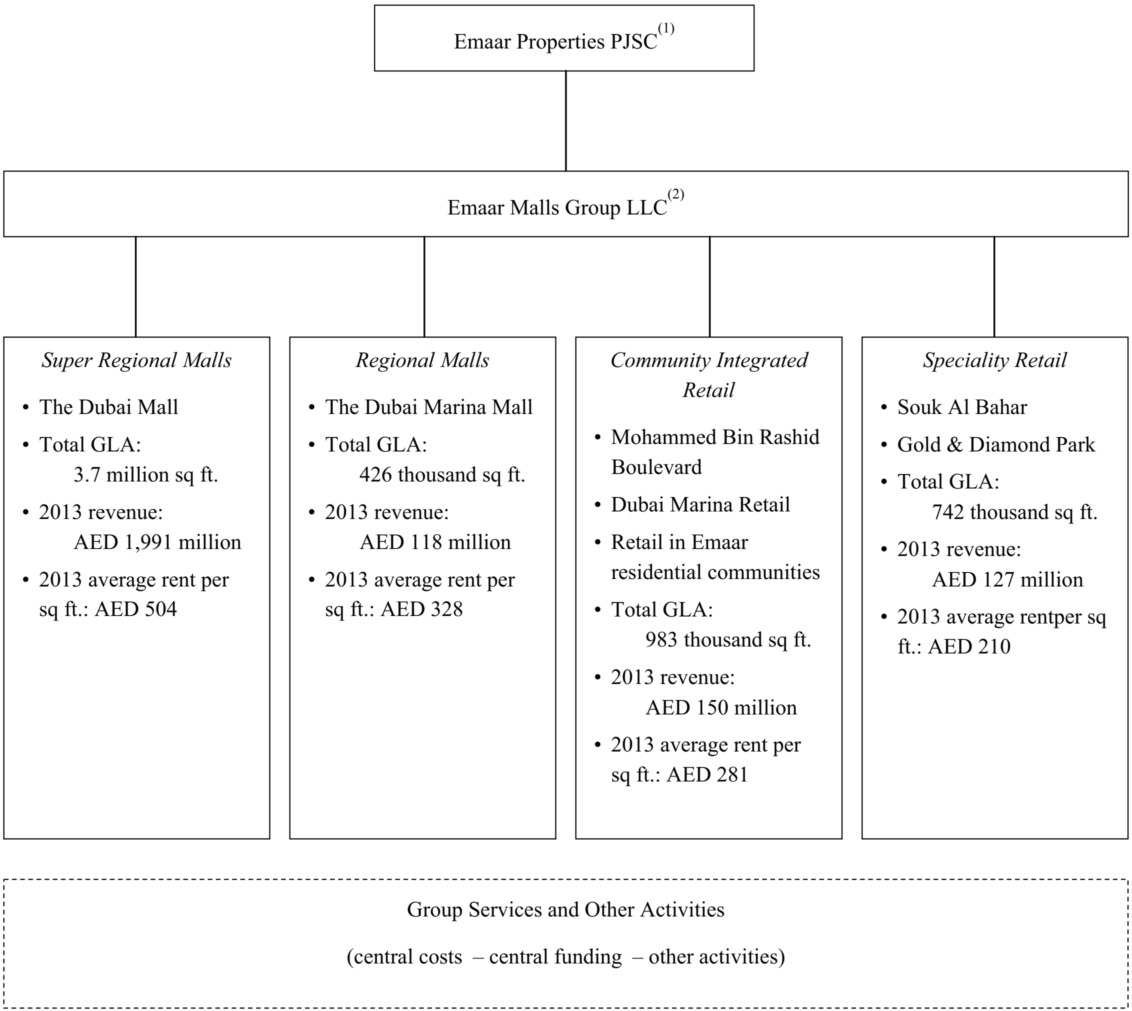
We aim to improve brand awareness through continued efforts with key Dubai stakeholders, high-profile event marketing and effective consumer engagement. We have an ongoing association with Emirates Airline and have launched a number of high-profile marketing events and brand building activities with Emirates Airline, including the opening of the A380 flight simulator in The Dubai Mall. As part of our strategy going forward, we will seek to continue to build upon our relationship with Emirates Airline, hospitality groups (such as Comité Colbert) and tourism agencies to increase brand awareness of Dubai, Emaar Malls and our properties.

We also aim to build brand awareness through the promotion of fashion, science, cultural, art and entertainment events, such as the Vogue Fashion Dubai Experience, the Emirates Classic Car Festival and high-end watch and jewellery exhibitions. We will also look to engage consumers by continuing our successful social media campaign around The Dubai Mall (with over 1.2 million Facebook fans and 120 thousand followers on Twitter as at 20 May 2014) by becoming the most visible mall on social media in the world, and will look to establish a loyalty programme that will further link customers of The Dubai Mall and our other properties to our brand and participating retailers.

Group Structure

We are a limited liability company incorporated in the Emirate of Dubai, United Arab Emirates, pursuant to the Commercial Companies Law No. 8 of 1984, as amended, concerning commercial companies. We are 100 per cent. beneficially owned by Emaar Properties.

The following chart illustrates our operating structure by division, together with certain related financial and operating data:



Notes:

(1) 70.6 per cent. owned by the public and 29.4 per cent. owned by the Investment Corporation of Dubai, (an entity wholly owned by the Government of Dubai.

(2) 100 per cent. beneficially owned by Emaar Properties.

Our Operating Divisions

The Super Regional Malls division

- **The Dubai Mall**

Overview

The Dubai Mall is the largest shopping mall in the world by total built-up area (approximately 12.1 million sq ft.), and the sixth largest in the world by GLA (approximately 3.7 million sq ft.), according to Construction Week Online. According to The Dubai Airport Strategic Plan 2020, one third of the world's population lives within a four-hour flight radius and two thirds of the world's population lives within an eight-hour flight radius of Dubai. Spread over four levels, The Dubai Mall has over 1,000 main units, of which 27 are anchor stores, and more than 80 are international luxury fashion brands conveniently located in Fashion Avenue. The Dubai Mall's retail units also include more than 40 high-end jewellery and watch brands, more than 400 apparel and accessories stores and electronics retailers and over 170 food and beverage outlets located throughout the mall and in two large food courts, including over 25 casual dining restaurants located on the Waterfront Promenade which enjoy views of the Dubai Fountain and Burj Khalifa. Opened in November 2008, The Dubai Mall was developed by Emaar Properties and is located in Downtown Dubai, Dubai, UAE.

The anchor retail tenants in The Dubai Mall include Galeries Lafayette, Bloomingdale's, Level Shoe District, Paris Gallery, Kinokuniya, Waitrose, Bloomingdale's Furniture Store, West Elm and Muji, Plug Ins Electronix and Debenhams. The other retail tenants of the mall include numerous internationally recognised brands, including a large number of international luxury brands, spanning apparel, jewellery, watches and accessories, with approximately 50 per cent. (by value) of all luxury goods sold in Dubai in 2013 having been sold in The Dubai Mall.

Anchor leisure and entertainment tenants in The Dubai Mall include the Dubai Aquarium, one of the world's largest indoor aquariums, which includes the world's largest underwater zoo featuring a 270-degree walk-through tunnel. In addition, The Dubai Mall is home to Reel Cinemas (a 22 screen cineplex, which is the largest in Dubai in terms of number of screens and the leading cinema in Dubai by annual number of tickets sold), an Olympic-sized ice rink, SEGA Republic (an indoor theme park developed in conjunction with SEGA Corporation) and Kidzania® (a children's "edutainment" centre). Through the reception area on the lower ground floor of The Dubai Mall, visitors can gain exclusive access to At The Top, Burj Khalifa, which provides 360-degree sweeping views from level 124 of the world's tallest building and offers unparalleled vistas from the Gulf to the Arabian Desert and beyond. In 2014, The Dubai Mall also added two new and unique attractions: DubaiDino, a 155 million year old dinosaur exhibit (24.4 m long and 7.7 m high) and a full size Airbus A380 flight simulator.

The Dubai Mall had the highest footfall among all shopping malls worldwide in each of 2011, 2012 and 2013, attracting 54.3 million, 64.5 million and 74.8 million visitors, respectively.

Set forth below is certain financial and operating information relating to the Super-Regional Malls division, all of which is attributable to The Dubai Mall:

	Year ended 31 December		
	2011	**2012**	**2013**
Rental income *(AED millions)*	1,267	1,626	1,991
GLA occupancy rate	93%	92%	99%
Footfall *(millions)*	54	65	75
Tenant sales *(AED millions)*	8,516	10,554	13,555

Property Details

The Dubai Mall is a four-level mall with a total GLA of approximately 3.7 million sq ft., 3.5 million sq ft. of which is dedicated to the mall's over 1,000 main units, with the remainder dedicated to specialty units, terraces and storage spaces. The Dubai Mall has a total built-up area of 12.1 million sq ft. and a gross floor area of 5.8 million sq ft.

The Dubai Mall's strategic design and its "racetrack" layout, with no dead ends and clear and wide thoroughfares, promotes free flowing footfall to all areas of the mall. Anchor tenants, both retail and leisure and entertainment, and distinctive visitor meeting places are strategically located in the mall to emphasize specific retail and entertainment offerings and enhance the atmosphere and overall retail experience. The Dubai Mall is divided into zones, with groups of tenants offering similar merchandise, including Fashion Avenue, High End Jewellery & Watches, Leisure & Entertainment, and Electronics, among others. Vertical circulation is optimised through the provision of more than 250 escalators and elevators throughout the mall. There are 26 entrances to the mall, including nine on the lower ground level, nine on the ground level, four on the first level and four on the second level.

The Dubai Mall is open from 10am to 10pm Sunday to Wednesday, and from 10am to 12 midnight Thursday to Saturday. It also remains open for extended hours until 2am during certain public holidays and shopping festivals.

Location, Transport Links and Parking

The Dubai Mall is located within, and forms part of, Emaar Properties' Downtown Dubai development, which is located along the Sheikh Zayed Road, the main highway in Dubai. The Downtown Dubai development is an approximately 21.5 million sq ft. integrated mixed-use development combining commercial, residential, hotel, entertainment, shopping and leisure outlets with six acres of parkland, a 12 hectare man-made lake and The Dubai Fountain, which is one of the world's largest dancing fountains. As well as it being the primary work location for more than 75 thousand individuals, there are more than ten hotels and serviced residences located in Downtown Dubai, including The Address Dubai Mall (a 244 room five star hotel and 453 serviced residences), to which The Dubai Mall is attached, and The Address Downtown Dubai (a 196 room five star hotel and 628 serviced residences), which is adjacent to the mall. The Downtown Dubai development had an estimated population of more than 100 thousand residents as at 31 December 2013.

The Downtown Dubai development is bordered by the Business Bay, another master development under construction to the north. To the west of the Downtown Dubai development is the DIFC area, which has grown to be a significant international financial centre and was home to more than 1,000 active registered companies as at 31 December 2013.

The Dubai Mall is easily accessible by car via Sheikh Zayed Road, Al Khail Road and Doha Street, which was rebuilt as a two level road in April 2009 to provide direct access to the mall. It has more than 14,000 covered parking spaces across three car parks, with a further 4,000 spaces currently under construction by Emaar Properties. The mall also provides visitors with valet services and a dedicated VIP parking/arrival area.

In 2013, a purpose built tourist bus arrival area was opened at the front of The Dubai Mall for the exclusive use of the mall's tourism partners and to enhance the arrival experience of our international visitors. This arrival area welcomes over 250 thousand tourist visitors monthly, and hosts over 2,000 tour buses weekly that arrive from many tour operators and hotels in Dubai.

The Dubai Mall also provides visitors arriving via the Dubai Metro service with a state-of-the-art, fully air conditioned 820-metre long link bridge, which provides a direct connection to The Dubai Mall from the Burj Khalifa Metro Station. This link bridge includes five sets of 120-metre long travellators, in addition to a range of retail and dining outlets, and is currently used by more than 30 thousand visitors daily.

The Dubai Mall operates, in collaboration with the Dubai Roads and Transport Authority, two taxi pick-up and arrival points for the convenience of its visitors.

Tenants

General

The Dubai Mall classifies main unit tenants as follows: (i) anchor retail tenants; (ii) anchor leisure and entertainment tenants; (iii) anchor medical centre tenants; (iv) retail tenants; (v) non-anchor leisure and entertainment tenants; and (vi) food and beverage tenants. Anchor tenants, whether retail, leisure and entertainment or medical, are those tenants leasing units of 20,000 sq ft. or more.

The Dubai Mall's over 1,000 main units comprise a total GLA of approximately 3.5 million sq ft. Its GLA occupancy rates were 93 per cent., 92 per cent. and 99 per cent. in 2011, 2012 and 2013, respectively. The Dubai Mall's average annual rent per square foot was 361 AED/sq ft., 445 AED/sq ft. and 504 AED/sq ft. in 2011, 2012 and 2013, respectively. As at 31 December 2013, The Dubai Mall had:

- 27 anchor retail tenants, together occupying a GLA of approximately 1.1 million sq ft. (29.7 per cent. of total GLA), including Galeries Lafayette, Bloomingdale's, Level Shoe District, Paris Gallery, Kinokuniya, Waitrose, Bloomingdale's Furniture Store, West Elm, Muji, Plug Ins Electronix and Debenhams;

- five anchor leisure and entertainment tenants (Dubai Aquarium and Underwater Zoo, the Dubai Ice Rink, SEGA Republic, Reel Cinemas and KidZania®), together occupying 307 thousand sq ft. of GLA (8.2 per cent. of total GLA);
- one anchor medical centre tenant, The Dubai Mall Medical Centre, operated by Emirates Health Group, occupying 62 thousand sq ft. of GLA (1.7 per cent. of total GLA);
- 824 retail tenants and one non-anchor leisure and entertainment tenant, together occupying 1.7 million sq ft. of GLA (45.9 per cent. of total GLA); and
- over 170 food and beverage tenants, together occupying 361 thousand sq ft. of GLA (10.0 per cent. of total GLA).

Retail tenants

At The Dubai Mall, we classify our retail tenants into the following five market segments according to their product offering: High End Jewellery & Watches, Fashion Avenue, Apparel & Accessories, Food & Beverage and Others. Set forth below is certain information regarding GLA for each of these segments:

	GLA(1)		
	2011	**2012**	**2013**
	(sq ft. in thousands)		
Apparel & Accessories	928	911	911
Fashion Avenue	230	231	231
High End Jewellery & Watches	95	95	95
Food & Beverage	374	361	361
Others	1,864	1,923	1,939

Note:

(1) Only the GLA of main units is included.

Set forth below is certain information regarding the top ten tenants (excluding the anchor medical centre tenant and anchor leisure and entertainment tenants) of The Dubai Mall, by GLA of main units leased, as at 31 December 2013:

(trading name)	**Description**	**Total area leased (sq ft.)**	**% of total leased main unit GLA**
Galeries Lafayette	Department Store	192,139	5.4%
Bloomingdale's	Department Store	146,023	4.1%
Level Shoe District	Apparel and Accessories	96,398	2.7%
Paris Gallery	Department Store	85,102	2.4%
Kinokuniya	Books and Stationary	68,847	1.9%
Waitrose	Supermarket	55,304	1.5%
Bloomingdale's Furniture Store	Furnishings	55,120	1.5%
West Elm/Muji	Furnishings	40,667	1.1%
Plug Ins Electronix	Electronics	38,933	1.1%
Debenhams	Department Store	36,575	1.0%

In Dubai, certain large retail groups own the franchise rights to numerous international brands. Several of these retail groups lease multiple units within The Dubai Mall. The table below sets forth certain information regarding the top ten retail groups leasing units in The Dubai Mall, measured by GLA of main units leased at The Dubai Mall for the year ended 31 December 2013:

Group name	Number of units	Total area leased (sq ft.)	% of total leased main unit GLA	% of total rent
Emaar Retail L.L.C.	5	308,058	9%	3%
M.H. Alshaya	44	304,491	9%	7%
Al Tayer................................	37	299,889	8%	7%
Chalhoub	44	203,788	6%	9%
French Department	2	201,846	6%	1%
Landmark International..........	24	123,230	3%	3%
Azadea..................................	17	118,533	3%	3%
Al Fahim Enterprises	7	109,348	3%	2%
Al Futtaim	9	90,744	3%	2%
RSH Middle East	18	76,934	2%	2%
Total	207	1,836,861	51%	38%

Anchor leisure and entertainment tenants and attractions

The Dubai Mall's five anchor leisure and entertainment tenants together accounted for approximately 8.6 per cent. of the mall's leased main unit GLA as at 31 December 2013. Emaar Retail, a subsidiary of Emaar Properties, leases space for each of the five anchor leisure and entertainment tenants from The Dubai Mall on an arm's length basis. The anchor leisure and entertainment tenants, together with the Burj Khalifa and Dubai Fountain, two of the principal attractions accessed through The Dubai Mall, are described below.

- Reel Cinemas (105 thousand sq ft. by GLA) is a 22-screen cineplex with more than 2,800 seats averaging 127 seats per screen. It is the largest cinema in Dubai by the number of screens and the leading cinema in Dubai in terms of annual ticket sales. It occupies a GLA of 104,772 sq ft. on the second floor of the mall and includes the Picturehouse, which screens critically acclaimed art-house films, as well as Platinum Movie Suites, which provide a VIP experience. The cinema is owned by Reel Entertainment, a subsidiary of Emaar Retail, and operated by Cathay Cineplexes Pte Ltd under a management agreement with Emaar Retail. The total number of visitors to Reel Cinemas in 2013 was 2,981,124.

- SEGA Republic (76 thousand sq ft. by GLA) is an indoor theme park located across two floors of the mall. SEGA Republic features five entertainment zones, with 14 main rides and more than 170 amusement games. The Redemption Zone has one of the largest selections of prize redemption games in the region, with a broad range of winnable merchandise for all ages. Other zones include the Speed Zone, Cyberpop Zone, Adventure Zone and Sports Zone. The entrance to Sega Republic is located on the second floor of The Dubai Mall. SEGA Republic is operated by Emaar Retail under a franchise agreement with SEGA Corporation. The total number of visitors to SEGA Republic in 2013 was 1,191,960.

- KidZania® (49 thousand sq ft. by GLA) is an award-winning "edutainment" centre, where children can experience the adult world in an interactive environment. It is a model city scaled to size for children, which allows children to learn different jobs, take different modes of transportation in and around the city, and earn play money. The city includes areas for services, residences, cultural, industrial, media, restaurants and retail. It is operated by Emaar Retail under a franchise agreement with KidZania® Mexico. The total number of visitors to KidZania® in 2013 was 527,907.

- The Dubai Ice Rink (42 thousand sq ft. by GLA) is a multi-purpose venue comprising an Olympic-size ice rink, as well as spectator seating, a cafe and a skate shop. The facility offers 1,800 pairs of skates imported from a leading Italian manufacturer and made to fit children and adults of all ages and foot sizes. The Dubai Ice Rink hosts themed nights, Learn-to-Skate programmes, figure skating lessons and hockey matches. It uses refrigeration plant technology to produce 1.5 inches (38 millimetres) of ice bed, almost three times the thickness of a National Hockey League ice rink. The advanced technology used at the Dubai Ice Rink ensures that the consistency of the ice-bed is maintained at all times. By incorporating the refrigerator technology of pushing in glycol through a network of pipes, and monitoring the cooling over a period of five to six days, the 38 mm ice-bed is designed to withstand multiple activities in a safe environment. The Dubai Ice Rink has a capacity of up to 2,000 guests when converted into a multi-functional hall and features a world-class multimedia system, including a 20m × 10m LED screen. The Dubai Ice Rink is operated by Emaar Retail. The total number of visitors to the Dubai Ice Rink in 2013 was 322,614.

- The Dubai Aquarium & Underwater Zoo (36 thousand sq ft. by GLA) is located strategically in the centre of the mall, extending over three floors, with the zoo located on the top level. The Dubai Aquarium is one of the largest indoor aquariums of its kind in the world, measuring 51m × 20m × 11m in size. The main viewing panel holds the Guinness World Record for the world's "Largest Acrylic Panel", providing visitors clear views into the ten million-litre aquarium from three levels of The Dubai Mall. Visitors can also walk through the aquarium tunnel, which affords 270-degree views of the tank from within. The aquarium holds more than 33,000 marine animals, comprising over 70 species, including 400 sharks and rays. Cage snorkelling and shark dives are available in the main aquarium tank. The Dubai Aquarium and Underwater Zoo includes a gift and souvenir shop and also provides educational programmes for students. The Dubai Aquarium and Underwater Zoo is operated by Oceanis Australia Group pursuant to a management agreement with Emaar Retail, a subsidiary of Emaar Properties. The total number of visitors to the Dubai Aquarium and the Underwater Zoo in 2013 was 1,148,141.

- Burj Khalifa, which is owned and operated by Emaar Properties, is the world's tallest building. Visitors to The Dubai Mall can purchase tickets for exclusive access to At The Top, the world's highest observatory deck with an outdoor terrace, on the 124th level, from a dedicated reception desk located on the lower ground floor area of the mall. In 2013, 1.87 million tickets were sold at The Dubai Mall to access At The Top, and on New Year's Eve 2013, Burj Khalifa and The Dubai Mall together welcomed over 1.7 million visitors.

- The Dubai Fountain, which is owned and operated by Emaar Properties is one of the world's largest dancing fountains, with 6,600 lights, water jets and laser projections choreographed to themed music, is adjacent to The Dubai Mall. Spanning a length of over 275m, the fountain's powerful water nozzles can shoot water to a height of up to 150m, equivalent to the height of a 45-storey building.

Visitors

Footfall levels

Footfall is the measure of visitors to The Dubai Mall during a given period. Consistent with industry-standard methodology, footfall is measured using sensors at every entry and exit point to The Dubai Mall. Footfall is then calculated by dividing the total number of people entering and exiting the mall by two. Annual footfall for The Dubai Mall grew at a CAGR of 38 per cent. over the past three years, from 54.3 million in 2011 to 64.5 million in 2012 and 74.8 million in 2013.

The following tables set forth The Dubai Mall's average monthly footfall for 2011, 2012 and 2013, as well as the monthly footfall highs and lows in each of those periods:

	Year ended 31 December			Change	
	2011	2012	2013	2011/ 2012	2012/ 2013
		(millions)		*(%)*	
Monthly average	4.5	5.4	6.2	20%	15%
Monthly high	5.7	6.4	7.5	12%	17%
Monthly low	3.4	4.5	4.7	32%	4%

Footfall levels vary during the year based on general seasonal trends, holidays and other events. For example, during Eid al-Adha and Eid al-Fitr (the two main religious holidays observed in Islam), many tourists from other GCC countries spend their holiday in Dubai. In 2013, the average daily footfall was 347 thousand visitors during Eid al-Adha (measured from the 14th to the 16th of October) and 342 thousand visitors during Eid al-Fitr (measured from the 8th to the 10th of August), as compared to the annual daily average during 2013 of 205 thousand visitors. On a monthly basis, the highest footfall levels during 2013 were observed in January at 7.5 million visitors, partly driven by the popularity of the Dubai Shopping Festival, and the lowest in July at 4.7 million visitors, which was the low season in Dubai due to Ramadan.

Customer profile

The Dubai Mall collects information on the nationality of customers during the two main promotional shopping seasons each year, the Dubai Shopping Festival and Dubai Summer Surprises, during holidays such as Eid al-Fitr and Eid al-Adha, as well as during other key promotional campaigns. Set forth below is certain information regarding the profile by the country of residence of visitors to the mall during 2012 and 2013 based on information voluntarily provided by visitors. Therefore, this information may not be fully representative of The Dubai Mall's overall customer profile.

	Year ended 31 December 2012			
Country of residence[1]	Total spending	Visit count	Basket size[2]	Contributions
	(AED)		*(AED, millions)*	*(%)*
United Arab Emirates	16,196,560	4,172	3,882	17.5%
Saudi Arabia	12,019,617	3,643	3,299	13.0%
India	10,724,984	3,736	2,871	11.6%
China	9,046,193	681	13,284	9.8%
Russian Federation	4,413,258	949	4,650	4.8%
Kuwait	3,380,374	889	3,802	3.6%
Philippines	2,984,036	1,600	1,865	3.2%
Egypt	2,687,388	1,220	2,203	2.9%
Iran	2,352,780	739	3,184	2.5%
Syrian Arab Republic	2,351,985	734	3,204	2.5%
Total	**66,157,175**	**18,363**		

Country of residence[(1)]	Year ended 31 December 2013 Total spending	Visit count	Basket size[(2)]	Contributions
	(AED)		(AED, millions)	(%)
China	39,327,601	2,325	16,915	15.0%
United Arab Emirates	38,183,035	10,614	3,597	14.6%
Saudi Arabia	32,796,190	10,822	3,031	12.5%
India	26,654,402	9,572	2,785	10.2%
Russian Federation	9,733,340	2,214	4,396	3.7%
Qatar	8,036,254	943	8,522	3.1%
Kuwait	7,691,914	1,888	4,074	2.9%
Egypt	6,874,095	2,962	2,321	2.6%
Philippines	6,810,358	3,584	1,900	2.6%
Jordan	6,697,304	2,508	2,670	2.6%
Total	**182,804,493**	**47,432**		

Notes:

(1) Country of residence is reported by visitors on raffle coupons filled out during promotions.

(2) Basket size is reported by visitors on raffle coupons filled out during promotions, and is the amount of total spend reported on these coupons.

Development, Construction and Expansion Plans

The Dubai Mall was developed by Emaar Properties, designed by DP Architects Pte. Ltd. and built by a joint venture between Dutco Balfour Beatty and Al Ghandi Consolidated Contractors Co. The Dubai Mall opened on 4 November 2008.

During 2011, we redeveloped the Gold Souk area of the mall at a total cost of AED 32 million. The redevelopment resulted in a more accessible and open shopping area for our visitors.

We are currently undertaking a major expansion of Fashion Avenue, The Dubai Mall's destination shopping area for international luxury fashion brands. This project is expected to add a further 600 thousand sq ft. of GLA to Fashion Avenue, which can accommodate over 200 stores for some of the world's top luxury brands, further enhancing the fashion portfolio of The Dubai Mall. It is expected to be completed in 2016.

Competition

The Dubai Mall competes with other retail centres within Dubai and in other Emirates, including primarily:

- *The Mall of the Emirates.* The Mall of the Emirates is located 12 km from The Dubai Mall and 8 km from the Dubai Marina Mall. It is operated by MAF Group and was developed as a destination shopping mall. It includes Carrefour, Harvey Nichols and Debenhams as anchor tenants, as well as many major fashion brands, licensed bars and attractions, such as an indoor ski centre, Ski Dubai. The Mall of the Emirates opened in September 2005 and has a GLA of 2.5 million sq ft. and approximately 440 main units. In 2013, the Mall of Emirates had an estimated 49 million visitors.

- *Mirdif City Centre.* Mirdif City Centre is located 18 km from The Dubai Mall and 27 km from the Dubai Marina Mall. It is operated by the MAF Group and is a super-regional shopping mall with anchor tenants such as Carrefour, CineStar Cinemas, Playnation, Debenhams and Fitness First. It also features an indoor sky-diving centre, iFly Dubai, and several other leisure and entertainment attractions. It opened in March 2010 and has a GLA of 2.1 million sq ft., with over 430 main units. In 2013, Mirdif City Centre had an estimated 17 million visitors.

- *Deira City Centre.* Deira City Centre is located approximately 11 km from The Dubai Mall and approximately 30 km from The Dubai Marina Mall. It was opened in 1995 as the original flagship mall for the MAF Group (combining retail and entertainment). Deira City Centre features the City Centre hotel and residence which is managed by Pullman. It has a total GLA of approximately 1.9 million sq ft., with 355 main units including anchor stores Carrefour, VOX Cinemas, Debenhams, Paris Gallery, Sharaf DG, Marks & Spencer, H&M and Zara. In 2013, Deira City Centre had an estimated 30 million visitors.

- *Dubai Festival City*. Dubai Festival City is located approximately 10 km from The Dubai Mall and approximately 19 km from The Dubai Marina Mall. It is operated by Al-Futtaim Group and opened in 2007. It is a mixed-use development including retail, hospitality and commercial spaces. Dubai Festival City has a GLA of approximately 2 million sq ft. and includes approximately 400 main units, with anchor stores such as IKEA, Marks & Spencer, Toys R Us, Paris Gallery, Grand Cinemas, Hyper Panda hypermarket and Ace Hardware, and also features Trader Vic's and Hard Rock Café. In 2013, Dubai Festival City had an estimated 32 million visitors.

As a super-regional mall, The Dubai Mall also competes with other super regional malls worldwide. Set forth below is a comparison of The Dubai Mall with other international super-regional malls, in terms of footfall.

	Footfall
	(per annum, millions)
The Dubai Mall	75
Les Quatre Temps	46
Stratford Centre	40
Mall of America	40
Intu Trafford Centre	30
White City Centre	30
Part Dieu	29
West Edmonton Mall	28

The Regional Malls division

- **Dubai Marina Mall**

Overview

The Dubai Marina Mall is home to a wide range of exciting and well-known international brands. Located on the Dubai Marina water's edge, with 150 main units, including 30 food and beverage outlets, Dubai Marina Mall offers a mix of fashion, dining, specialty stores and entertainment. Dubai Marina Mall has one anchor retail tenant, Waitrose, and two anchor leisure and entertainment tenants, Reel Cinemas and Favourite Things Mother and Child. Tenants of the mall include a number of other internationally recognised brands, including New Look, Sephora and Boots.

The Dubai Marina Mall is located in the Dubai Marina District in Dubai, UAE. It opened in December 2008 and has a total GLA of 426 thousand sq ft. (including Pier 7). Its GLA occupancy rates were 86 per cent., 93 per cent. and 98 per cent. in 2011, 2012 and 2013, respectively.

Set forth below is certain financial and operating information relating to the Regional Malls division, all of which is attributable to the Dubai Marina Mall:

	Year ended 31 December		
	2011	**2012**	**2013**
Rental income *(AED millions)*	82	108	115
GLA occupancy rate	86%	93%	98%
Footfall *(millions)*	3.8	5.2	5.8
Tenant sales *(AED millions)*	441	603	714

Property Details

The Dubai Marina Mall is a four level mall with a total GLA of 426 thousand sq ft. (including Pier 7). The Dubai Marina Mall has a gross floor area of approximately 3.7 million sq ft.

The Dubai Marina Mall's open plan design and clear and wide thoroughfares encourage free-flowing footfall to all areas of the mall. Anchor tenants and distinctive visitor meeting places are strategically located in the mall to emphasize specific retail and entertainment offerings and enhance the atmosphere and overall retail experience. Vertical circulation is optimised through the provision of seven escalators and six lifts throughout the mall. There are seven entrances to the mall, three on the promenade level, two on the ground level and two on the second level, with two of those entrances linked to public transportation.

The Dubai Marina Mall has recently been extended by the opening of Pier 7, a seven-storey 86 thousand sq ft. tower offering 360-degree views of the marina and of the Dubai skyline. Pier 7 is a culinary destination, which is fully licensed and is home to seven different and distinct restaurant concepts.

The Dubai Marina Mall is open from 10am to 10pm Saturday to Wednesday, and from 10am to 12 midnight on Thursday and Friday.

Location, Transport Links and Parking

Dubai Marina Mall is located on the water's edge in the heart of Dubai Marina District in Dubai, UAE. Dubai Marina is a 50 million sq ft. integrated mixed-use commercial, residential, entertainment, shopping and leisure development, with 11 km of waterfront boardwalk, residential towers, retail and hotels.

The Dubai Marina Mall benefits from a catchment area of over 120 thousand residents, a waterfront location and proximity to two of our Community Integrated Retail properties, the Marina Walk and the Marina Promenade, as well as other waterfront landmarks, which enhance a "lifestyle" shopping experience. It is adjacent to the Marina Plaza, a 28-storey commercial tower, and The Address Dubai Marina Hotel & Serviced Residences, a 200 room five star luxury hotel, with over 440 luxury apartments, and is situated within close proximity to the Jumeirah Beach Residences and Jumeirah Lake Towers, among other residential communities.

Dubai Marina Mall is accessible via Sheikh Zayed Road, Dubai's main highway, is within 400 metres of the Jumeirah Lakes Towers metro station and is also accessible by public buses and taxis. The Dubai Mall free shuttle bus stops at the nearby The Address Dubai Marina Hotel three times a day. Dubai Marina Mall adjoins a car park offering more than 2,800 parking spaces across ten levels and offers valet services.

Tenants

General

The Dubai Marina Mall classifies main unit tenants as follows: (i) anchor retail tenants; (ii) anchor leisure and entertainment tenants; (iii) retail tenants; and (iv) food and beverage tenants. Anchor tenants, whether retail or leisure and entertainment, are those tenants leasing units of 20,000 sq ft. or more.

The total GLA of the Dubai Marina Mall is 426 thousand sq ft. (including Pier 7), with 150 main units. Its GLA occupancy rates were 86 per cent., 93 per cent. and 98 per cent. in 2011, 2012 and 2013, respectively. The Dubai Marina Mall's average annual rent per square foot was 291 AED/sq ft., 348 AED/sq ft. and 328 AED/sq ft. in 2011, 2012 and 2013, respectively. As at 31 December 2013, 140 main units were occupied and the Dubai Marina Mall had one anchor retail tenant, Waitrose, one anchor leisure and entertainment tenant, Reel Cinema, 107 retail tenants and 30 food and beverage tenants. Pier 7 currently has seven food and beverage tenants.

Retail tenants

At the Dubai Marina Mall, we classify our retail tenants into the following five market segments according to their product offering: Apparel & Accessories, Anchor Tenants, Food & Beverage, Jewellery and Other. Set forth below is certain information regarding GLA for each of these segments:

	GLA[1]		
	2011	2012	2013
		(sq ft.)	
Apparel & Accessories	147,212	147,220	147,217
Anchor Tenants	55,083	55,083	55,083
Food & Beverage	39,084	35,068	75,769
Jewellery	4,686	4,686	4,686
Other	67,030	70,353	69,846

Note:

(1) Only the GLA of main units is included.

Set forth below is certain information regarding the top ten tenants (excluding anchor leisure and entertainment tenants) of the Dubai Marina Mall, by GLA of main units leased, as at 31 December 2013:

Tenant (trading name)	Description	Total area leased (sq ft.)	% of total leased main unit GLA[1]
Waitrose	Supermarket	26,114	7.3%
Favourite Things Mother & Child	Play area	10,316	2.9%
H&M	Fashion	9,933	2.8%
Iconic	Apparel	8,981	2.5%
H&M	Fashion	8,927	2.5%
Jashanmal	Department store	8,701	2.4%
New Look	Apparel	8,699	2.4%
The Toy Store	Recreation	6,111	1.7%
M&Co	Apparel	5,257	1.5%
Stadium Sports	Recreation	5,235	1.5%

Note:

(1) Excludes Pier 7 as it was not open in 2013.

The table below sets forth information regarding the top ten retail groups leasing units at the Dubai Marina Mall, measured by GLA of main units leased at the Dubai Marina Mall for the year ended 31 December 2013:

Group name	Number of units	Total area leased (sq ft.)	% of total leased main unit GLA[1]	% of total rent[1]
M.H.Alshaya Co.	11	34,817	9.7%	8.4%
RSH Middle East	13	25,715	7.2%	6.8%
Landmark International	8	20,399	5.7%	6.8%
LIWA	4	11,771	3.3%	2.9%
Al Tayer	5	10,853	3.0%	4.3%
Outfit LLC	6	8,115	2.3%	3.0%
Apparel LLC	5	7,749	2.2%	2.6%
Azadea	3	5,087	1.4%	1.6%
Chalhoub	2	4,477	1.2%	1.8%
Kamal Osman JamJoom Trading Est	3	2,993	0.8%	1.1%
Total	60	131,976	36.8%	39.2%

Note:

(1) Excludes Pier 7 as it was not open in 2013.

Anchor leisure and entertainment tenant

The Dubai Marina Mall's one anchor leisure and entertainment tenant accounted for approximately 10 per cent. of the mall's occupied main unit GLA as at 31 December 2013:

- Reel Cinemas (29 thousand sq ft. by GLA) is a six-screen luxury boutique cinema with more than 540 seats averaging approximately 90 seats per screen. The cinema is owned by Reel Entertainment, a subsidiary of Emaar Retail, and is operated by Cathay Cineplexes Pte Ltd. under a management agreement with Emaar Retail. The total number of visitors to Reel Cinemas in 2013 was 365,661.

Visitors

Footfall levels

Annual footfall for the Dubai Marina Mall grew at a CAGR of 23 per cent. over the past three years, from 3.8 million in 2011 to 5.8 million in 2013.

The following tables set forth the Dubai Marina Mall's average monthly footfall for 2011, 2012 and 2013, as well as the footfall monthly highs and lows in each of those periods:

	Year ended 31 December			**Change**	
	2011	**2012**	**2013**	**2011/ 2012**	**2012/ 2013**
		(thousands)		*(%)*	
Monthly average	318	436	485	37%	11%
Monthly high	403	505	612	25%	21%
Monthly low	229	365	339	59%	-7%

As with The Dubai Mall, footfall levels in the Dubai Marina Mall vary throughout the year. In 2013, the average daily footfall was 22 thousand visitors during Eid al-Adha (measured from the 14th to the 16th of October) and 17 thousand visitors during Eid al-Fitr (measured from the 8th to the 10th of August), as compared to the annual daily average during 2013 of 15 thousand visitors. On a monthly basis, the highest footfall levels during 2013 were observed in December at 0.6 million visitors, and the lowest in July at 0.3 million visitors, which was the low season in Dubai due to Ramadan.

Development and Construction

The Dubai Marina Mall was developed by Emaar Properties, designed by DP Architects Pte Ltd and built by ALEC. The Dubai Marina Mall opened on 22 December 2008.

Competition

The Dubai Marina Mall competes with other regional malls and community integrated retail properties in Dubai, including;

- *Ibn Battuta Mall.* Ibn Battuta Mall is located next to Jebel Ali Gardens (a residential community) and on the road connecting Dubai and Abu Dhabi, 24 km from The Dubai Mall and 4 km from the Dubai Marina Mall. The mall is located near the new Sheikh Maktoum International Airport. Phase 2 of the Ibn Battuta Mall is currently being developed and is focused on providing attractions such as a water-based family entertainment attraction and refinements to the mall's leasing strategy. Ibn Battuta Mall opened in January 2005 and has a GLA of 1.1 million sq ft. and approximately 270 main units, including anchor tenant Geant, with an average store size of over 4,000 sq ft.

- *The Walk @ JBR.* The Walk @ JBR is a two-level outdoor strip centre located 20 km from The Dubai Mall and 1 km from the Dubai Marina Mall. The shopping strip is located within a residential community, on the beach with waterfront sea and marina views and in close proximity to several hotels. Zadig et Voltaire, Saks Fifth Avenue and Aiyanna of London are some of its major tenants. Out of the 330 stores, 130 are dedicated to casual dining and fast food. The Walk @ JBR opened in August 2008 and has a GLA of 726 thousand sq ft.

- *The Beach @ JBR.* The Beach @ JBR is located on the beachfront adjacent to Jumeira Beach Residence, approximately 20 km from The Dubai Mall and 1 km from the Dubai Marina Mall, with new retail, food and beverage and entertainment outlets. It is formed around a pedestrian esplanade that runs between four plazas from the Sheraton Hotel to the Hilton Hotel. There is a 1,200 car park alongside the complex, as well as a valet parking service.

The Community Integrated Retail division

The Community Integrated Retail division comprises 30 community shopping centres and other retail space in various residential communities developed by Emaar Properties, and accounted for 7 per cent. of our revenues in 2013. The principal properties included within this division are:

- Mohammed Bin Rashid Boulevard retail development, which includes a number of community integrated retail properties with a total GLA of approximately 535 thousand sq ft. and a GLA occupancy rate of 63 per cent. in 2013, as well as other retail properties in the Downtown Dubai area;
- Dubai Marina retail development, including the Marina Walk, Marina Promenade and other properties with a total GLA of over 247 thousand sq ft. and a GLA occupancy rate of 58 per cent. in 2013;
- community shopping centres, such as Arabian Ranches and the Greens; and
- community shopping centres currently under construction, such as Arabian Ranches II and Springs Village.

Our community integrated retail properties feature supermarkets, restaurants and fitness clubs, daycare facilities and clinics, and cater to the needs of residents in the surrounding areas. In aggregate, these properties have 363 retail units and 152 food and beverage units, and a total GLA of approximately 983 thousand sq ft. The GLA occupancy rates for these properties were 68 per cent., 64 per cent. and 69 per cent. in 2011, 2012 and 2013. The average annual rent per square foot across the properties in our Community Integrated Retail division was 222 AED/sq ft., 265 AED/sq ft. and 281 AED/sq ft. in 2011, 2012 and 2013, respectively. Aggregate annual footfall for these properties grew from 11.2 million in 2011 to 13.9 million in 2013.

Set forth below is certain financial information relating to the Community Integrated Retail division:

	Year eded 31 December		
	2011	**2012**	**2013**
	(AED millions)		
Rental income	89	105	152
Tenant sales	442	542	708

The following community integrated retail developments are currently under construction:

- *Arabian Ranches II* will be located adjacent to the existing Arabian Ranches development, with completion anticipated by the end of 2014. The development is expected to feature a total of 150 thousand sq ft. of retail space, including a 35 thousand sq ft. supermarket.
- *Springs Village* is a redevelopment of the existing community integrated retail property with completion anticipated in 2015. When completed, Springs Village is expected to feature a total of 230 thousand sq ft. of retail space, including a 35 thousand sq ft. supermarket.

The Specialty Retail division

The Specialty Retail division includes two malls, the Souk Al Bahar and the Gold & Diamond Park, and accounts for a total GLA of approximately 740 thousand sq ft., with GLA occupancy rates of 67 per cent., 74 per cent. and 85 per cent. in 2011, 2012 and 2013, respectively. The average annual rent per square foot across the properties in our Specialty Retail division was 203 AED/sq ft., 194 AED/sq ft. and 210 AED/sq ft. in 2011, 2012 and 2013, respectively.

Set forth below is certain financial information relating to the Specialty Retail division:

	Year eded 31 December		
	2011	2012	2013
	(AED millions)		
Rental income	82	99	127
Tenant sales	308	385	481

- **Souk Al Bahar**

  Souk Al Bahar is an Arabesque shopping, entertainment and fully licensed dining destination in the heart of Downtown Dubai located next to The Dubai Mall, with a focus on fine dining. Souk Al Bahar has 77 main units, comprising 21 food and beverage and 56 retail outlets, with a total GLA of approximately 210 thousand sq ft. Its GLA occupancy rates were 83 per cent., 69 per cent. and 92 per cent. in 2011, 2012 and 2013, respectively. Annual footfall for Souk Al Bahar grew from 4.5 million in 2011 to 6.1 million in 2013.

  Souk Al Bahar is open from 10am to 10pm Saturday to Thursday, and from 2pm to 10pm on Friday.

  Set forth below is certain information regarding the top ten tenants (excluding anchor leisure and entertainment tenants) of Souk Al Bahar, by GLA of main units leased, as at 31 December 2013:

Tenant (trading name)	Description	Total area leased (sq ft.)	% of total leased main unit GLA
(Sake No Hana	Food and beverage	12,444	8.2%
Urbano	Food and beverage	7,395	4.9%
Landmark Meat Old Town	Food and beverage	6,327	4.2%
Spinney's	Supermarket	5,584	3.7%
Karma Kafe	Food and beverage	5,576	3.7%
Left Bank	Food and beverage	5,331	3.5%
Adulwahab Lounge	Food and beverage	5,285	3.5%
Claw	Food and beverage	5,069	3.3%
Al Malouf Restaurant & Cafe	Food and beverage	4,729	3.1%
Mango Tree	Food and beverage	4,187	2.8%

- **Gold & Diamond Park**

  The Gold & Diamond Park opened in 2001, and is one of Dubai's leading wholesale and retail destinations for gold and diamond jewellery. The development has an outdoor courtyard and a selection of cafés and restaurants and is conveniently located on Sheikh Zayed Road and in close proximity to a metro station. It has 451 main units comprising 98 retail outlets, 110 manufacturing units and 243 offices showcasing gold, diamonds and jewellery, with a total GLA of approximately 532 thousand sq ft. Its GLA occupancy rates were 63 per cent., 75 per cent. and 83 per cent. in 2011, 2012 and 2013. Annual footfall for the Gold & Diamond Park grew from 1.6 million in 2011 to 2.0 million in 2013.

  The Gold & Diamond Park is open from 10am to 10pm Saturday to Friday.

Set forth below is certain information regarding the top ten tenants (excluding anchor leisure and entertainment tenants) of the Gold & Diamond Park, by GLA of main units leased, as at 31 December 2013:

Tenant (trading name)	Description	Total area leased (sq ft.)	% of total leased main unit GLA
Weatherford Oil Tool Middle East Limited (Dubai Branch)..	Office	18,178	3.4%
Atlas Copco Middle East FZE	Office	8,018	1.5%
More Café	Food and beverage.	7,679	1.5%
Apple Seeds.........................	Line Shop	7,587	1.4%
Hamac Trading Est	Line Shop	7,578	1.4%
Union National Bank...........	Line Shop	6,950	1.3%
Dabo Events.........................	Office	6,019	1.1%
Mur Shipping.......................	Office	4,842	0.9%
Independent Oil Tools	Office	4,734	0.9%
Dar Optics	Line Shop	4,473	0.8%

Our Leases

General

We enter into four different types of agreements with respect to tenants of our shopping malls, depending on the property type: leases for main units, storage room licences, occupational licences for terraces and licences for speciality units, which include promotional displays and ATMs.

A standard form lease agreement is executed for leases of all main units, although variations may be made in limited circumstances, particularly for our anchor tenants. Short term standard form licence agreements are entered into in relation to storage rooms, terraces and specialty units. Variations to our standard lease terms are negotiated by the leasing department (if prior to the opening of the unit) or the General Manager of the malls (if after the opening of the unit). All variations require approval by our CEO, CFO and Head of Leasing.

Lease tenor

Tenors for leases of main units vary from one to 20 years, although the majority of existing tenants of The Dubai Mall and the Dubai Marina Mall have entered into leases with terms of three years. Some non-anchor tenants have entered into leases with terms up to seven years, whereas anchor tenants generally agree to ten to 20 year lease terms. On occasion, we ask tenants to enter into leases with terms of only one year. Shorter-term leases can incentivise tenants to meet turnover benchmarks and allow us to mitigate the risk of tenant underperformance by extending leases to new tenants where existing tenants have underperformed.

The tenor for licences of storage units, terraces and specialty units are typically for one year, three months to one year and one day to one year, respectively.

We typically enter into lease renewal negotiations with our tenants at least a year before their current lease expires. In each of 2011, 2012 and 2013, a substantial majority of our tenants across all of our properties whose leases had expired during the relevant year asked for their leases to be renewed. In the nearly 300 leases we have renewed in 2014 to date, we achieved an increase in aggregate lease year one contractual base rent for the first year of the new leases relative to the aggregate contractual base rent in 2013 for these leases of over AED 80 million.

Set forth below is certain information regarding lease expiries at all of our properties:

Year of expiration	% of total number of leased units	% of total leased main unit GLA
2014	45.39%	34.84%
2015	26.21%	16.44%
2016	19.94%	15.87%
2017	3.93%	5.57%
2018	3.37%	10.98%
2019	0.87%	10.54%
2020	0.05%	0.56%
2021	0.10%	1.32%
2022	0.00%	0.00%
2023	0.00%	0.00%
2024 and beyond	0.15%	3.87%
Total	100%	100%

Standard lease terms

Our standard form lease agreement (which is based on the ICSC standard form) incorporates a number of clauses which aim to increase our control over, and mitigate our exposure to, our lessees. All tenants are required by their lease to bear the cost of fit-out and to return the unit to its original state at the end of their tenancy. Each lease has a non-renewal clause, meaning that the tenants themselves have no option of renewal and must engage with us directly before being able to secure a new lease. Furthermore, tenants cannot terminate a lease early, which provides us with visibility of the stability of cash flows from base rent as well as potential upside from turnover rent and lease churn. We also require tenants to pay gross annual base rent in advance with PDCs for the entire term of the lease, plus service and chilled water charges for the relevant unit, in addition to a security deposit equivalent to three months of contractual base rent at the beginning of the lease term. We reserve the right to relocate tenants in case of mall redevelopment or if we want to change the tenant, in which case they must continue to pay rent until the new tenant starts to do so. Finally, we are in the process of connecting all of our tenants to our POS-tracking system, which enables us to track our tenants' gross sales data automatically on a daily basis, so that we can accurately monitor sales activity and calculate each tenant's variable turnover rent.

Rental charges

Annual rent for retail units in our shopping malls typically comprises contractual base rent, net turnover rent, service charges, chilled water charges, promotional and marketing contribution and certain other charges (including late opening penalties and administration charges for variations in lease terms).

Contractual base rent is the contractually agreed annual base rent for a unit set for the duration of the lease. Contractual base rent is generally determined based on (i) the location and prominence of the unit, (ii) the use of the unit, (iii) the size of the unit, (iv) the profit margin of the tenant, retail category, market rates, brand power and the tenant's investment, and (v) the rent-to-sales ratio (contractual base rent divided by tenant sales). All of our leases provide for an annual escalation of the contractual base rent by a fixed percentage each lease year. The specific percentage of annual escalation is negotiated individually with each tenant, and is subject to the prevailing market conditions at the time the lease is concluded and the duration of the lease. For example, the three to five year leases in The Dubai Mall that have been executed since 2011 typically provide for annual increases of the contractual base rent of at least 7 per cent.

Substantially all of the leases to which our tenants are a party include turnover provisions pursuant to which they are required to pay the higher of the contractual base rent and the product of a contractually agreed percentage multiplied by their actual annual sales revenue ("**variable turnover rent**"). In addition, with effect from 2013, we introduced effective base rent provisions to our leases. Pursuant to these leases, at the end of each lease year, the effective base rent for the subsequent lease year is set at the higher of (1) 90 per cent. of the sum of the variable turnover rent and the contractual base rent for such lease year and (2) the contractual base rent for the subsequent lease year.

Our leases also require the payment of (i) a service charge, which is the contribution paid by the tenant towards the operating expense of the property, (ii) a chilled water charge, based on the square footage leased, (iii) a promotional and marketing contribution, which is set at 2.5 per cent. of the contractual base rent at all properties, and (iv) a design fit out fee and certain other charges. We also derive rental income from specialty leasing, which includes revenue from the rental of space for exhibition and promotional activities, push-cart and kiosk rentals and multimedia sales, which includes revenue from electronic screens, advertising panels, banners and other media located throughout our properties.

The following table sets forth the average annual rent per square foot for each of our divisions in 2011, 2012 and 2013:

	For the year eded 31 December		
	2011	2012	2013
	(AED per square foot)		
Super Regional Malls	361	445	504
Regional Malls	291	348	328
Specialty Retail	203	194	210
Community Integrated Retail	222	265	281
Average for all properties	**329**	**395**	**435**

The Dubai Mall - Lease Information

The following table sets forth information relating to the five largest retail tenants in The Dubai Mall by leased GLA as at 31 December 2013:

Tenant (trading name)	Description	GLA occupied (sq ft.)	Lease expiry	Break option	Next rent review date
Galeries Lafayette	Department Store	192,139	30 June 2019[1]	None	1 July 2014
Bloomingdale's	Department Store	146,023	31 January 2030	None	1 February 2020
Level Shoe District	Apparel and Accessories	96,398	30 August 2019	None	28 August 2014
Paris Gallery	General Merchandise Retailer	85,102	31 March 2014	None	1 April 2014 (currently under negotiation)
Kinokuniya	Books and Stationary	68,847	31 Oct 2015	None	1 November 2014

Note:

(1) Lease will automatically renew for a second ten-year term unless the tenant provides notification to us 12 months' prior to the lease expiry date that it does not wish to renew.

The following table sets forth information relating to the five largest non-retail tenants in The Dubai Mall by leased GLA as at 31 December 2013:

Tenant (trading name)	**Description**	**GLA occupied (sq ft.)**	**Lease expiry**	**Break option**	**Next rent review date**
Reel Cinemas	Cinema	104,772	31 July 2019	None	1 August 2019
Sega Republic	Mall Entertainment	76,439	31 July 2014	None	1 August 2014
The Dubai Mall Medical Centre	Health Care Services	61,651	14 January 2021	None	15 January 2015
KidZania	Mall Entertainment	49,136	31 December 2014	None	1 January 2015
Dubai Ice Rink	Sports and Leisure	41,841	31 October 2018	None	1 November 2014

Dubai Marina Mall – Lease Information

The following table sets forth information relating to the five largest retail tenants in the Dubai Marina Mall by leased GLA as at 31 December 2013:

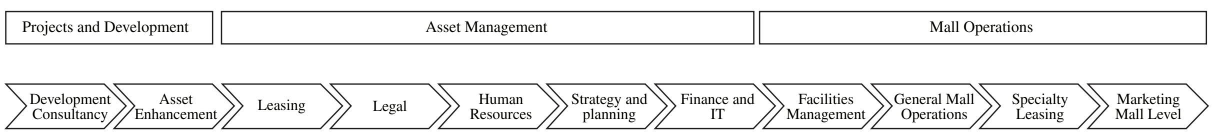
Tenant (trading name)	**Description**	**GLA occupied (sq ft.)**	**Lease expiry**	**Break option**	**Next rent review date**
Waitrose	Supermarket	26,114	30 November 2018	None	22 December 2014
H&M	Fashion Accessories	9,933	16 September 2016	None	17 September 2015
H&M	Fashion Accessories	8,927	14 June 2018	None	15 June 2014
New Look	Apparel & Accessories	8,699	21 June 2018	None	22 June 2014
The Toy Store	Recreation	6,111	13 September 2015	None	14 September 2014

The following table sets forth information relating to the one anchor leisure and entertainment tenant in the Dubai Marina Mall by leased GLA as at 31 December 2013:

Tenant (trading name)	**Description**	**GLA occupied (sq ft.)**	**Lease expiry**	**Break option**	**Next rent review date**
Reel Entertainment	Cinema	28,969	30 April 2020	None	1 May 2021

Business Operations

We have an integrated shopping mall business model. The following is a diagrammatic representation of our operations.



Development Consultancy and Asset Enhancement

Emaar Properties developed all of the properties we operate now and is developing those currently under construction or in planning stages. We are involved in and assist with the initial leasing strategy of the malls we intend to operate. We provide consultancy services to Emaar Properties during the developmental phase of a mall. In this regard, we assist with the market positioning of the mall, in-mall zoning (i.e., division of space for the placement of various retailers and optimisation of the tenant mix), developing strategic partnerships with retailers, and identifying and evaluating prospective anchor tenants.

Asset Management

Leasing

Our goal is to have a diverse mix of tenants which will maximise footfall. A dedicated leasing team is responsible for assessing prospective tenants with a focus on the following key areas: (i) viability of the business; (ii) alignment of business concept to our individual mall's tenancy plan; (iii) compatibility with the individual mall's image; (iv) presence in the UAE and overseas markets; and (v) performance history with us (if applicable). Our leasing strategy is to prioritise identifying and securing anchor tenants, including large international department stores, supermarkets and electronics store chains. We have found that securing anchor tenants facilitates securing tenants for smaller retail units and food court units, because well-known anchor tenants attract a significant level of customer footfall.

We enter into four different types of lease and licence agreements depending on property type: leases of main units, licences for storage units, occupational licences for terraces and licences for speciality units. As at 31 December 2013, we managed more than 2,500 leases across a broad range of segments across the retail market, ranging from supermarket operators such as Waitrose to luxury retailers such as Louis Vuitton and Cartier. Through our experience with these tenants, we have insight as to which tenants are likely to succeed in future developments, allowing us to optimise our tenant mix.

Payments and collections

Generally, we collect rental payments through PDCs. We believe PDCs are an effective tool to increase collections, since defaulting on a cheque is a criminal offence in Dubai. Payments made through standing instruction orders ("**SIO**") are only permitted in limited circumstances for new tenants. The amount of rental payment for which any PDC or SIO is made is the aggregate of the contractual base rent, service charge, marketing contribution and chilled water charge. We require tenants to pay gross annual rent in advance with PDCs for the entire term of the lease. Our finance department is responsible for the billing and collection of rent and other charges from tenants. The finance department is headed by our CFO, who is assisted by the financial controllers and the billing and collection teams at each mall. The collections team supports our initiative to manage account delinquencies effectively.

We have detailed invoicing, collection and recovery processes in place, with prescribed dates for notices of payments due. If there is any dispute, we arrange a meeting with the tenant to reach a resolution.

We consider an account to be overdue if we do not receive a payment within 90 days of the payment becoming due or if at its date a PDC does not clear. We perform aging analysis of overdue accounts on a monthly basis. As at 31 December 2013, trade receivables amounting to 0.75 per cent. of total rental income was overdue.

Mall Operations

As part of our mall operations, we undertake the facility management services of the malls, general mall management, speciality leasing, guest services, retail relationships, media sales, security and health and safety, and high-tech multimedia network services and marketing services. Details of these business activities are set forth below.

Facility management

The facilities management department ("**FMD**") is responsible for the maintenance and operational management of our malls, in addition to monitoring and managing safety and environmental aspects of site operations and energy management in order to comply with local regulations, standards and international best practice. The creation of a structured business continuity plan, which is under development jointly by FMD and its service delivery partners, focuses on the identification and mitigation of business continuity and disaster recovery risks.

The FMD provides its services through a combination of direct in-house staff and outsourced service providers. Our in-house staff are mainly responsible for the day-to-day high level performance management of service providers to ensure compliance with service level agreements and key performance indicators. The FMD teams include skilled engineers and a dedicated food and beverage team to support tenant operations and monitor compliance.

Types of outsourced facilities management services in respect of our malls include: housekeeping; general building maintenance; pest control; lift and elevator maintenance; fire and smoke detection, curtain system and fire fighting management; and waste management.

Technology

We use high-tech solutions in our mall operations to improve tenant sales and asset income yields. For example, our pedestrian counting system enables us to track footfall in our malls and assess the optimum time to offer our various promotions. Our POS-tracking system is also instrumental in allowing us to gather information on tenants' sales and to adjust turnover rent accordingly.

Guest services and call centre

For our two largest malls, The Dubai Mall and the Dubai Marina Mall, we have established dedicated guest service departments (the "**GSD**") to provide customers with professional assistance and guidance during the malls' operating hours. The GSD at The Dubai Mall deploys over 100 personnel to operate 11 guest service desks and to roam the mall to assist guests, handle queries and provide feedback. To cater to an internationally diverse mix of visitors, this team is comprised of staff from 24 different countries that speak 23 different languages. The GSD at The Dubai Mall is responsible for providing various services including: providing directions; club car service; baby strollers and wheelchairs; suggestion boxes; mall directories (available in four languages: English, Arabic, Russian and Chinese) and store listings; mall events and ongoing promotions information; gift cards and voucher issuances; and a lost and found.

Dubai Marina Mall has one guest service desk. Services available at the Dubai Marina Mall are similar to those at The Dubai Mall, but on a smaller scale in line with the size of the Dubai Marina Mall. GSD within both malls is supported by a professional team of agents running our call centre service that handles over 20 thousand customer calls and enquiries on a monthly basis.

Retail relationship

A Retail Relationship Department also operates within The Dubai Mall and the Dubai Marina Mall and is the front facing department for tenant customer service and communications. The Retail Relationship Department is the central point of contact for tenants to approach The Dubai Mall and the Dubai Marina Mall in order to assist the tenant with issues, operations, problems or provide general support. The Retail Relationship team monitors tenant operational and financial performance and is responsible for monitoring compliance with all lease terms. The department also provides the communication channels between tenants and internal departments of the malls, including the Finance Department.

Specialty leasing

Specialty leasing is principally short-term leasing of units mainly in the common areas of The Dubai Mall and Dubai Marina Mall through retail merchandising units, customized kiosks, mobile carts, promotional kiosks, ATMs and service centres. In addition, The Dubai Mall offers other value added services to customers such as 3M car tinting, car rental services, vending machines, porter services, in-mall buggies, personal shoppers and locker services.

Marketing

The Dubai Mall's Marketing Department plays a major role in ensuring the continued success of The Dubai Mall. Its primary objective is to plan and execute progressive and innovative marketing promotions, events, global media campaigns and social media strategies, and to secure partnerships with leading tourism and corporate partners. These activities help to drive increased footfall and create brand awareness, which strengthens The Dubai Mall's brand positioning locally, regionally and globally as one of the world's most visited shopping and leisure destinations.

The Dubai Mall Marketing Department oversees a number of individual sectors, which work together to achieve our objectives.

- *The Events Sector*: The Events sector plans over 470 events a year, including world-class exhibitions focusing on art, culture, fashion, technology and photography. We expect major events to increase footfall and sales revenue and may be organised to target domestic and key international markets, such as China and Russia. As well as actively supporting charity and community service initiatives, the Events sector works closely with government bodies and the Dubai Festivals & Retail Establishment to mark Dubai's key festivals with spectacular events. The Events sector supports The Dubai Mall's objective to be a global leader in a number of retail sectors. For example, in October 2013, the Events sector was instrumental in the organisation, in partnership with Vogue Italia, of the inaugural Vogue Fashion Dubai Experience, which successfully showcased The Dubai Mall's credentials as a global fashion destination as it welcomed 400 thousand visitors. The success of the event was such that we plan to repeat it on an even more ambitious scale in 2014.

- *The Promotions Sector*: The Promotions sector organises customer promotions, known as Spend & Win, which seek to enhance the participants' experience of The Dubai Mall. These offer customers a chance to win a generous prize, and provide us with the opportunity to collect valuable customer data.

- *The PR Sector*: With active social media engagement (over 1.2 million fans on Facebook), a multilingual (Arabic, Chinese, English and Russian), up-to-date website and ongoing media dialogue, as well as the publication of The Dubai Mall's own internationally distributed in-house magazine, the PR sector ensures that the public is kept informed of The Dubai Mall's promotional campaigns, events and latest news. Furthermore, customers are consistently afforded opportunities to provide valuable feedback on iPads situated throughout the mall, in digital kiosks and online.

- *The Tourism Sector*: The Tourism sector nurtures ongoing relationships with leading local, regional and international tour operators, DMCs and travel and tourism organizations as well as establishing connections with key corporate partners, such as Emirates Airlines, all of which enhance The Dubai Mall's local and global reputation as a key destination to visit.

Media sales

The Dubai Mall's Media and Advertising Department serves a key revenue generation function to support the financial performance of The Dubai Mall. The Dubai Mall has an extensive media portfolio, giving its tenants a vast array of advertising options. The Dubai Mall has a technologically advanced digital screens network, comprising over 325 digital screens, including a giant screen at the Dubai Ice Rink and two large external screens on the metro link bridge.

Security, health and safety

Security for our shopping malls is carried out by our internal Security Department, which comprises of an in house team supported by an outsourced security provider. In addition, The Dubai Mall has a fully operational police station and a full time paramedic team, provided by the Dubai Ambulance Authority, a health and safety team and professional fire safety team that works in collaboration with Dubai Civil Defence if required.

Property

All of our properties are built on land initially granted by the Government, but are now freehold properties and have their title deeds registered with the Dubai Land Department. We are responsible for maintaining all relevant licences for the operation of our properties, all of which are required to be renewed annually.

Insurance

Marsh INSCO LLC acts as our insurance broker. We maintain insurance policies where practicable covering both our assets and employees in line with general business practices in the retail industry, with policy specifications and insured limits which we believe are reasonable. Risks which we are insured against include property damage from fire, business interruption, lightning, flooding, theft and public liability. Where practicable, we also maintain certain terrorism, property damage and general liability insurance. Certain exceptions apply, such as wars, product recall, avian flu, workmen's compensation, employers' liability and nationalisation. Our policies together provide an indemnity against all sums for which we become legally liable to pay as compensation for injury, loss or damage to a third party arising out of and in the course of our business, an indemnity against all risks of material damage to our properties, and an indemnity against the loss of gross profit due to material damage of our properties. See "*Risk Factors—Our insurance may be inadequate*." Additionally, tenants are required to obtain insurance and list Emaar Malls as co-insured.

Environmental Matters

We believe our properties are in material compliance with all applicable environmental laws and regulations. Neither we nor our properties are subject to any pending, or to our knowledge, threatened legal or administrative proceedings or private claims involving environmental matters.

In 2013, we launched an energy efficiency drive, which included initiatives such as replacing normal light with LED lights and modification of malls entrances. As a result, we successfully reduced the aggregate cost of the energy supply to our properties by 15 per cent.

Information Technology

We use Oracle Enterprise Resource Planning (for leasing, tenant information and finance) and Exchange (email, calendar and contacts) for our operations. These systems are hosted in the Primary Data Centre at Emaar Business Park and users access these systems through a reliable network.

Data from these systems is also replicated real time to the Arabian Ranches Data Centre which serves as our Disaster Recovery ("**DR**") site, 20 km away from the Primary Data Centre. In the event of a major breakdown of application or disaster in the Primary Data Centre, applications can be launched from servers in the DR site within four hours after a decision to switch sites is taken. Data back-up and systems tests are performed regularly.

Our IT systems are highly advanced and we use them to improve the performance of our business, see *"–Technology*" above Our IT capabilities also offer a more enjoyable experience for our customers, as we provide way-finding solutions to help customers locate stores on mall maps, as well as give customers an opportunity to provide direct feedback on their shopping experience.

Intellectual Property

As at the date of this Prospectus, we had had four trademarks registered and three trademark registration applications filed with the Trade Mark Registrar of the Ministry of Commerce. Pending trademark registration applications include the Souk Al Bahar and the Dubai Marina Mall. We also own the domain names "www.thedubaimall.com" and "www.dubaimarinamall.com".

Employees

As at 31 December 2013, we had 539 employees, including 104 employees in the head office, 363 employees at The Dubai Mall, 39 employees at Dubai Marina Mall, 30 employees at the Gold & Diamond Park and three employees in property management.

We have instituted a range of employee benefits such as providing health insurance, a children's education allowance and discretionary annual bonuses. We recognise the importance of the calibre and the motivation of the individuals we employ. A performance management system has been implemented where our objectives are translated into measurable departmental and individual objectives that are regularly monitored and appraised twice a year. Bonuses and rewards are linked with key performance indicators. We have implemented a development plan for our staff through quality training and establishing and maintaining standards of professional conduct. Development of employees is carried out through in-house training, but when specialist training is needed, local and internationally recognised external agencies are involved as partners.

Legal Proceedings

There are no outstanding material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which we are aware).

RECENT DEVELOPMENTS

Proposed Initial Public Offering

Emaar Properties has received the required approval from the UAE's Securities & Commodities Authority for selling down up to 25 per cent. of its equity in Emaar Malls. The anticipated funds raised from the proposed initial public offering will be primarily distributed as dividend to the shareholders of Emaar Properties. The timing of the public offering and listing will be announced at a later date.

Following the listing, Emaar Malls Group will add significant value to the bourse, and is expected to drive more foreign direct investment to the country to boost the economy's overall competitiveness.

Emaar Properties intends to offer to shareholders of Emaar Properties a priority right to subscribe for shares separately from the shares allocated to financial institutions and the general public and it also intends to distribute the funds raised as dividend.

ORGANISATION, DIRECTORS, MANAGEMENT AND EMPLOYEES

Organisation

Emaar Malls is a limited liability company under UAE law. It is a 100 per cent. beneficially owned subsidiary of Emaar Properties (see "*Business Description — Group Structure*").

Director, Management and Employees

Director

The Memorandum of Association of Emaar Malls currently requires Emaar Malls to have only one director, appointed, removed and replaced by a general assembly resolution. The director is appointed for three years and the term is automatically renewable. The current director of Emaar Malls is Mr. Ahmad Thani Rashed Almatrooshi. At present, Emaar Malls does not have a formal board of directors, however, Emaar Malls is currently considering establishing a formal board of directors. Emaar Malls manages its business through the Executive Management (see " – *Executive Management*" below).

Neither the director nor his immediate family have any contracts or dealings with Emaar Malls.

Except as disclosed in this paragraph, as at the date of this Prospectus, the Director does not have any actual or potential conflict of interest between his duties to Emaar Malls and his private interests and/or other duties. The director of Emaar Malls has outside interests in entities other than Emaar Malls, including employment and/or directorships with third parties (as set out below). As the director of Emaar Malls is involved in Emaar Malls' decision-making process and has knowledge of Emaar Malls' products and services, including the commercial terms thereof, a potential conflict of interest may arise. However, Emaar Malls has established robust internal procedures to deal with any such potential conflict.

Mr. Almatrooshi was appointed as Director of Emaar Malls on 8 March 2006 and was at the same time appointed as an Executive Director of the Board of Directors of Emaar Properties. Mr. Almatrooshi oversees the day-to-day operations of Emaar Properties and its subsidiaries.

Mr. Almatrooshi is also a member of a number of organisations including Dubai Investment Park. Prior to joining Emaar Properties, Mr. Almatrooshi held the position of CEO at the government run Dubai Development Board for almost a decade. Before this, he spent 14 years as deputy director of the Dubai Chamber of Commerce and Industry.

Mr. Almatrooshi holds a Bachelor of Arts in Public Administration and a Diploma in Property Management from the Northern Council for Further Education in the United Kingdom.

Under the Commercial Companies Law, all directors are liable to Emaar Malls, its shareholders and third parties for any acts of fraud, abuse of powers, violation of laws, violation of its articles of association or for mismanagement.

The business address of the director is Emaar Business Square, Building 3, Level 4, PO Box 191741, Dubai, UAE.

Executive Management

The business address of each member of Emaar Malls' Executive Management is Emaar Business Square, Building 3, Level 4, PO Box 191741, Dubai, UAE.

The names and title of each member of Emaar Malls' Executive Management are set out in the table below:

Name	Position
Nasser Rafi	Chief Executive Officer ("**CEO**"), Emaar Malls
Yazan Mohamed Al Nasser	Chief Financial Officer ("**CFO**"), Emaar Malls
Sally Yacoub	Senior Director and Head of Leasing
Natalie Bogdanova	Senior Director, Business Development & Operations
Mark James Adams	General Manager, The Dubai Mall
Robert Williams	General Manager, Dubai Marina Mall
Mohamed Taher Badri	General Manager, Gold & Diamond Park

As at the date hereof, there are no conflicts of interest between the private interests and other duties of the Executive Management listed above and their duties to Emaar Malls.

Nasser Rafi, CEO, Emaar Malls

Mr. Rafi has been with Emaar for nine years and is currently the CEO of Emaar Malls. Mr. Rafi is responsible for the strategic growth of Emaar Malls, focusing on improving tenant mix policies, growing visitor footfall and increasing retail revenues in Emaar Malls' existing mall portfolio. Mr. Rafi is also responsible for overall design, development planning and global marketing strategy

Mr. Rafi has also spearheaded the Company's internal control policies and procedures, the formulation and review of key controls, IT systems, business processes and management reporting, all of which have significantly improved the overall productivity and operational efficiency of Emaar Malls.

In his previous role as the Managing Director of Hamptons International – Middle East, Mr. Rafi has a proven track record in identifying market trends and implementing effective sales strategies. He was also involved in establishing the brand identity of Hamptons, developing new consumer segments, evolving a diversified business portfolio and strengthening Hampton's range of value-added services.

Mr. Rafi has a Master of Science in Computer Science in the field of Artificial Intelligence (AI) from Eastern Washington University USA, has extensive experience in Enterprise Resource Planning systems and is a strategic advisor for C-level executives in the area of Technology and Business Intelligence Solutions.

Yazan Mohamed Al Nasser, CFO, Emaar Malls

Mr. Yazan has been with Emaar for nine years and is currently CFO of the Emaar Malls. Mr. Yazan is responsible for establishing the internal control policies and procedures, the formulation and review of key financial controls, IT systems, business processes and management reporting, the appraisal of management and investment opportunities and supporting the CEOs of the respective groups in strategic management decisions.

Prior to his role, he was Director of Internal Audit for Emaar Properties and Senior Internal Auditor for Majid Al Futtaim. Yazan was also a Senior Internal Auditor for United Nations (UNRWA).

Mr. Yazan has a Bachelor's Degree in Economics and Administrative Sciences from Yarmouk University in Jordan. He is also a Certified Fraud Examiner certification, Certified Internal Control Auditor certification and Certified Risk and Information System control.

Sally Yacoub, Senior Director and Head of Leasing

Ms. Yacoub is currently the Senior Director and Head of Leasing reporting directly to the CEO. Her function includes managing a leasing portfolio of approximately 5.9 million sq ft. of GLA in the properties of Emaar Malls in Dubai, working with consultants, architects and designers on the development of retail projects (including souks, community centres, water front and street retail) with regard to the overall layout of new projects, store sizes, zones and locations of anchor tenants.

Ms. Yacoub is also responsible for the setting up of leasing strategy and plans, developing the appropriate retail and tenants mix, conducting market research and monitoring of brands and performance in the region. She holds a degree from McGill University, Montreal-Quebec in Public Relations Management.

Natalie Bogdanova, Senior Director, Business Development & Operations

Natalie started her career in Asset Management and Leasing at the Dubai World Trade Centre before moving to Emaar Properties Group in January 2003. Natalie took charge of The Dubai Mall as a GM in June 2009. In 2013, Natalie was elevated to Senior Director of Business Development & Operations with focus on upcoming mall expansions, including The Dubai Mall. In her new role Natalie continues to manage The Dubai Mall, which is currently expanding by adding 1 million sq ft. to its high-profile Fashion Avenue, in addition to managing key global Marketing campaigns and strategic partnerships that aim to further strengthen The Dubai Mall position and brand visibility.

Natalie holds a BA in International Business from Bournemouth University and a HND in Marketing from Dubai Polytechnic.

Steven Cleaver, General Manager, The Dubai Mall

Steven has over 20 years of experience in international retail and mall management and development in the UK, China, Ireland, Saudi Arabia, Eastern Europe and the UAE. Significant large scale experience of retail flagship and new country start-up, mall development, management and strategic planning

Prior to his move into mall management he spent nearly 10 years with a prominent UK retailer B&Q in a number of senior roles including international opening project manager for flagship developments in China and Ireland

Robert Williams, General Manager, Dubai Marina Mall

Robert joined Emaar Malls Group in September 2013 and has more than 24 years experience in the shopping centre industry. Robert was previously General Manager of Mega Shopping Mall in Almaty (Kazakhstan) for 7 years and General Manager of GUM Shopping Mall in Moscow for 2 years. Robert has a MA 1st Hons in Hospitality Management from the University of Wolverhampton (UK) and a BA 1st Hons in Business Administration, Management & Operations from the University of Gloucestershire (UK)

Mohamed Taher Badri, General Manager, Gold & Diamond Park

Mohammed is currently the General Manager of the Gold & Diamond Park as well as General Manager of Souk Al Bahar, Downtown Boulevard and Community Retail. Mohammed deals with all the aspects related to the Management, Operations, Administration & HR, Marketing & PR and Finance of the Malls he directly manages.

Mohammed holds an MBA from the American University of Beirut, Lebanon and a Bachelor of Commerce from the University of Poona, India.

Conflicts

There are no potential conflicts of interest between the duties owed by the members of the Executive Management to Emaar Malls and their private interests or other duties.

Employees

As at 31 December 2013, Emaar Malls had 539 employees in different departments including 104 employees in the head office, 363 employees at The Dubai Mall, 39 employees at Dubai Marina Mall, 30 employees at the Gold and Diamond Park and 3 employees in asset management.

The table below shows Emaar Malls' total number of employees in Dubai as at 31 December in each of the years indicated:

Year	Number of employees
2013	539
2012	498
2011	450
2010	384
2009	414
2008	274

Emaar Malls has instituted a range of employee benefits such as providing health insurance, a children's education allowance and discretionary annual bonuses.

Emaar Malls recognises the importance of the calibre and the motivation of the individuals it employs. A performance management system has been implemented where Emaar Malls' objectives are translated into measurable departmental and individual objectives that are regularly monitored and appraised twice a year. Bonuses and rewards are linked with Key Performance Indicators.

Emaar Malls has implemented a development plan for its staff through quality training and establishing and maintaining standards of professional conduct. Development of employees is carried out through in-house training but when specialist training is needed, local and internationally recognised external agencies are invited to partner with Emaar Malls.

OVERVIEW OF THE UAE AND THE EMIRATE OF DUBAI

The UAE

The UAE is a federation of seven emirates. Formerly known as the Trucial States, they were a British protectorate until they achieved independence in December 1971 and merged to form the United Arab Emirates. Each emirate has a local government headed by the Ruler of the emirate. There is a federal government which is headed by the President. The federal budget is principally funded by the Emirate of Abu Dhabi.

The UAE as a whole extends along the West coast of the Arabian Gulf, from the coast of the Kingdom of Saudi Arabia near the base of the State of Qatar peninsula in the West to the Emirate of Ras Al Khaimah in the North and across the Mussandum peninsula to the Gulf of Oman in the East, covering an area of approximately 83,699 square kilometres in total.

The federation is governed by the Supreme Council of the Rulers of all the emirates (the "**Supreme Council**") which consists of the Rulers of the seven emirates. The Supreme Council elects from its own membership the President and the Vice President (for renewable five year terms). H.H. Sheikh Zayed bin Sultan Al Nahyan, the late Ruler of Abu Dhabi, held the position of President from 1971 until his death in November

2004. During his long presidency, H.H. Sheikh Zayed bin Sultan Al Nahyan oversaw massive investment in the infrastructure of the UAE, which transformed the country. Following his death, his son H.H. Sheikh Khalifa bin Zayed Al Nahyan took over as Ruler of Abu Dhabi and has been elected as President of the UAE.

According to World Economic Outlook data published by the International Monetary Fund (the "**IMF**") in April 2013, the UAE is the third largest economy in the Gulf region after the Kingdom of Saudi Arabia and the Islamic Republic of Iran, based on nominal GDP. It has a more diversified economy than most of the other countries in the Gulf Co-operation Council (the "**GCC**"). According to OPEC data, at 31 December 2012, the UAE had approximately 6.6 per cent. of the world's proven global oil reserves (giving it the sixth largest oil reserves in the world) and according to data produced by the UAE National Bureau of Statistics, 40.2 per cent. of the UAE's real GDP in 2012 was attributable to oil and natural gas. Based on IMF data (extracted from the World Economic Outlook (April 2013)) real GDP growth in the UAE increased by 3.9 per cent. in 2012, 5.2 per cent. in 2011 and 1.3 per cent. in 2010 after having decreased by 4.8 per cent. in 2009 and increased by 5.3 per cent. in 2008 and 6.5 per cent. in 2007 and is projected to increase by 3.1 per cent. in 2013 and 3.6 per cent. in 2014.

On 11 August 2013, Moody's Investors Service Singapore Pte. Ltd. reaffirmed the UAE's long term credit rating of Aa2 with a stable outlook. The principal reason cited for this high investment grade rating is the assumption that the obligations of the federal government will be fully supported by the Emirate of Abu Dhabi. The UAE is not rated by the other rating agencies.

The Emirate of Dubai

The Emirate of Dubai ("**Dubai**") is the second largest emirate in the UAE after the Emirate of Abu Dhabi, and is situated on the west coast of the UAE in the south-western part of the Arabian Gulf. It covers an area of approximately 4,357 square kilometres and, except for a tiny enclave in the Hajar Mountains at Hatta, the emirate comprises one contiguous block of territory. The Ruler of Dubai is Sheikh Mohammed bin Rashid Al Maktoum who is also the Vice President and Prime Minister of the UAE.

Dubai started as a pearl diving and fishing village in the first half of the eighteenth century. The growth of the emirate began in the early part of the nineteenth century when members of the Bani Yas tribe, led by H.H. Sheikh Maktoum Bin Butti, left the Emirate of Abu Dhabi and migrated north to found an independent sheikhdom in the area now known as Dubai.

In the nineteenth century, Dubai, split by a 14 kilometre long creek that leads into a natural harbour, established itself as a centre for the import and re-export of merchandise and this trade activity, along with the pearling industry, were the most important pillars of Dubai's economic activity during the nineteenth century.

In the early part of the twentieth century, to counter the loss of economic activity from the decline in the pearling industry following the First World War, Dubai sought to attract traders through its liberal business policies and low taxes, enabling the emirate to establish itself as a centre for trade in gold bullion, textiles and consumer durables.

In the 1930s and 1940s, oil was discovered in Kuwait, Qatar and Saudi Arabia, adding to that already found in Iran, Iraq and Bahrain. In 1958, oil was found off the shore of Abu Dhabi and, in 1966, oil was first discovered by the Dubai Petroleum Company at Fateh, which lies 92 km off the coast of Dubai. Over the years, oil revenues have been used to create and develop the economic and social infrastructure of the emirate. In addition, as a regional trading hub, Dubai was well-placed to capitalise on the increase in Middle East business activity that came with oil exports.

Since the establishment of the UAE in 1971, Dubai has developed its status as a major city, enhancing the well-being of its people and creating an environment that attracts businesses and individuals. To support, maintain and develop this status, the Government intends to focus on: (i) achieving comprehensive development and building human resources; (ii) promoting economic development and government modernisation; (iii) sustaining growth and prosperity; (iv) protecting UAE nationals' interests, the public interest and well-being; and (v) providing an environment conducive for growth and prosperity in all sectors.

Strategy of Dubai

In 2007, the Government adopted a set of guiding principles for the various sectors that comprise the Dubai Strategic Plan 2015 (the "**DSP 2015**"). The aim of the DSP 2015 is to ensure an understanding of the Government's vision among all government entities and a common framework for the operations of these entities. The DSP 2015 focuses on the core areas of economic development; social development; security, justice and safety; infrastructure, land and development; and government excellence.

The DSP 2015 envisages that future economic growth will be focused on the following six sectors: travel and tourism; financial services; professional services; transport and logistics; trade and storage. These sectors were identified based on their then current status, international competitiveness, Dubai's capacity to develop them and the availability of necessary enabling factors.

The global economic crisis significantly impacted the Government's economic development plans and, as a result, the government has reassessed the stated aims of the DSP 2015 in the area of economic development. The Dubai Department of Economic Development, which was given responsibility for revision of these aims, has prepared a revised Medium Term Economic Plan to be implemented through to 2015 (the "**Medium Term Economic Plan**"). The Medium Term Economic Plan is broadly envisioned to emphasise three goals. First, it will focus on reinforcing and growing Dubai's already established position as a regional and global hub for travel, tourism, trade, transportation and logistics services. Second, it will promote the expansion of Dubai's knowledge based economy by creating a regulatory and economic environment conducive for growing the financial and professional services industries, by attracting international companies to establish their headquarters in Dubai and by further establishing Dubai as a regional centre for the construction services industry. Third, it will continue to encourage major Dubai-based companies to expand globally, thereby deepening Dubai's interconnectedness with the global economy. Economic sectors such as retail and trade, transportation and logistics, manufacturing, tourism and financial services are therefore expected to remain important drivers of Dubai's economic growth in the future and investment parks that foster some or all these sectors will remain important enablers of the Government's strategy.

Population

The population of the UAE, based on a census carried out in 2005 and, according to the UAE National Bureau of Statistics (the "**NBS**"), was approximately 4.1 million, of whom approximately 1.3 million resided in Dubai. The NBS estimated the population of the UAE to be approximately 8.3 million in 2010. The Dubai

Statistics Centre has estimated the population of Dubai to be approximately 2.1 million at 31 December 2012.

The populations of both the UAE and Dubai have grown significantly since 1985, reflecting an influx of foreign labour, principally from Asia, as the emirates have developed.

The table below illustrates this growth using official census data since 1985:

	1985	**1995**	**2005**	**2010/12**
Total population	1,379,303	2,411,041	4,106,427	8,264,070
Dubai population	370,788	689,420	1,321,453	2,105,875

Source: Official UAE census data (1985 to 2005); NBS estimates (2010) and Dubai Statistics Centre estimates (2012).

The majority of the population of Dubai is estimated to be non-UAE nationals, mainly drawn from the Indian sub-continent, Europe and other Arab countries. Approximately 76 per cent. of the population is estimated to be male and 24 per cent. female, reflecting the large male expatriate workforce.

Governance, Legislation and Judiciary

The UAE

UAE constitution

The original constitution of the UAE (the "**Constitution**") was initially provisional and provided the legal framework for the federation. The Constitution was made permanent pursuant to a constitutional amendment in May 1996.

The major principle adopted by the Constitution was that jurisdiction for enacting substantive legislation was confined to the federal government, but the local governments of the seven emirates were authorised to regulate those matters that were not the subject of legislation by the federal government.

Pursuant to Articles 120 and 121 of the Constitution, the federal government is responsible for foreign affairs; security and defence; nationality and immigration; education; public health; the currency; postal, telephone and other communications services; air traffic control and the licensing of aircraft and a number of other matters including labour relations; banking; the delimitation of territorial waters; and the extradition of criminals. Federal matters are regulated through a number of specially created federal ministries which include the Ministries of Defence, Economy, Finance, Foreign Affairs and Justice. Although most of the federal government ministries are based in the Emirate of Abu Dhabi, many also maintain offices in Dubai. The UAE's monetary and exchange rate policy is managed on a federal basis by the UAE Central Bank. Article 122 of the Constitution states that the emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the federation, in accordance with the provision of the preceding two Articles.

The individual emirates are given flexibility in the governance and management of their own emirates. The Constitution permits individual emirates to elect to maintain their own competencies in certain sectors. Based on this flexibility, Dubai has elected to assume responsibility for its own education, judicial and public health systems. The natural resources and wealth in each emirate are considered to be the public property of that emirate.

Each emirate manages its own budget on an independent basis and no emirate has any obligation to contribute to the budget of any other emirate. Each emirate makes contributions to the federal budget in agreed amounts.

Federal Supreme Council

The UAE is governed by the Supreme Council. This is the highest federal governing body and consists of the Rulers of the seven emirates. The Supreme Council elects from its own membership the President and the Vice President of the UAE (for renewable five-year terms). Decisions relating to substantive matters are decided by a majority vote of five emirates, provided that the votes of both the Emirate of Abu Dhabi and Dubai are included in that majority, but matters that are purely procedural are decided by a simple majority vote.

The Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy and approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President.

The then Ruler of the Emirate of Abu Dhabi, H.H. Sheikh Zayed bin Sultan Al Nahyan, was elected in 1971 as the first President of the UAE and was re-elected as President for successive five-year terms until his death in November 2004. The then Ruler of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, was elected in 1971 as the first Vice President of the UAE and continued as Vice President until his death in 1990. H.H. Sheikh Zayed bin Sultan Al Nahyan was succeeded by his son H.H. Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi who was elected as President of the UAE in November 2004 by the members of the Supreme Council. H.H. Sheikh Mohammed bin Rashid Al Maktoum became the Ruler of Dubai in January 2006 upon the death of his elder brother H.H. Sheikh Maktoum bin Rashid Al Maktoum who had ruled Dubai since 1990. He was also nominated by the President of the UAE, H.H. Sheikh Khalifa bin Zayed Al Nahyan, to be the next Prime Minister and Vice President of the UAE in January 2006. The members of the Supreme Council accepted the President’s nomination shortly thereafter.

Federal Council of Ministers

The Federal Council of Ministers (the “**Cabinet**”) is described in the Constitution as the executive authority for the federation and is responsible for implementing policy decisions of the Supreme Council. The Cabinet is the principal executive body of the federation. The Constitution defines the responsibilities of the Cabinet, which include the issuing of regulations, the preparation of draft laws and the drawing up of the annual federal budget.

Based in the Emirate of Abu Dhabi, the Cabinet is headed by the Prime Minister and consists of the Deputy Prime Minister and a number of other Ministers. These Ministers are normally selected (for no fixed term) by the approval of the Supreme Council on the recommendation of the Prime Minister.

Federal National Council

The Federal National Council (the “**FNC**”) is a parliamentary body which comprises 40 members who are UAE nationals. Each emirate appoints members for a particular number of seats based on such emirate’s population and size. The Emirates of Abu Dhabi and Dubai have eight members each, the Emirates of Ras Al Khaimah and Sharjah have six members each and the other emirates have four members each. The nomination of representative members is left to the discretion of each emirate, and the members’ legislative term is four calendar years. The members represent the UAE as a whole rather than their individual emirates.

Presided over by a speaker, or either of two deputy speakers elected from amongst its members, the FNC has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining and, if required, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the Federal National Council is to discuss the annual budget of the UAE. Although the Federal National Council can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself.

The inaugural FNC elections were held in December 2006, following reforms to enhance public participation in the electoral process. Under these reforms, the Ruler of each emirate selected an electoral college numbering approximately 100 times the number of FNC members for the relevant emirate. The members of each electoral college elected half of the FNC members for their emirate, with the remainder being appointed by the Ruler.

The most recent FNC elections were held in September 2011, following the issuance of new electoral guidelines by the National Election Commission in May 2011, addressing the methods of selection of representatives to the FNC, the role of the National Election Commission and its sub-committees and general rules on the elections, nominations, campaign, filing of appeals and timeline for the electoral process. On 24 September 2011, 468 candidates stood for election to the 20 elected positions on the FNC, with a voter turnout across the UAE of 35,877, or 27.8 per cent. of an expanded electoral college of 129,274.

Legal and court system

There are three primary sources of law in the UAE, namely: (i) federal laws and decrees (applicable in all seven emirates); (ii) local laws and decrees (i.e. laws and regulations enacted by the emirates individually); and (iii) the *Shari'a* (Islamic law). The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler or local government of each emirate can apply his or its own rules, regulations and practices.

The federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and arbitrate on inter-emirate disputes and disputes between the federal government and the emirates.

In accordance with the Constitution, three of the seven emirates (Abu Dhabi, Dubai and Ras Al Khaimah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective emirates.

The judicial system in Dubai (excluding the Dubai International Financial Centre) is comprised of: (i) a Court of First Instance; (ii) a Court of Appeal; and (iii) a Court of Cassation. The laws and regulations of the Dubai International Financial Centre are applied by the DIFC Courts, which are independent of the Dubai Courts and the UAE Federal Courts, and consist of a Court of First Instance and a Court of Appeal.

Dubai

The laws of Dubai are passed by Decree of the Ruler, Sheikh Mohammed bin Rashid Al Maktoum, who is also the Vice President and Prime Minister of UAE. The Crown Prince of Dubai is Sheikh Hamdan bin Mohammed Al Maktoum. The Deputy Rulers are Sheikh Hamdan bin Rashid Al Maktoum and Sheikh Maktoum bin Mohammed Al Maktoum.

The key entities in the structure of the Government are: (i) the Ruler's Court; (ii) the Supreme Fiscal Committee (the "**SFC**"); and (iii) the Executive Council (the "**Executive Council**"). The Dubai Department of Economic Development (the "**DED**") and the Dubai Department of Finance (the "**DOF**") are administrative bodies. All five of these entities have distinct roles:

The Ruler's Court: Except in relation to applicable federal laws, His Highness the Ruler of Dubai is the sole legislator for the emirate and all Dubai laws are passed by His Highness after drafts of the laws have been approved by the Ruler's Court in consultation with the Executive Council. All other matters that require the involvement of His Highness the Ruler of Dubai are channelled through the Ruler's Court.

Supreme Fiscal Committee: The SFC was established in November 2007 to formulate the fiscal policies of the Government, establish and approve priorities, financing methods and completion dates for major Government projects, determine the public debt and expenditure limits and to issue recommendations in relation to key economic issues to the Ruler of Dubai. The SFC also aims to improve coordination between various Government entities and to enable these entities to meet their respective development targets in a cost-efficient manner.

Executive Council: The Executive Council seeks to ensure coordination amongst Government departments such as the courts, the police, the Health Authority, the Land Department, the Department of Civil Aviation, the DED and the Department of Tourism and Commerce Marketing. The Executive Council works with these departments to implement an overall strategy for the Government, while considering the requirements and strategies of each particular department. In addition, the Executive Council works with the DOF to prepare an overall budget to fund the requirements of the various government departments. In addition to this broad coordination role, the Executive Council also recommends new laws and regulations, and is involved in the implementation of laws promulgated at both the emirate and federal levels.

Department of Economic Development: The DED is a regulatory and administrative body responsible for licensing and regulation of the business sector. All businesses operating in Dubai are required to be registered with and licensed by the DED. The DED also helps formulate Government policy in relation to economic planning and the promotion of Dubai as a business centre. The DED works closely with relevant government bodies such as the Ministry of Labour and the Real Estate Regulatory Authority.

Department of Finance: The DOF is the local ministry of finance and treasury for the Government. All revenues of the Government are collected within the DOF and all Government authorities are funded through the DOF. In addition, the DOF also functions as an administrative office of the SFC for executing and monitoring compliance with the SFC's decisions.

Economy of the UAE

The UAE is the third largest economy in the Gulf region after Saudi Arabia and Iran. According to the Organisation of Petroleum Exporting Countries (OPEC) data, as at 31 December 2012, the UAE had approximately 6.6 per cent. of proven global oil reserves (giving it the sixth largest oil reserves in the world). The UAE's oil reserves generated approximately 32.7 per cent. of the UAE's real GDP in 2012 (according to the NBS) and approximately 33.7 per cent. of its export earnings (including re-exports) in 2012 according to the UAE Central Bank).

The NBS has estimated that real GDP in the UAE for 2012 was AED 1,025.6 billion, representing a real GDP growth rate of 4.4 per cent., reflecting the general economic recovery in the wake of the global economic crisis.

The table below shows the UAE's nominal and real GDP and nominal and real GDP growth rates for each of the years indicated.

	2009	2010	2011	2012
UAE nominal GDP (*AED millions*)	935,766	1,055,557	1,280,215	1,409,502
UAE nominal GDP growth rates (*per cent.*).	(19.2)	12.8	21.3	10.1
UAE real GDP (*AED millions*)	930,475	946,021	982,725	1,025,623
UAE real GDP growth rates (*per cent.*)	(4.8)	1.7	3.9	4.4

Source: UAE National Bureau of Statistics

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. Whilst fluctuations in energy prices do have a bearing on economic growth, the UAE is generally viewed as being less vulnerable than some of its GCC neighbours, due to the growth in the non-oil sector, particularly trading, finance, real estate and tourism.

Economy of Dubai

Dubai has a diversified economy which has demonstrated renewed growth, with real GDP increasing by approximately 4.4 per cent. in 2012 and 3.3 per cent. in 2011. Since the UAE was established, when approximately 50 per cent. of Dubai's GDP was oil related, the emirate's reliance on oil has decreased significantly, with the mining, quarrying and oil and gas sector accounting for approximately 1.5 per cent. of GDP in 2012.

Reflecting the emirate's strategic geographic location, rising levels of international trade and the Government's long-standing strategy of positioning the emirate as a trading centre, the wholesale and retail trade and repairing services sector is the principal contributor to GDP, accounting for 30.3 per cent. of Dubai's real GDP in 2012. The wholesale and retail trade and repairing services sector grew by 2.3 per cent. in real terms in 2012.

Significant growth sectors for the emirate in 2012 were the manufacturing; restaurants and hotels; transport, storage and communication; and electricity and water. The manufacturing sector grew by 13.0 per cent. in real terms in 2012 principally due to increased demand for non-oil exports from Dubai, particularly industrial exports. The restaurants and hotels sector grew by 16.9 per cent. in real terms in 2012 as a result of increased tourism and higher revenues in the hotel sector. The transport, storage and communication sector grew by 7.3 per cent. in real terms in 2012 as a result of growth in foreign trade levels, an increase in activity at domestic ports and airports (which increased demand for freight and transportation services) and increased revenues collected from the transport sector as a result of a higher number of passengers using public transport. The electricity and water sector grew by 4.8 per cent. in real terms in 2012 as a result of increased generation and consumption of electricity and water in Dubai. In addition, the wholesale and retail trade and repairing services sector grew by 2.3 per cent. in real terms in 2012, largely due to increased economic activity and imports, as this sector depends largely on imports.

Each of the above sectors has benefited from the Government's policies aimed at improving the business and investment environment and positioning Dubai as a regional hub, including specific high profile developments initiated by the Government and the establishment of a range of specialised free zones designed to attract new companies and investment.

Other supply side factors supporting the emirate's longer term economic growth have included the availability of labour and land for real estate development, significant levels of liquidity prior to late 2008 and increasing consumer wealth in the GCC and elsewhere, in part reflecting generally high oil and gas prices, an appropriate legal and regulatory framework and good infrastructure.

The Government continues to focus on economic diversification and in this respect is targeting the travel and tourism, financial services, professional services, transport and logistics, trade and storage and construction sectors in particular as areas for future growth.

Since the middle of 2008 and reflecting the global financial crisis and sharp falls in international oil and gas prices, there have been significant declines in real estate sales prices and rental rates in the UAE as a whole and a significant slowdown in construction activity. These factors adversely impacted the emirate's GDP in 2010 and 2011, with the real estate and construction sectors declining in real terms in 2010 by 2.6 per cent. and 14.7 per cent., respectively, and in 2011 by 2.6 per cent. and 5.7 per cent., respectively. In 2012, the real estate and business services sector grew by 1.7 per cent. whilst the construction sector declined by 4.2 per cent. in real terms.

The table below shows Dubai's nominal and real GDP and nominal and real GDP growth rates for each of the years indicated:

	2009	**2010**	**2011**	**2012**[1]
Dubai nominal GDP (*AED millions*)	295,441	304,585	315,392	333,886
Dubai nominal GDP growth rates (*per cent.*)	–[1]	3.1	3.5	7.3
Dubai real GDP (*AED millions*)	285,162	295,256	304,989	318,379
Dubai real GDP growth rates (*per cent.*)	(2.7)	3.5	3.3	4.4

Source: Dubai Statistics Centre

Note:

(1) Dubai nominal GDP growth rate for 2009 are not published by the Dubai Statistics Centre on its website.

Nominal GDP data for 2012 and the growth rate for 2009 are not published by the Dubai Statistics Centre on its website. Dubai's real GDP in 2012 was AED 318,379 million, 4.4 per cent. higher than the AED 304,989 million in 2011.

The real GDP of Dubai in 2012 equalled 31.0 per cent. of the real GDP of the UAE in the same year. In 2011, 2010 and 2009, the equivalent proportions were 31.2 per cent., 31.2 per cent. and 30.8 per cent., respectively.

Dubai's real GDP decreased by 2.7 per cent. in 2009 and increased by 3.5 per cent., 3.3 per cent. and 4.4 per cent. in 2010, 2011 and 2012, respectively, reaching AED 318.4 billion in 2012. Dubai's real GDP per capita in 2012 was approximately U.S.$41,167, based on an assumed population of 2,105,875 million and an exchange rate of U.S.$1.00 = AED 3.6725.

Within Dubai, no single economic sector contributed more than 31 per cent. to total GDP in 2012, with the largest sector being the wholesale and retail trade and repairing services sector which contributed AED 96.3 billion, or 30.3 per cent., of the emirate's real GDP. Other significant contributors to real GDP in 2012 include the manufacturing sector, which contributed AED 48.9 billion, or 15.4 per cent., to real GDP; the transport, storage and communications sector, which contributed AED 45.8 billion, or 14.4 per cent., to real GDP; the real estate and business services sector, which contributed AED 39.9 billion, or 12.5 per cent., to real GDP; the financial corporations sector, which contributed AED 35.4 billion, or 11.1 per cent., to real GDP and the construction sector, which contributed AED 24.8 billion, or 7.8 per cent., to real GDP. Together, these six sectors contributed 91.5 per cent. of total real GDP in 2012. By contrast, the government services sector contributed 5.6 per cent., the restaurants and hotels sector contributed 4.5 per cent. and the mining and quarrying (principally oil and gas) sector contributed 1.5 per cent. to real GDP in 2012.

In terms of growth, the four strongest principal sectors in recent years have been the electricity and water sector, with a compound annual GDP growth rate of 14.1 per cent. between 2009 and 2012, the restaurants and hotels sector, with a compound annual GDP growth rate of 12.5 per cent. from 2009 to 2012, the domestic services sector, with a compound annual GDP growth rate of 11.9 per cent. between 2009 and 2012, and the manufacturing sector, with a compound annual GDP growth rate of 11.6 per cent. between 2009 and 2012.

All GDP data in this section is derived from publications of the Dubai Statistics Centre.

The Government's Support of Strategic Government Related Entities and the Restructuring of the Dubai World Group.

The Government owns, or has significant investments in, strategic Government-related entities ("**GREs**") which have played a significant role in supporting and facilitating the Government's strategic development plan. Certain GREs have incurred indebtedness, including indebtedness from international financial institutions and in the international capital markets. As a result of the global financial crisis, sharp falls in international oil and gas prices, financial sector instability, limited access to credit and the significant decline in real estate values, both globally and in the Emirate of Dubai and the UAE, certain GREs have suffered from asset value deterioration, limited cash flow and a lack of liquidity. Whilst not legally obliged to do so (under any guarantee or otherwise), the Government announced its intention to support certain entities in order to maintain stability in the UAE economy, the banking system and investor confidence.

On 25 November 2009, Dubai World, with the support of the Government, announced its intention to seek a standstill with the lenders of the Dubai World group in respect of the indebtedness of the Dubai World group and initiated the restructuring process in order to ensure the continuity of the Dubai World group's business operations. Dubai World's restructuring was fully implemented on 29 June 2011. Dubai World's post-restructuring financial indebtedness was approximately U.S.$14.4 billion in total, comprising two tranches of U.S.$4.4 billion and approximately U.S.$10.0 billion, with five- and eight-year maturities, respectively. The Government also agreed to (i) recapitalise Dubai World through the equitisation of the U.S.$8.9 billion debt owed by Dubai World to the Dubai Financial Support Fund (the "**DFSF**"); (ii) commit up to a further U.S.$1.5 billion in new funds; and (iii) provide a stop-loss guarantee of U.S.$2.2 billion in respect of certain of Dubai World's post restructuring financial indebtedness.

On 14 July 2010, Nakheel (then a Dubai World group company) held a formal meeting in Dubai with creditor banks to formally present the restructuring of certain existing indebtedness of Nakheel and certain of its subsidiaries together with any related security and guarantees in respect thereof. The terms of the Nakheel restructuring were approved and the restructuring was implemented on or about 24 August 2011 on a contractual basis through binding agreements with Nakheel's creditors. The Nakheel restructuring caused trade and financial claims against Nakheel to be reduced from AED 59.3 billion to AED 17.6 billion as a result of a substantial recapitalisation of the business through the injection of AED 26.8 billion of new capital and the equitisation of existing claims by the Government through the DFSF. The Nakheel restructuring involved the separation of the Nakheel group from the rest of the Dubai World group. As such, all the existing shares of the Nakheel holding companies were directly or indirectly transferred to the DFSF, against which transfer the DFSF released Nakheel from all of its obligations and liabilities under the various support facilities extended to the Nakheel group by the DFSF during the course of the Nakheel restructuring.

UAE International Relations

The foreign policy of the UAE is based upon a set of guiding principles, laid down by the country's first President, H.H. Sheikh Zayed bin Sultan Al Nahyan.

The UAE participates in a number of multi-lateral development institutions, including the International Bank for Reconstruction and Development, the International Development Agency, the IMF and regional bodies like the Arab Bank for Economic Development in Africa, the Arab Gulf Fund for the United Nations, the Abu Dhabi-based Arab Monetary Fund, the Islamic Development Bank and the OPEC Fund for International Development. In addition, the UAE is a member of various other international organisations, including, among others, the Asia-Pacific Economic Co-operation, the GCC, the International Organisation for Industrial Development, the League of Arab States, OPEC, the Organisation of Arab Petroleum Exporting Countries, the Organisation of Islamic Countries, the United Nations, the World Health Organisation and the World Trade Organisation. In December 2009, the UAE entered into a bilateral agreement with the United States for peaceful nuclear cooperation which establishes the legal framework for commerce in civilian nuclear energy between the two countries.

The UAE enjoys good relations with the other states in the GCC. However, the UAE has an on-going dispute with the Islamic Republic of Iran and continuing discussions with the Kingdom of Saudi Arabia and the State of Qatar over border issues. Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied by the Islamic Republic of Iran. The UAE believes that the islands should be returned to the Emirate of Sharjah which claims sovereignty over them and is seeking to resolve the dispute through negotiation.

The UAE is also seeking, through negotiation, to resolve issues related to the 1974 provisional and, as yet, unratified, agreement with the Kingdom of Saudi Arabia on the border between the two countries, which the UAE believes should be substantially amended. In addition, the UAE is involved in discussions with the governments of the Kingdom of Saudi Arabia and the State of Qatar relating to a maritime corridor which the State of Qatar has purported to grant to the Kingdom of Saudi Arabia, from within the State of Qatar's own maritime waters, which crosses part of the route of the gas pipeline constructed by Dolphin Energy Limited. The UAE believes that this grant is in breach of existing agreements between the UAE and the State of Qatar and, in June 2009, the UAE's Ministry of Foreign Affairs stated this position in a letter to the UN Secretary General.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions).

Sale and Purchase Agreement

The Sale and Purchase Agreement will be entered into on the Closing Date between EMG Sukuk Limited (in its capacities as Trustee and as Purchaser) and Emaar Malls (in its capacity as Seller) and will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Pursuant to the Sale and Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will buy from the Seller, the Initial Wakala Portfolio.

Under the Sale and Purchase Agreement, the Seller will undertake to the Purchaser that, with effect from: (i) the Closing Date (in the case of the Initial Wakala Portfolio sold pursuant to the Sale and Purchase Agreement); and (ii) the date on which new Wakala Assets become part of the Wakala Portfolio (in the case of any Wakala Assets added to the Wakala Portfolio from time to time) it will hold the title to the Wakala Assets in its name as an agent and nominee of the Purchaser.

Service Agency Agreement

The Service Agency Agreement will be entered into on the Closing Date between EMG Sukuk Limited (in its capacity as Trustee) and Emaar Malls (as Servicing Agent of the Wakala Portfolio) and will be governed by English law.

Services

Pursuant to the Service Agency Agreement, the Trustee will appoint the Servicing Agent to manage the Wakala Portfolio. In particular, the Servicing Agent will undertake to provide, amongst other things, the following services (the "**Services**"):

(a) it will manage the Wakala Portfolio in accordance with the Wakala Management Plan set out in the schedule to the Service Agency Agreement, which includes the annual amount of expected Wakala Portfolio Revenues (as defined below) of the Wakala Portfolio (the "**Expected Wakala Portfolio Revenues**");

(b) it will be obliged to ensure that for the life of the Certificates, the Wakala Portfolio will comprise only Real Estate Assets subject to Leases which relate to businesses generating *Shari'a* compliant cash flows;

(c) it will use its best endeavours to manage the Wakala Portfolio such that the Wakala Portfolio Value is at all times at least equal to the aggregate Value of the Initial Wakala Portfolio as set out in the schedule to the Sale and Purchase Agreement less any relevant Surrender Amount and accordingly will at no time substitute any Wakala Asset(s) for any Wakala Asset(s) of a Value less than the Value of the Wakala Asset(s) so substituted;

(d) it will carry out all Major Maintenance in respect of the Wakala Assets on account and on behalf of the Trustee and in so doing the Servicing Agent shall:

    (i) ensure that accurate and current records are kept of all Major Maintenance activities;

    (ii) conduct regular and proper inspection of the Wakala Assets and ensure that Major Maintenance is carried out with the proper quality of materials and workmanship; and

(iii) ensure that Major Maintenance is carried out by qualified persons and in accordance with all applicable regulations and law;

in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Servicing Agent on an arm's length basis and in order to fully maintain the Value of the Wakala Assets;

(e) it will, acting as agent for the Trustee, have and pursuant to the Service Agency Agreement is granted complete discretion, authority, power and right in the name of the Trustee:

(i) to enter into contractual arrangements with approved sub-contractors and consultants in order to assist it in performing the Services and its other obligations under the Service Agency Agreement;

(ii) to enter into, make and perform all agreements and other undertakings as may in the opinion of the Servicing Agent be necessary or advisable or incidental to the carrying out of the Services pursuant to the Service Agency Agreement; and

(iii) to the extent necessary to enable it properly to exercise its rights and carry out its duties under the Service Agency Agreement, to act for the Trustee and on the Trustee's behalf in the same manner and with the same force and effect as the Trustee might or could do;

(f) (for so long as the Trustee remains the owner of the Wakala Assets in its name and on behalf of Certificateholders) it will pay promptly, on behalf of the Trustee, all Proprietorship Taxes (if any) charged, levied or claimed in respect of the Wakala Assets by any relevant taxing authority and promptly provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all Proprietorship Taxes paid by it;

(g) it will do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers reasonably necessary to ensure the assumption of, and compliance by each Lessee with its covenants, undertakings or other obligations under the Lease to which it is a party in accordance with applicable law and the terms of the Lease, in each case in respect of the Wakala Assets;

(h) it will discharge or procure the discharge of all obligations to be discharged by Emaar Malls (in whatever capacity) in respect of any of the Wakala Assets under all Leases, it being acknowledged that the Servicing Agent may appoint one or more agents to discharge these obligations on its behalf;

(i) it will pay on behalf of the Trustee any actual costs, expenses and losses (excluding for the avoidance of doubt, interest, penalty payments, costs of funds and opportunity costs) which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio and, such actual costs, expenses and losses shall be reimbursed in accordance with the terms of the Service Agency Agreement;

(j) it will use all reasonable endeavours to ensure the timely receipt of all Wakala Portfolio Revenues (as defined below), investigate non-payment of Wakala Portfolio Revenues and generally make all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues under all Leases as and when the same shall become due;

(k) it will ensure that all Wakala Portfolio Revenues are received free and clear of, and without withholding and deduction for, Taxes (as defined therein);

(l) it will use all reasonable endeavours to ensure that the Wakala Portfolio Revenues in respect of each Wakala Distribution Period are at least equal to the Expected Wakala Portfolio Revenues;

(m) it will maintain the Collection Accounts in accordance with the terms of the Service Agency Agreement and as summarised below;

(n) it will obtain all necessary authorisations in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;

(o) it will renew existing Leases relating to the Wakala Assets, or where such Leases are not to be renewed, source new tenants; and

(p) it will carry out any incidental matters relating to any of the above.

For these purposes:

"**Leases**" means each lease entered into by or on behalf of the Obligor with a third party in respect of a Real Estate Asset;

"**Lessee**" means any tenant or other party to a Lease who has undertaken to make payments pursuant to the terms of such Lease;

"**Major Maintenance**" means all major maintenance and structural repair (excluding Ordinary Maintenance), including doing such acts or things and taking such steps to ensure that the Wakala Assets suffer no damage, loss or diminution in value without which the Wakala Assets could not be reasonably and properly used;

"**Ordinary Maintenance**" means all acts, maintenance and upkeep works required for the general use and operation of the Wakala Assets and to keep, maintain and preserve the Wakala Assets in good order, state and condition;

"**Property Development**" means a mall, shopping centre or other property development;

"**Proprietorship Taxes**" means all taxes in relation to the Wakala Assets by law imposed, charged or levied against a proprietor, but excluding all taxes that are by law imposed, charged or levied against a lessee or tenant;

"**Real Estate Asset**" means a real estate related asset situated in a Property Development and consisting of a retail unit that is leased (other than on the basis of a finance lease) to a third party;

"**Surrender Amount**" means the aggregate face amount of any Certificates cancelled by the Trustee pursuant to Condition 8(g) and/or redeemed and cancelled pursuant to Condition 8(c); and

"**Value**" means, in respect of any Wakala Asset, the amount in U.S. dollars (following conversion, if necessary, of any relevant amount(s) at the applicable Exchange Rate (as defined in the Service Agency Agreement)) determined by Emaar Malls as being equal to the value of that Wakala Asset on the day on which it formed part of the Wakala Portfolio (as set out in the Sale and Purchase Agreement or the relevant substitution request, as applicable).

Insurances and Total Loss Shortfall Amount

The Servicing Agent will also irrevocably undertake with the Trustee, in relation to the Wakala Portfolio, that the Servicing Agent, on behalf of the Trustee, will:

(a) be responsible for ensuring that the Wakala Assets are properly insured to the extent consistent with general industry practice by prudent owners of similar assets, and, accordingly, will effect such insurances in respect of the Wakala Assets (the "**Insurances**"), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event. The Servicing Agent will undertake to ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the "Full Reinstatement Value" (being the aggregate face amount of the Certificates plus all accrued but unpaid Periodic Distribution Amounts relating to such Certificates);

(b) promptly make a claim in respect of each loss relating to the Wakala Assets in accordance with the terms of the Insurances;

(c) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are paid in U.S. dollars directly into the Transaction Account by no later than the

30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly.

If the Servicing Agent fails to comply with the above provisions and as a result of such breach the amount (if any) credited to the Transaction Account pursuant to the Service Agency Agreement is less than the Full Reinstatement Value (the difference between such Full Reinstatement Value and the amount credited to the Transaction Account being the "**Total Loss Shortfall Amount**"), then the Servicing Agent (unless it proves beyond any doubt that any shortfall in the insurance proceeds is not attributable to its negligence or its failing to comply with the terms of the Service Agency Agreement relating to insurance) will irrevocably and unconditionally indemnify (on an after tax basis) the Trustee for the Total Loss Shortfall Amount, which will be payable (in same day, freely transferable, cleared funds) directly to the Transaction Account by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Thereafter, and subject to the Servicing Agent's strict compliance with this paragraph, any insurance proceeds received from such insurer will be for the Servicing Agent's sole account and the Trustee will have no further rights against the Servicing Agent in respect of its breach. Any such breach will not however constitute an Obligor Event.

Wherever the Servicing Agent procures Insurances in accordance with the terms of the Service Agency Agreement (including the renewal of any Insurances in existence on the Closing Date) it will use its reasonable endeavours to obtain such Insurances on a *takaful* basis if such *takaful* insurance is available on commercially viable terms. A breach of this requirement will not, however, constitute an Obligor Event.

Records and documents

The Servicing Agent will undertake that it will keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due in respect of the Wakala Assets.

The Servicing Agent will agree in the Service Agency Agreement to:

(a) provide the Services in accordance with all applicable laws and regulations;

(b) provide the Services with the degree of skill and care that it would exercise in respect of its own assets; and

(c) manage the Wakala Assets in accordance with generally accepted *Shari'a* principles.

Service Agency Liabilities Amounts and fees

The Trustee and the Servicing Agent will agree that any Service Agency Liabilities Amounts incurred by the Servicing Agent in providing the Services shall be paid by the Trustee by way of the application of amounts standing to the credit of the Wakala Revenue Collection Account by the Servicing Agent on the Trustee's behalf in payment of such amounts following the repayment of any amounts advanced by way of a Liquidity Facility, as described below or otherwise on the Dissolution Date. For these purposes, "**Service Agency Liabilities Amounts**" means the amount of any actual claims, losses, costs and expenses properly incurred or suffered by the Servicing Agent or other payments made by the Servicing Agent (excluding for the avoidance of doubt, interest, penalty payments, costs of funds and opportunity costs) on behalf of the Trustee, in each case in providing the Services during a "**Wakala Distribution Period**" (being a period that corresponds with the Return Accumulation Period under the Certificates), but does not include amounts due to the Servicing Agent or any third party provider in respect of any Liquidity Facility.

Emaar Malls shall be entitled to receive a fixed fee of U.S.$100 for acting as Servicing Agent under the Service Agency Agreement. In addition, following payment of all amounts due and payable under the Certificates on the final Dissolution Date, the Servicing Agent shall be entitled to retain any amounts that remain standing to the credit of the Wakala Reserve Collection Account for its own account as an incentive payment for acting as Servicing Agent.

Asset substitutions

In the Service Agency Agreement the Trustee and the Servicing Agent will agree that, provided no Dissolution Event has occurred and is continuing: (i) the Emaar Malls may at any time exercise its rights under the Sale Undertaking to substitute any one or more of the Wakala Assets as the Servicing Agent may select; (ii) promptly following any default in respect of any Wakala Asset, Emaar Malls shall be required to use its best endeavours to substitute the relevant defaulting Wakala Asset(s), and such substitution shall be effected by the Trustee pursuant to the Purchase Undertaking; (iii) immediately upon the Servicing Agent becoming aware that any Wakala Asset relates to a business generating non-*Shari'a* compliant cash flows, Emaar Malls shall be required to use its best endeavours to substitute the relevant non-compliant Wakala Asset(s), and such substitution shall be effected by the Trustee pursuant to the Purchase Undertaking; and (iv) immediately upon the Servicing Agent becoming aware that the Seller is in breach of any of the representations and warranties contained in the Sale and Purchase Agreement, Emaar Malls shall be required to use its best endeavours to substitute the relevant non-compliant Wakala Asset(s), and such substitution shall be effected by the Trustee pursuant to the Purchase Undertaking.

Collection Accounts

The Servicing Agent will maintain two ledger accounts (such accounts being the "**Wakala Revenue Collection Account**" and the "**Wakala Reserve Collection Account**", together, the "**Collection Accounts**") in its books, each of which shall be denominated in U.S. dollars in which all revenues from the Wakala Assets (the "**Wakala Portfolio Revenues**") will be recorded. The Wakala Portfolio Revenues include all rental and other amounts paid by the relevant lessee and all consideration, damages, insurance proceeds, compensation or other sums received by the Servicing Agent in respect of Wakala Assets. All Wakala Portfolio Revenues will be recorded in the Wakala Revenue Collection Account.

In addition, certain amounts may be debited from the Wakala Revenue Collection Account and credited to the Wakala Reserve Collection Account.

Amounts standing to the credit of the Wakala Revenue Collection Account will be applied by the Servicing Agent on each Wakala Distribution Determination Date (being the Business Day immediately prior to the relevant Periodic Distribution Date) in the following order of priority:

(a) *first*, in repayment of any amounts advanced by way of a Liquidity Facility;

(b) *second*, in payment of any Service Agency Liabilities Amounts for the Wakala Distribution Period ending immediately before the previous "**Wakala Distribution Date**" (being the date which corresponds with the relevant Periodic Distribution Date);

(c) *third*, the Servicing Agent shall pay into the Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Wakala Revenue Collection Account; and

(d) *fourth*, any amounts still standing to the credit of the Wakala Revenue Collection Account immediately following payment of all of the above amounts shall be debited from the Wakala Revenue Collection Account and credited to the Wakala Reserve Collection Account.

The Servicing Agent may under the Service Agency Agreement deduct amounts standing to the credit of the Wakala Reserve Collection Account at any time and use such amounts for its own account, **provided that** it shall immediately re-credit such amounts if so required to fund a Shortfall (as described in the next paragraph) or as required following a Total Loss Event (as described below).

Shortfalls and Liquidity Facilities

If on a Wakala Distribution Determination Date (after payment of the relevant amounts standing to the credit of the Wakala Revenue Collection Account into the Transaction Account) there is a shortfall (a "**Shortfall**") between:

(a) the amounts standing to the credit of the Transaction Account; and

(b) the Required Amount payable on the immediately following Periodic Distribution Date,

the Servicing Agent will pay into the Transaction Account on that Wakala Distribution Determination Date from the amounts standing to the credit of the Wakala Reserve Collection Account (if any) an amount equal to the lesser of the Shortfall and the then balance of the Wakala Reserve Collection Account). If any Shortfall still remains after payment to the Transaction Account of the amounts credited to the Wakala Reserve Collection Account (as described in this paragraph) and after payment to the Transaction Account of all other amounts payable pursuant to any other Transaction Document, the Servicing Agent may either: (A) provide non-interest bearing (or otherwise *Shari'a* compliant) funding itself or (B) procure non-interest bearing (or otherwise *Shari'a* compliant) funding from a third party, in each case, to the extent necessary, by payment of the same into the Transaction Account, on terms that such funding is repayable: (i) from future excess Wakala Portfolio Revenues in accordance with the Service Agency Agreement; or (ii) on the Scheduled Dissolution Date through a deduction (by way of set-off) from the Exercise Price payable under the Sale Undertaking or the Purchase Undertaking, as applicable, to ensure that the Trustee receives on each Wakala Distribution Date the Required Amount payable by it in accordance with the Conditions on corresponding Periodic Distribution Date (such funding, a "**Liquidity Facility**").

Upon the occurrence of a Total Loss Event, all of the Wakala Portfolio Revenues credited to the Collection Accounts (including all amounts standing to the credit of the Wakala Reserve Collection Account) will be paid by the Servicing Agent immediately into the Transaction Account.

Payments under the Service Agency Agreement

The Servicing Agent will agree in the Service Agency Agreement that all payments by it under the Service Agency Agreement will be made without any deduction or withholding for any tax unless required by law and (save as set out therein) without set off or counterclaim of any kind and, in the event that there is any deduction or withholding, the Servicing Agent shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made. The payment obligations of the Servicing Agent under the Service Agency Agreement will be direct, unconditional, unsubordinated and unsecured obligations of the Servicing Agent which (save for exceptions as provided for by applicable law and subject to the negative pledge provisions included in Condition 6(b)) rank equally with all other present and future unsecured and unsubordinated obligations of the Servicing Agent.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on the Closing Date by Emaar Malls in favour of EMG Sukuk Limited (in its capacity as Trustee) and the Delegate and will be governed by English law and any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Purchase Undertaking will be referred for resolution as provided for therein.

Pursuant to the Purchase Undertaking and subject to the provisions contained therein, the Trustee and/or the Delegate, as the case may be, will, by exercising their rights under the Purchase Undertaking, be able to oblige Emaar Malls to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio on the Scheduled Dissolution Date or any earlier Dissolution Date in respect of the Certificates at the "**Wakala Portfolio Exercise Price**", which shall be an amount in U.S. dollars equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates on the relevant Dissolution Date;

(b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates;

(c) (to the extent not previously satisfied in accordance with the Service Agency Agreement) the sum of any outstanding: (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; and

(d) an amount equal to the amounts payable pursuant to Conditions 5(b)(i) and 5(b)(ii) (as the case may be), in each case provided that Emaar Malls has received notification from the relevant party referred to in such Conditions of such amounts in accordance with the terms of the Purchase Undertaking.

If the Delegate exercises its option prior to the Scheduled Dissolution Date, an Exercise Notice will be required to be delivered by the Delegate under the Purchase Undertaking.

The Trustee will also be entitled to exercise its aforementioned entitlements under the Purchase Undertaking following any exercise by the Certificateholders of their right to require the Trustee to redeem their Certificates on a Change of Control Event Put Right Date, in which case Emaar Malls will be required to purchase a portion of the Wakala Portfolio (such portion to comprise the "**Change of Control Event Wakala Assets**") with an aggregate Value no greater than the aggregate face amount of the Certificates to be redeemed. The exercise price (the "**Change of Control Event Exercise Price**" and, together with the Wakala Portfolio Exercise Price, each an "**Exercise Price**") payable for the Change of Control Event Wakala Assets will be calculated on a similar basis to the Wakala Portfolio Exercise Price save that the amounts described in paragraph (c) of that definition shall only apply in the event that 100 per cent. of Certificateholders exercise their right to require the Trustee to redeem their Certificates.

Emaar Malls will undertake in the Purchase Undertaking that if:

(a) the sale and purchase, or transfer and assignment, of any rights, title, interests, benefits and entitlements in, to and under any of the Wakala Assets comprising the Initial Wakala Portfolio from Emaar Malls (in its capacity as seller) to the Trustee under the Sale and Purchase Agreement is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason (other than as a result of a Total Loss Event occurring on or prior to the date of the sale and purchase, or transfer and assignment) (the "**Initial Defective Sale**"); or

(b) the sale and purchase, or transfer and assignment, of any of the Trustee's rights, title, interests, benefits and entitlements in, to and under any of: (i) the Wakala Assets comprising the Wakala Portfolio or the Change of Control Event Wakala Assets pursuant to the exercise (or purported exercise, as the case may be) of the Purchase Undertaking by the Trustee or the Delegate (as applicable); or (ii) the Wakala Assets comprising the Wakala Portfolio, the Cancellation Wakala Assets, the New Wakala Assets or the Substituted Wakala Assets (each as defined in the Sale Undertaking) pursuant to the exercise (or purported exercise, as the case may be) of the Sale Undertaking by Emaar Malls, is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason (other than as a result of a Total Loss Event occurring on or prior to the date of the sale and purchase, or transfer and assignment), including without limitation by reason of any Initial Defective Sale (a "**Subsequent Defective Sale**"),

and as a result of either the Initial Defective Sale or a Subsequent Defective Sale, the Trustee or the Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price which is expressed to be due and payable under the Purchase Undertaking at the relevant time, Emaar Malls shall:

(A) in respect of the Initial Defective Sale, immediately on demand, make payment to the Trustee or the Delegate (as applicable) (each acting as trustee for the Certificateholders) of an amount equal to the Purchase Price (as defined in the Sale and Purchase Agreement) by way of restitution; and

(B) in respect of any Subsequent Defective Sale, immediately on demand, indemnify fully the Trustee or the Delegate (as applicable) (each acting as trustee for the Certificateholders) for the relevant Exercise Price expressed to be due and payable under the relevant undertaking at the relevant time (without double counting any amounts actually received pursuant to paragraph (A) above).

In addition, if Emaar Malls fails to pay all or part of any Exercise Price that is due in accordance with the Purchase Undertaking and **provided that** no sale agreement has been entered into pursuant to the Purchase Undertaking, then Emaar Malls will agree in the Purchase Undertaking that it will irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Servicing Agent for the provision of the Services in respect of the Wakala Portfolio on the terms and conditions, *mutatis mutandis*, of the Service Agency Agreement.

Emaar Malls will expressly declare in the Purchase Undertaking that:

(a) the relevant Exercise Price represents a fair price for the purchase of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio or the applicable Wakala Assets or the Change of Control Event Wakala Assets, as the case may be;

(b) it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in the Wakala Portfolio or the applicable Wakala Assets or the Change of Control Event Wakala Assets, as the case may be, and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in any way; and

(c) if it breaches any declaration or undertaking set out above or if it or any administrator, liquidator or receiver of it disputes or challenges the rights, benefits and entitlements of the Trustee in, to and under the Wakala Portfolio or the applicable Wakala Assets or the Change of Control Event Wakala Assets, as the case may be, Emaar Malls shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price.

Emaar Malls will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made without any deduction or withholding for or on account of tax unless required by law and (save as set out therein) without set-off or counterclaim of any kind and, in the event that there is any deduction or withholding, Emaar Malls shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made. The payment obligations of Emaar Malls under the Purchase Undertaking will be direct, unconditional, unsubordinated and unsecured obligations of Emaar Malls which (save for exceptions as provided for by applicable law and subject to the negative pledge provisions included in Condition 6(b)) rank equally with all other present and future unsecured and unsubordinated obligations of Emaar Malls.

Emaar Malls has agreed in the Purchase Undertaking that it shall comply with the covenants more particularly described in Condition 6(b).

Sale Undertaking

The Sale Undertaking will be executed as a deed on the Closing Date by EMG Sukuk Limited (in its capacity as Trustee) in favour of Emaar Malls and will be governed by English law.

Provided there has been no Total Loss Event and pursuant to the Sale Undertaking and subject to the Trustee being entitled to redeem the Certificates for tax reasons in accordance with Condition 8(b), Emaar Malls will, by exercising its right under the Sale Undertaking and serving an Exercise Notice on the Trustee no later than 45 days prior to the relevant Dissolution Date, be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio at the Exercise Price. In addition, if 75 per cent. or more in face amount of the Certificates originally issued have been redeemed pursuant to Condition 8(c) (and/or previously purchased and cancelled pursuant to Condition 8(g)), Emaar Malls will, by exercising its right under the Sale Undertaking and serving an Exercise Notice on the Trustee no later than 45 days prior to the relevant Dissolution Date (which Exercise Notice must be delivered within 20 days of the Change of Control Event Put Right Date), be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio at the Exercise Price.

For these purposes, the "**Exercise Price**" will be an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates on the relevant Dissolution Date;

(b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates;

(c) (to the extent not previously satisfied in accordance with the Service Agency Agreement) the sum of any outstanding: (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; and

(d) an amount equal to the amounts payable pursuant to Conditions 5(b)(i) and 5(b)(ii) (as the case may be), in each case provided that Emaar Malls has received notification from the relevant party referred to in such Conditions of such amounts in accordance with the terms of the Sale Undertaking.

Emaar Malls will be able to exercise its rights under the Sale Undertaking to effect the substitution of Wakala Assets, subject to any substitute Wakala Assets being of a Value not less than the Value of the Wakala Assets to be substituted. Emaar Malls will also be able to exercise its rights under the Sale Undertaking (following any purchase of Certificates by Emaar Malls pursuant to Condition 8(f) to provide for the transfer of the Cancellation Wakala Assets (as defined in the Sale Undertaking), together with all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Cancellation Wakala Assets with an aggregate Value not greater than the aggregate face amount of the Certificates so purchased, against cancellation of such Certificates by the Principal Paying Agent pursuant to the Conditions.

Declaration of Trust

The Declaration of Trust will be entered into on the Issue Date between Emaar Malls, the Corporate Administrator, the Trustee and the Delegate and will be governed by English law.

Pursuant to the Declaration of Trust, the Trustee will declare a trust for the benefit of the Certificateholders over the Trust Assets.

The Trust Assets comprise (i) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Wakala Portfolio which are purchased by the Trustee pursuant to the Sale and Purchase Agreement and which remain to be sold by the Obligor pursuant to the Service Agency Agreement, the Purchaser Undertaking or the Sale Undertaking (as the case may be); (ii) the interest, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding (A) any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to Clause 18.1 of the Declaration of Trust); and (iii) all moneys standing to the credit of the Transaction Account from time to time, and all proceeds of the foregoing.

The Declaration of Trust shall provide that the rights of recourse in respect of Certificates shall be limited to the amounts from time to time available therefor from the Trust Assets, subject to the priority of payments set out in the Declaration of Trust. After enforcing or realising the Trust Assets and distributing the net proceeds of the Trust Assets in accordance with the Declaration of Trust, the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) or any other person to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished.

Pursuant to the Declaration of Trust, the Trustee will, *inter alia*:

(a) hold the Trust Assets on trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the provisions of the Declaration of Trust and the Conditions; and

(b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust and the Conditions.

In the Declaration of Trust, the Trustee shall irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deed, to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by the relevant provisions of the Declaration of Trust (including but not limited to the authority to request directions from any Certificateholders and the power to sub-delegate and to make any determinations to be made under the Declaration of Trust). The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and, subject to certain provisions of the Declaration of Trust, does not affect the Trustee's continuing role and obligations as trustee.

Pursuant to the Declaration of Trust:

(a) upon the occurrence and continuation of a Dissolution Event, and upon receiving notice thereof under the Declaration of Trust or otherwise upon becoming aware thereof, the Delegate shall promptly give notice (a "**Dissolution Notice**") of the occurrence of the Dissolution Event to the Certificateholders and, if so requested in writing by Certificateholders holding at least 25 per cent., of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution (subject in either case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Trustee, the Obligor and the Certificateholders that the Certificates are immediately due and payable at the Dissolution Distribution Amount, whereupon they shall become so due and payable; and upon receipt of such notice, the Trustee (failing which the Delegate) shall deliver an Exercise Notice under the Purchase Undertaking and shall use the proceeds of such exercise to redeem the Certificates at the Dissolution Distribution Amount on the date specified in the Dissolution Notice;

(b) upon the occurrence and continuation of a Dissolution Event, the Delegate may or shall upon being directed to do so by Certificateholders holding at least 25 per cent. of the then aggregate face amount of the Certificates then outstanding (subject, in either case, to it being indemnified and/or secured and/or pre-funded to its satisfaction) shall (i) enforce the provisions of the Purchase Undertaking against the Obligor and/or (ii) take such other steps as the Trustee or the Delegate may consider necessary to recover amounts due to the Certificateholders.

A Transaction Account will be established in the name of the Trustee. Monies received in the Transaction Account will, *inter alia*, comprise payments of Periodic Distribution Amounts and Dissolution Distribution Amounts (if any) immediately prior to each Periodic Distribution Date. The Declaration of Trust shall provide that all monies credited to the Transaction Account from time to time will be applied in the order of priority set out in the Declaration of Trust.

Agency Agreement

The Agency Agreement will be entered into on the Issue Date between the Trustee, Emaar Malls, the Delegate, the Principal Paying Agent, the Registrar and the Transfer Agent.

Pursuant to the Agency Agreement, the Registrar has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to authenticate and deliver the Global Certificate and, if any, each Definitive Certificate; the Principal Paying Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to pay all sums due under such Global Certificate; and the Transfer Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to effect requests to transfer all or part of the Global Certificate and issue Definitive Certificates in accordance with each request.

On the Issue Date, the Registrar will (i) authenticate the Global Certificate in accordance with the terms of the Declaration of Trust; and (ii) deliver the Global Certificate to the Common Depositary.

Emaar Malls shall cause to be deposited into the Transaction Account opened by the Trustee with the Principal Paying Agent, in same day freely transferable, cleared funds, any payment which may be due under the Certificates in accordance with the Conditions.

The Principal Paying Agent agrees that it shall, on each Periodic Distribution Date and on the date fixed for payment of the Dissolution Distribution Amount, or any earlier date specified for the redemption of the Certificates, apply the monies standing to the credit of the Transaction Account in accordance with the order of priority set out in the Declaration of Trust.

TAXATION

The following is a general description of certain tax considerations relating to the Certificates as in effect on the date of this Prospectus and is subject to any change in law or relevant fiscal rules and practice that may take effect after such date (possibly with retrospective effect). It does not purport to be a complete analysis of all tax considerations relating to the Certificates and does not constitute legal or tax advice. Prospective purchasers of the Certificates should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Cayman Islands and of the United Arab Emirates of acquiring, holding and disposing of Certificates and receiving payments under the Certificates.

Cayman Islands

Under existing Cayman Islands laws, payments by the Issuer on the Certificates will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Certificates, nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

The Issuer has received an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law (as amended) of the Cayman Islands, that for a period of 20 years from 23 May 2014 (being the date of the grant of that undertaking) no law which is enacted in the Cayman Islands imposing any tax to be levied on profit, income, gains or appreciation shall apply to the Issuer or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which would include the Certificates) of the Issuer or by way of the withholding in whole or part of any relevant payment (as defined in the Tax Concessions Law (as amended)). No capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Certificates. An instrument of transfer in respect of a Certificate will be stampable if executed in or brought into the Cayman Islands. An annual registration fee is payable by the Issuer to the Cayman Islands Registry of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.$855. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

United Arab Emirates

There is currently in force in Dubai legislation establishing a general corporate taxation regime (the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Dubai taxation in respect of payments made by the Obligor under the Transaction Documents to which it is a party and/or the Trustee under the Certificates. If any such withholding or deduction is required to be made in respect of payments due by the Obligor under the Transaction Documents to which it is a party, the Obligor has undertaken in the Transaction Documents to which it is a party to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Trustee under the Certificates, (i) the Trustee has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions) and (ii) the Obligor has undertaken under the Transaction Documents to pay such additional amounts to the Trustee to enable the Trustee to discharge such obligation.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future. The UAE has entered into ‘‘Double Taxation Arrangements’’ with certain other countries.

EU Savings Directive

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest (or similar income, which may include Periodic Distribution Amounts) paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Certificates are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service (the "**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "**United States account**" of the Issuer (a "**Recalcitrant Holder**"). The Issuer may be classified as an FFI.

The new withholding regime will be phased in, beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being a "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

The Issuer and financial institutions through which payments on the Certificates are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Certificates is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

The Cayman Islands entered into a Model 1 intergovernmental agreement (the "**IGA**") with the United States on 29 November 2013 (which came into force on 14 April 2014). The terms of the IGA are broadly similar to those agreed with the United Kingdom and the Republic of Ireland. Under the terms of the IGA the Trustee will not be required to enter an agreement with the IRS, but may instead be required to register with the IRS to obtain a Global Intermediary Identification Number ("**GIIN**") and then comply with Cayman Islands legislation (although the IGA has come into force, local legislation and regulations will be introduced to provide guidance and detail on the application of the IGA). The terms of such legislation and regulations are at this stage still uncertain and it is not yet clear whether the Trustee will be a certified deemed compliant entity with no reporting required or a registered deemed compliant entity which would require the Trustee to report to the Cayman Islands Tax Information Authority, which will exchange such information with the IRS under the terms of the IGA. To the extent the Trustee cannot be treated as a certified deemed compliant entity, the Trustee would be a "**Reporting Cayman Islands Financial Institution**" (as defined in the IGA). As such, the Trustee can effect registration with the IRS to obtain a GIIN through to the end of 2014. Under the terms of the IGA, withholding will not be imposed on payments made to the Trustee, or on payments made by the Trustee to the Certificateholders (other than perhaps certain passthru withholding), unless the IRS has specifically listed the Trustee as a non-participating financial institution, or the Trustee has otherwise assumed responsibility for withholding under United States tax law. The Issuer and financial institutions through which payments on the Certificates are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Certificates is made is not a Participating FFI, a Reporting

FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Certificates are in global form and held within Euroclear or Clearstream, Luxembourg (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Certificates by the Issuer, any paying agent and the Common Depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Certificates. The documentation expressly contemplates the possibility that the Certificates may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Certificates will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and Model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Certificates.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated [●] June 2014 between the Trustee, Emaar Malls, Dubai Islamic Bank P.J.S.C., Emirates NBD Capital Limited, First Gulf Bank P.J.S.C., Mashreqbank P.S.C., Morgan Stanley & Co. International plc, National Bank of Abu Dhabi P.J.S.C., Noor Islamic Bank P.J.S.C. and Standard Chartered Bank (together, the "**Joint Lead Managers"**), the Trustee has agreed to issue and sell to the Joint Lead Managers U.S.$[●] in aggregate face amount of the Certificates and, subject to certain conditions, the Joint Lead Managers have jointly and severally agreed to subscribe for the Certificates.

The Subscription Agreement provides that the obligations of the Joint Lead Managers to pay for and accept delivery of the Certificates are subject to the approval of certain legal matters by their counsel and certain other conditions. The Joint Lead Managers will be paid certain commissions in respect of their services for managing the issue and sale of the Certificates. The Joint Lead Managers will also be reimbursed in respect of certain of their expenses, and each of the Trustee and Emaar Malls has agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue and offering of the Certificates.

Certain Joint Lead Managers may retain a certain proportion of such Certificates in their portfolios with an intention to hold to maturity and/or to trade. The holding of Certificates by these parties may adversely affect the liquidity of the Certificates and any sale of a material number of such Certificates in the future may also affect the prices of the Certificates in the secondary market. See "*Risk Factors — Risks Relating to the Certificates — Absence of secondary market/limited liquidity*".

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to Emaar Malls, and/or its respective affiliates in the ordinary course of business.

Selling Restrictions

United States

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

Each Joint Lead Manager has represented and agreed that it has not offered and sold any Certificates, and will not offer or sell any Certificates as part of its distribution at any time except in accordance with Rule 903 of Regulation S.

The foregoing restrictions apply to holders of beneficial interests in the Certificates, as well as holders of the Certificates.

Each Joint Lead Manager has represented and agreed that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Certificates.

Until 40 days after the commencement of the offering of the Certificates, an offer or sale of the Certificates within the United States by any dealer/manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Certificate in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or Emaar Malls; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

Cayman Islands

Each Joint Lead Manager has represented and agreed that it has not made and will not make any offer or invitation (whether directly or indirectly) to any member of the public in the Cayman Islands to subscribe for the Certificates.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Joint Lead Manager has represented and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Joint Lead Manager has represented and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Kingdom of Bahrain

Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

State of Qatar

Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell or deliver, directly or indirectly, any Certificates in the State of Qatar including the Qatar Financial Centre, except: (i) in compliance with all applicable laws and regulations of the State of Qatar including the Qatar Financial Centre; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Malaysia

Each Joint Lead Manager has represented and agreed that:

(a) this Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (the "**SC**") under the Capital Markets and Services Act 2007 of Malaysia (the "**CMSA**") while a copy of the Prospectus will be deposited with the SC, the SC takes no responsibility for its content ; and

(b) accordingly, the Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) read together with Schedule 8 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Joint Lead Managers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

General

Each Joint Lead Manager has agreed that it will comply to the best of its knowledge and belief with all applicable laws and regulations in force in any jurisdiction in which it acquires, offers, sells or delivers Certificates or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Certificates and will obtain any consent, approval or permission required by it for the acquisition, offer, sale or delivery by it of any Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes such acquisition, offer, sale or delivery and none of the Issuer, the Trustee, the Delegate or any of the other Joint Lead Managers shall have any responsibility therefor.

None of the Issuer, the Trustee, Emaar Malls or any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers, the Issuer, the Trustee or Emaar Malls that would permit a public offering of the Certificates, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Certificates, in any country or jurisdiction where action for that purpose is required.

GENERAL INFORMATION

Approval of the Prospectus, Admission to Trading and Listing of Certificates

Application has been made to the DFSA for the Certificates to be admitted to the official list of securities maintained by the DFSA and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai. The total expenses relating to the admission to trading of the Certificates on NASDAQ Dubai are estimated to be [U.S.$4,000].

Authorisation

The issue of the Certificates has been duly authorised by a resolution of the Board of Directors of the Trustee dated [5] June 2014. EMG Sukuk Limited, in its capacity as issuer and Trustee, has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of the Certificates and the execution and performance of the Transaction Documents to which it is a party.

Emaar Malls has obtained all necessary consents, approvals and authorisations in connection with the Transaction Documents; the entry into and performance of the Transaction Documents to which Emaar Malls is a party was duly authorised by a resolution of the shareholders of Emaar Malls dated 2 June 2014 and by a resolution of the sole manager of Emaar Malls dated 4 June 2014.

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) under Common Code [●] and ISIN XS [●].

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, LI 855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of Emaar Malls since 31 December 2013, and no material adverse change in the prospects of Emaar Malls since 31 December 2013. There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the prospects of the Trustee, in each case since the date of its incorporation.

Litigation

The Trustee is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) since the date of its incorporation which may have or have in such period had a significant effect on the financial position or profitability of the Trustee.

Emaar Malls has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Emaar Malls is aware) during the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of Emaar Malls.

Auditors

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee has no subsidiaries. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

Ernst & Young, of P.O. Box 9267, Dubai, UAE, is regulated in the UAE by the UAE Ministry of Economy which has issued Ernst & Young with a licence to practice as auditors. There is no professional institute of auditors in the UAE and, accordingly, Ernst & Young is not a member of a professional body in the UAE.

All of Ernst & Young's audit partners are members of the institutes from which they received their professional qualification. Ernst & Young have audited the separate financial statements of Emaar Malls as of and for the years ended 31 December 2013 and 2012 in accordance with International Standards on Auditing, as stated in their unqualified reports appearing herein.

Documents Available

For so long as any Certificates remain outstanding copies (and English translations, which will be accurate and direct translations, where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and/or collection at the office of the Principal Paying Agent:

(a) the Memorandum and Articles of Association of the Trustee;

(b) an English translation of the memorandum of association of Emaar Malls;

(c) the Transaction Documents;

(d) the Annual Financial Statements; and

(e) a copy of this Prospectus together with any supplement to this Prospectus.

Joint Lead Managers transacting with the Issuer and Emaar Malls

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Trustee, Emaar Malls and their affiliates in the ordinary course of business for which they may receive fees. They have received, or may in the future receive, customary fees and commission for these transactions. In particular, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Trustee, Emaar Malls and their affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Trustee, Emaar Malls and their affiliates routinely hedge their credit exposure to the Trustee, Emaar Malls and their affiliates consistent with their customary risk management policies.

Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Certificates to be issued. Any such short positions could adversely affect future trading prices of Certificates to be issued. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

***Shari'a* Approvals**

The transaction structure relating to the Certificates (as described in this Prospectus) has been approved by the Executive Committee of the Fatwa and Shariah Advisory Board of Dubai Islamic Bank P.J.S.C., Dar Al Shari'a Legal & Financial Consultancy, the Executive Committee of the Fatwa and Shariah Advisory Board of First Gulf Bank P.J.S.C., the Shari'a Supervisory Board of Morgan Stanley & Co. International plc, the Fatwa and Shari'a Supervisory Board of Noor Islamic Bank P.J.S.C. and the Shari'a Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'a* principles.

Description of the members of the Executive Committee of the Fatwa and Shariah Advisory Board of Dubai Islamic Bank P.J.S.C., Dar Al Sharia Legal & Financial Consultancy, the Executive Committee of the Fatwa and Shariah Advisory Board of First Gulf Bank P.J.S.C., the Shari'a Supervisory Board of Morgan Stanley & Co. International plc, the Fatwa and Shari'a Supervisory Board of Noor Islamic Bank P.J.S.C. and the Shari'a Supervisory Committee of Standard Chartered Bank

The Executive Committee of the Fatwa and Shariah Advisory Board of Dubai Islamic Bank P.J.S.C., Dar Al Shari'a Legal & Financial Consultancy

Dr. Hussain Hamed Hassan

Dr. Hussain Hamed Hassan holds a PhD and is the head of the Fatwa and Sharia Supervisory Board of Dubai Islamic Bank P.J.S.C. and a member of Fatwa and Sharia boards of numerous other leading global Islamic finance institutions including Islamic Development Bank (IDB), Jeddah.

For over 50 years, he has advised various central banks and regulators, has supervised the establishment and conversion of various Islamic financial institutions and advised presidents of various Islamic Republics. He has established Islamic universities and faculties worldwide, including in Makkah, Islamabad, Kazakhstan and Libya. He is member of Accounting and Auditing Organisation for Islamic Financial Institutions and the Islamic Financial Services Board, the International Fiqh Academy of OIC (Organisation of Islamic Cooperation), the Fiqh Academy of Muslim World League, Saudi Arabia and is also a President of American Muslim Jurists Association. Dr. Hussain has authored 21 books and over 400 articles, has supervised translation of the Holy Quran into Russian and of 200 Islamic books into various languages.

Dr. Mohamed Zoeir

Dr. Mohamed Zoeir holds a PhD in Islamic Economy and is a member of many Islamic Banks across the Middle East and Africa and he has many researches and studies in Islamic Finance and banking. He is a Sharia inspector, Secretary General of Board of Sharia at Dubai Islamic Bank P.J.S.C. and Chief Editor of Islamic Economics magazine.

The Executive Committee of the Fatwa and Shariah Advisory Board of First Gulf Bank P.J.S.C.

Dr. Hussain Hamed Hassan

Please see the description of Dr. Hussain Hamed Hassan set out above.

The Shari'a Supervisory Board of Morgan Stanley & Co. International plc

Sheikh Nizam Yaquby

Sheikh Nizam Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in Economics & Comparative Religions from McGill University, Canada. He has served in Bahrain Mosques from 1981 to 1990 where he taught Tafsir, Hadith and Fiqh in Bahrain since 1976. In addition to advising Citi Islamic Investment Bank E.C. and other Islamic finance institutions and funds, Sheikh Nizam Yaquby is a member of the Islamic Fiqh Academy and Auditing and Accounting Organisation for Islamic Financial Institutions. He has published several articles and books on various Islamic subjects including banking and finance.

Dr. Mohd Daud Bakar

Dr. Mohd Daud Bakar received his first degree in *Shari'a* from University of Kuwait and PhD from University of St. Andrews. In 2002, he completed his external Bachelor of Jurisprudence at the University of Malaya. He is currently Group Chairman of Amanie Advisors, a global Islamic finance consulting firm. He is also currently the Chairman of the *Shari'a* Advisory Council at the Central Bank of Malaysia, and the Securities Commission of Malaysia and the Labuan Financial Services Authorities. He is also a member of the Shariah board of many Islamic financial institutions around the world. He was previously Deputy Vice-Chancellor at the International Islamic University Malaysia.

Dr. Mohammed Ali Elgari

Dr. Mohammed Ali Elgari holds a PhD from the University of California. Dr Mohamed Ali Elgari is a former director of the Center for Research in Islamic Economics at King Abdulaziz University in Saudi Arabia, where he also served as a Professor of Islamic Economics. He is an Expert at the Islamic Jurisprudence Academy of the OIC and the Islamic Jurisprudence Academy of the Islamic World League. He has published numerous articles and books on Islamic banking and finance and is the editor of the Review of Islamic Economics and a member of the Academic Committee of Islamic Development Bank.

The Fatwa and Shari'a Supervisory Board of Noor Islamic Bank P.J.S.C.

Dr. Mohammed Ali Elgari

Please see the description of Dr. Mohammed Ali Elgari set out above.

Dr. Mohammed Daud Bakar

Please see the description of Dr. Mohammed Daud Bakar set out above.

Dr. Abdul Sattar Abu Ghuddah

Dr. Abdul Sattar Abu Ghuddah holds a PhD in Islamic Law from Al Azhar University Cairo, Egypt. He is a professor of Fiqh, Islamic studies and Arabic in Riyadh and an active member of the Jeddah-based Islamic Fiqh Academy and the Accounting & Auditing Standards Board of Islamic Financial Institutions. He also served in the Ministry of Awqaf, Kuwait. Dr. Abu Ghuddah has written several books on Islamic finance. He is a Shari'a Advisor to several international and local financial institutions world-wide.

Dr. Mohammed Abdulrahim Sultan Al Olama

Dr. Mohammed Abdulrahim Sultan Al Olama completed his Bachelor's degree in Shari'a from Islamic University in Madina Al-Munawara, and his Master's and PhD in Islamic Finance from Ummul-Qura University. He is an Associate Professor at UAE University's Islamic Studies department, and participates in seminars and research activities around the world. A published author, he is a member of several Shari'a Boards.

Shari'a Supervisory Committee of Standard Chartered Bank

Dr. Abdul Sattar Abu Ghuddah

Please see the description of Dr Abdul Sattar Abu Ghuddah set out above.

Dr. Mohammed Ali Elgari

Please see the description of Dr Mohammed Ali Elgari set out above.

Sheikh Nizam Yaquby

Please see the description of Sheikh Nizam Yaquby set out above.

INDEX TO FINANCIAL STATEMENTS

Emaar Malls Group LLC
(Company Only)

SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2013

EMAAR

مجموعة إعمار مولز (ش.ذ.م.م)
ص ب ١٩١٧٤١ ، دبي
الإمارات العربية المتحدة
ت ٣٦٧٥٥٨٨ ٤ ٩٧١+
ف ٣٦٧٥٥٠١ ٤ ٩٧١+

Emaar Malls Group (L.L.C.)
P.O.Box 191741, Dubai
United Arab Emirates
T +971 4 3675588
F +971 4 3675501
emaar.com

MANAGEMENT REPORT

The management of Emaar Malls Group LLC (the "Company") has the pleasure in submitting the statement of financial position of the Company as at 31 December 2013 and the related income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2013.

Principal Activities

The principal activities of the Company during the year ended 31 December 2013 were retail development and management of shopping malls.

Financial Results

The Company has recorded a net profit of AED 1,099 million for the year ended 31 December 2013 (2012: AED 731 million). The transfer to statutory reserve has been suspended as the reserve has reached 50% of the paid up share capital.

The amount of the distributable profit of AED 1,099 million has been transferred to retained earnings.

Total shareholders' funds as at 31 December 2013 amounted to AED 2,959 million (2012: AED 1,849 million)

Outlook for 2014

Dubai's economy is gaining further traction following the successful bid of Expo 2020 and the city is entering in a new phase of dynamic growth. The Company will complement this growth through its focus on developing new malls and retail developments. The Company is seeking proposed listing for its stock to create long term value for shareholders.

Auditors

Ernst & Young were appointed as external auditors of the Company for the year ended 31 December 2013. Ernst & Young are eligible for reappointment for 2014 and have expressed their willingness to continue in office.

Mr. Ahmed Thani Rashed Al Matrooshi
General Manager

27 March 2014

Building a better
working world

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EMAAR MALLS GROUP LLC (COMPANY ONLY)

Report on the Financial Statements

We have audited the accompanying financial statements of Emaar Malls Group LLC, (the "Company"), which comprise the statement of financial position as at 31 December 2013, and the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Emaar Malls Group LLC as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EMAAR MALLS GROUP LLC (COMPANY ONLY) - continued

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended) and the articles of association of the Company; proper books of account have been kept by the Company, an inventory was duly carried out and the contents of the management report relating to these financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the articles of association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

Ernst + Young

27 March 2014

Dubai, United Arab Emirates

INCOME STATEMENT
For the year ended 31 December 2013

	Notes	*2013 AED'000*	*2012 AED'000*
REVENUE			
Rental income		**2,385,683**	1,944,192
Other income		**9,600**	5,382
Total revenue		**2,395,283**	1,949,574
EXPENSES			
Operating expenses		**(436,834)**	(361,948)
Sales and marketing expenses		**(63,752)**	(39,432)
Depreciation of property, plant and equipment	6	**(57,881)**	(17,338)
Depreciation of investment properties	7	**(249,130)**	(296,808)
General and administrative expenses		**(155,378)**	(102,383)
Finance costs	4	**(332,869)**	(400,842)
Total expenses		**(1,295,844)**	(1,218,751)
PROFIT FOR THE YEAR	5	**1,099,439**	730,823
Earnings per share:			
- basic and diluted earnings per share	15	**3,665**	2,436

The attached notes 1 to 23 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013 *AED'000*	*2012* *AED'000*
Profit for the year	**1,099,439**	730,823
Other comprehensive income/ (loss):		
Net movement on cash flow hedges	**10,234**	(45,096)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,109,673**	685,727

The attached notes 1 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 AED'000	2012 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**303,207**	424,165
Investment properties	7	**7,329,802**	7,255,367
Investment in subsidiaries	8	**447**	447
		7,633,456	7,679,979
Current assets			
Inventories		**14,524**	9,148
Trade receivables	9	**194,312**	238,203
Advances and prepayments	10	**34,830**	44,013
Due from related parties	11	**171,854**	121,355
Bank balances and cash	12	**1,362,709**	669,951
		1,778,229	1,082,670
TOTAL ASSETS		**9,411,685**	8,762,649
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**300**	300
Statutory reserve	14	**150**	150
Retained earnings		**2,993,342**	1,893,903
Hedging reserve		**(34,862)**	(45,096)
TOTAL EQUITY		**2,958,930**	1,849,257
Non-current liabilities			
Employees' end of service benefits	16	**10,852**	8,044
Islamic finance facility - long term portion	17	**3,275,067**	3,442,567
Due to related parties	11	**1,825,792**	2,330,446
		5,111,711	5,781,057
Current liabilities			
Islamic finance facility - short term portion	17	**180,000**	90,000
Accounts payable and accruals	18	**335,605**	276,582
Advances and security deposits		**448,942**	394,878
Deferred income		**376,497**	370,875
		1,341,044	1,132,335
TOTAL LIABILITIES		**6,452,755**	6,913,392
TOTAL EQUITY AND LIABILITIES		**9,411,685**	8,762,649

The financial statements were authorised for issue on 27March 2014 by:

General Manager

The attached notes 1 to 23 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

	Notes	*2013 AED'000*	*2012 AED'000*
OPERATING ACTIVITIES			
Profit for the year		**1,099,439**	730,823
Adjustments for:			
Depreciation of property, plant and equipment	6	**57,881**	17,338
Depreciation of investment properties	7	**249,130**	296,808
Provision for doubtful debts		**2,357**	(8,673)
Provision for employees' end of service benefits	16	**3,685**	2,159
Finance costs		**332,869**	400,842
Gain on disposal of property, plant and equipment		**(40)**	-
Other income		**(9,600)**	(5,382)
		1,735,721	1,433,915
Working capital changes:			
Inventories		**(5,376)**	(1,663)
Trade receivables		**41,534**	3,501
Due from related parties		**(50,545)**	3,020
Advances and prepayments		**24,999**	(22,098)
Accounts payable and accruals		**71,101**	(200,061)
Advances and security deposits		**54,064**	62,192
Deferred income		**5,622**	24,967
Net cash flows from operations		**1,877,120**	1,303,773
Employees' end of service benefits paid	16	**(830)**	(924)
Net cash flows from operating activities		**1,876,290**	1,302,849
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	**(159,010)**	(332,161)
Amounts incurred on investment properties	7	**(105,251)**	(73,994)
Interest received		**6,284**	4,144
Proceeds from disposal of property, plant and equipment		**1,968**	-
Deposits under lien or maturing after three months		**(934,952)**	(248,622)
Net cash flows used in investing activities		**(1,190,961)**	(650,633)
FINANCING ACTIVITIES			
Movement in due to related parties, net		**(664,250)**	(2,913,026)
Movement in islamic finance facility, net		**(90,000)**	2,810,248
Finance cost paid		**(173,273)**	(160,951)
Net cash flows used in financing activities		**(927,523)**	(263,729)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(242,194)**	388,487
Cash and cash equivalents at 1 January		**398,829**	10,342
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12	**156,635**	398,829

The attached notes 1 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

	Share capital AED'000	*Statutory reserve AED'000*	*Retained earnings AED'000*	*Hedging reserve AED'000*	*Total AED'000*
As at 1 January 2012	300	150	1,163,080	-	1,163,530
Profit for the year	-	-	730,823	-	730,823
Other comprehensive income for the year	-	-	-	(45,096)	(45,096)
As at 31 December 2012	300	150	1,893,903	(45,096)	1,849,257
Profit for the year	-	-	1,099,439	-	1,099,439
Other comprehensive income for the year	-	-	-	10,234	10,234
As at 31 December 2013	**300**	**150**	**2,993,342**	**(34,862)**	**2,958,930**

The attached notes 1 to 23 form part of these financial statements.

1 CORPORATE INFORMATION

Emaar Malls Group L.L.C. (the "Company") was registered as a limited liability company in the Emirate of Dubai on 16 November 2005 in accordance with UAE Federal Commercial Companies Law No. 8 of 1984 (as amended).

The Company is a 100% beneficially owned subsidiary of Emaar Properties PJSC (the "Parent Company"), a company incorporated in the United Arab Emirates and listed on the Dubai Financial Market.

The principal activities of the Company are retail development and management of shopping malls.

The address of the registered office of the Company is P.O. Box 9440, Dubai, United Arab Emirates (UAE).

2.1 BASIS OF PREPARATION

These financial statements are "separate financial statements" i.e. prepared in accordance with International Accounting Standard (IAS) 27 on a "stand-alone basis" with investments in subsidiaries recorded at cost as the Parent Company produces financial statements available for public use that comply with International Financial Reporting Standards.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of United Arab Emirates laws.

The financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands except where otherwise indicated.

The financial statements have been prepared on a historical cost basis except for derivative financial instruments and financial assets at fair value through other comprehensive income that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Exemption from IAS 27
These financial statements have been prepared as per International Accounting Standard (IAS) 27 "Separate Financial Statements" which states that, a parent need not to present financial statements if the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use. Accordingly, these financial statements reflect the operating results and the financial position of the Company only. For an understanding of the results of operations and the financial position of the wider Group, the financial statements of Emaar Properties PJSC (the "Parent Company") should be referred to. The Parent Company is listed on the Dubai Financial Market and the registered address of the Parent Company is P.O. Box 9440, Dubai, United Arab Emirates.

2.2 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted by the Company are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations:

New and revised Accounting Standards and Interpretations

(a) Standards, amendments and interpretations effective from 1 January 2013 which are adopted by the Company:

The Company has applied certain standards interpretations and amendments for the first time which include IFRS 13 *Fair Value Measurement,* IAS 19 (Revised 2011) *Employee Benefits* and amendments to IAS 1 *Presentation of Financial Statements.*

2.2 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) Standards, amendments and interpretations effective from 1 January 2013 which are adopted by the Company (continued):

The nature and impact of each of such new standards, interpretations and amendments is described below:

IAS 1 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (Amendments)
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to income statement at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Company's financial position or performance.

IAS 1 Presentation of Financial Statements - Clarification of the requirement for comparative information (Amendment)
The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements. The amendment had no impact on the presentation of Company's financial statements.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. The amendment had no material impact on the presentation of Company's financial statements.

IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of equity instruments (Amendment)
The amendment to IAS 32 clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the financial statements for the Company, as there are no tax consequences attached to cash or non-cash distribution.

IAS 34 Interim Financial Reporting - Segment information for total assets and liabilities (Amendment)
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments)
The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Company is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Company.

IFRS 10 Financial Statements and IAS 27 Separate Financial Statements
IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 has no impact on the financial statements of the Company.

2.2 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) Standards, amendments and interpretations effective from 1 January 2013 which are adopted by the Company (continued):

IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures
IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-Controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. IFRS 11 is effective for annual periods beginning on or after 1 January 2013. The application of this new standard has no impact on the financial position of the Company as there are no such join arrangements.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities and has no impact on the financial statements of the Company.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not impacted the fair value measurements carried out by the Company.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures have affected the presentation in these financial statements.

In addition to the above-mentioned amendments and new standards, IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended with effect for reporting periods starting on or after 1 January 2013. The Company is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Company.

(b) Standards, amendments and interpretations effective in 2013 but not relevant to the Company's operations:

IAS 19 *Employee Benefits* (Revised 2011) (IAS 19R)
IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*
IFRIC 20 applies to waste removal costs that are incurred in surface mining activity during the production phase of mine (production stripping costs). Under the interpretation, the costs from this waste removal activity which provide improved access to ore is recognised as a non-current asset, when certain conditions are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with IAS 2 *Inventories*.

2.2 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) Standards, amendments and interpretations in issue but not yet effective:

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

	Effective for annual periods beginning on or after
• IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The Company will quantify the effect of IFRS 9 in conjunction with the other phases, when the final standard including all phases is issued.	1 January 2018
• Investment entities - Amendments to IFRS 10, IFRS 12 and IAS 27 - provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10.	1 January 2014
• Amendments to IAS 32 *Financial Instruments: Presentation* relating to clarification to the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.	1 January 2014
• Amendments to IAS 36 *Impairment of Assets:* Amendment require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the year.	1 January 2014
• IFRIC Interpretation 21 *Levies* (IFRIC 21) - clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs.	1 January 2014
• Amendments to IAS 39 *Financial Instruments :* Recognition and Measurements- provides relief from discounting hedge accounting when novation of a derivative designated as a hedge instrument meets certain criteria.	1 January 2014

The management anticipates that all of the above Standards and Interpretations will be adopted by the Company to the extent applicable to them from their effective dates. The adoption of these Standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Company in the period of their initial application.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, regardless of when the payment is being made. The specific criteria described below must also be met before revenue is recognised:

Rental income from lease of investment property
Rental income from investment properties is recognised, net of discount, in accordance with the terms of the lease contracts over the lease term on a systematic basis, as this method is more representative of the time pattern in which use of benefit are derived from the leased assets.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)
Revenue recognition for turnover rent
Income from turnover rent is recognised based on the audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Income from late opening penalties
Income from late opening penalties is recognised on receipt basis.

Interest income
Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of income in the period in which they are incurred.

Property, plant and equipment
Property, plant and equipment other than capital work-in-progress are stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress is not depreciated, and is stated at cost less any impairment value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 45 years
Leasehold improvements	2 - 15 years
Computers and other equipments	3 - 20 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 -10 years

No depreciation is charged on land and capital work-in-progress. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment 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 property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties
Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 45 years
Plant and machinery	3 - 10 years
Fixed furniture and fixtures	4 - 10 years
Movable furniture and fixtures	4 - 10 years

No depreciation is charged on land and capital work in progress.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Company determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property in an arm's length transaction less related costs while value in use is the present value of estimated future cash flows expected to arise from the continuing use of the investment property and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

Investments in subsidiaries
Investments in subsidiaries are stated at cost, less any impairment in value.

Inventories
Inventories mainly represent spares and consumables. Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

Costs are those expenses incurred in bringing each product to its present location and condition on a weighted average cost basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Derivative financial instruments
The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the income statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship. The Company designates derivatives as hedges of interest rate risk and foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting
The Company designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of interest rate risk and foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Company 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 Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the income statement immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts previously recognised in the statement of comprehensive income and accumulated in equity are reclassified to the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity investments

All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Company has made on early adoption of IFRS 9 - Phase 1 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity investments is recorded through the income statement.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Debt instruments

Debt instruments are also measured at fair value through profit or loss unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade receivables

Trade receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the income statement.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the statement of comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the income statement.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired,
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement,
- The Company has transferred its rights to receive cash flows from the asset and either:
    - has transferred substantially all the risks and rewards of the asset, or
    - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass -through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)
Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Financial assets together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Financial liabilities and equity instruments issued by the Company
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Company determines the classification of its financial liabilities at the initial recognition.

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 Company are recorded at the proceeds received, net of direct issue costs.

Loans and borrowings
Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.
Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Company (continued)
Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognised in the income statement.

End-of-service benefits
The Company provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Company makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Provisions
Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Foreign currencies
The Company's financial statements are presented in UAE Dirhams, which is also the currency in which significant transactions are carried out by the Company.

Transactions in foreign currencies are initially recorded by the Company at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on the basis of lease payments payable under the agreements entered into by the Company with the lessor, which are representative of the time pattern of the benefits obtained by the Company. Lease incentives, typically rent free period, is recognised in the same manner as operating lease rentals.

Certain leases provide for contingent rents, which are determined as a percentage of gross sales in excess of a specified level. The Company records such rent on an accrual basis, when specified levels have been achieved or when management determine that achieving the specified levels is probable during the year.

Company as a lessor
The Company has entered into leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognised in the income statement in accordance with the terms of the lease contracts over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefit are derived from the leased assets.

Fair values
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics. Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

The Company measures financial instruments, such as hedging instruments, at fair value at each statement of financial position date.

2.4 SIGNIFICANT ACCOUNTING JUDGENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have a significant impact on the amounts recognised in the financial statements.

Revenue recognition for leases
Lease income from operating leases is recognised in the income statement in accordance with the terms of the lease contracts with the tenants over the lease term on a systematic basis as management is of the opinion that this method is more representative of the time pattern in which benefits are derived from the leased asset.

2.4 SIGNIFICANT ACCOUNTING JUDGENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Revenue recognition for turnover rent

The Company recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Investment properties

The Company has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses.

Classification of investment properties

The Company determines whether a property qualifies as investment property in accordance with IAS 40 Investment Property. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by the Company.

Operating lease commitments - Company as lessor

The Company has entered into commercial and retail property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables

The Company reviews its receivables to assess for impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the income statement the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

At the statement of financial position date 31 December 2013, gross trade receivables were AED 252,613 thousands (2012: AED 327,681 thousands) and provision for doubtful debts is AED 58,301 thousands (2012: AED 89,478 thousands). Any difference in the amounts actually collected in future periods and the amounts expected will be recognised in the income statement.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful lives of property, plant and equipment and investment properties

The Company's management determines the estimated useful lives of its property, plant and equipment and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management is of the opinion that the useful lives differ from previous estimates.

Allocation of cost of investment properties

The total costs incurred on the construction of investment properties have been allocated to various components such as structure, plant and machinery and furniture and fixtures based on certain percentages of the total costs as estimated by the cost consultants at the time of completion of the assets. Management is of the opinion that this method is appropriate pending determination of the final costs of the assets and settlement of contractors' claims. On conclusion of the final determination of costs, management would reassess the allocation and adjust the allocation prospectively, if necessary.

2.4 SIGNIFICANT ACCOUNTING JUDGENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Valuation of investment properties

The Company hires the services of third party professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the financial statements.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

3 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

Business segments

For management purposes, the Company is organised into two segments, namely, Downtown Dubai (develop, lease and manage mall and retail spaces in Burj Dubai Downtown development), Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments.* These businesses are based in areas other than Burj Dubai Downtown.

The following tables include revenue, profit, assets and liabilities information regarding business segments for the years ended 31 December 2013 and 2012.

	Downtown Dubai AED'000	***Others AED'000***	***Total AED'000***
2013:			
Revenue			
Rental income	**2,121,850**	**263,833**	**2,385,683**
Results			
Contributions for the year	**1,220,872**	**125,770**	**1,346,642**
Unallocated general and administrative expenses			**(44,782)**
Unallocated finance cost, net			**(202,421)**
Profit for the year			**1,099,439**
Assets and liabilities			
Segment assets	**8,116,040**	**1,295,645**	**9,411,685**
Segment liabilities	**5,862,832**	**589,923**	**6,452,755**

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Downtown Dubai AED'000	*Others AED'000*	*Total AED'000*
Other segment information			
Capital expenditure (property, plant and equipment and investment properties)	**245,643**	**18,618**	**264,261**
Depreciation (property, plant and equipment and investment properties)	**252,483**	**54,528**	**307,011**

	Downtown Dubai AED'000	*Others AED'000*	*Total AED'000*
2012:			
Revenue			
Rental income	1,713,698	230,494	1,944,192
Results			
Contributions for the year	864,368	112,822	977,190
Unallocated general and administrative expenses			(38,332)
Unallocated finance cost, net			(208,035)
Profit for the year			730,823
Assets and liabilities			
Segment assets	7,408,100	1,354,549	8,762,649
Segment liabilities	6,138,793	774,599	6,913,392
Other segment information			
Capital expenditure (property, plant and equipment and investment properties)	390,609	15,546	406,155
Depreciation (property, plant and equipment and investment properties)	258,990	55,156	314,146

4 FINANCE COSTS

	2013 AED'000	*2012 AED'000*
Interest on amounts due to the parent company	**152,360**	221,312
Interest on borrowings under Islamic finance facility	**167,715**	173,514
Others	**12,794**	6,016
	332,869	400,842

5 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2013 *AED'000*	*2012* *AED'000*
Staff costs	**122,099**	97,859
Operating leases	**2,362**	5,518

6 PROPERTY, PLANT AND EQUIPMENT

2013	*Buildings AED'000*	*Leasehold improvements AED'000*	*Computers and office equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2013	164,946	22,574	7,889	4,827	144,180	174,385	518,801
Additions	13,750	3,042	2,378	514	79,046	60,280	159,010
Adjustment	-	-	-	-	-	(1,845)	(1,845)
Transfer from/ (to) investment properties	-	57	252	-	8,065	(226,721)	(218,347)
Disposal	-	-	(3)	(3,448)	(15,861)	-	(19,312)
At 31 December 2013	**178,696**	**25,673**	**10,516**	**1,893**	**215,430**	**6,099**	**438,307**
Accumulated depreciation:							
At 1 January 2013	-	3,419	6,272	2,553	82,392	-	94,636
Depreciation charge for the year	7,786	3,827	1,566	258	44,444	-	57,881
Adjustments	-	-	-	-	(33)	-	(33)
Disposal	-	-	(1)	(1,540)	(15,843)	-	(17,384)
At 31 December 2013	**7,786**	**7,246**	**7,837**	**1,271**	**110,960**	**-**	**135,100**
Net carrying amount:							
At 31 December 2013	**170,910**	**18,427**	**2,679**	**622**	**104,470**	**6,099**	**303,207**

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2012	*Buildings AED'000*	*Leasehold improvements AED'000*	*Computers and office equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2012	-	45,144	7,401	4,424	86,237	168,415	311,621
Additions	-	57,674	488	326	26,808	246,865	332,161
Transfers	164,946	-	-	-	30,878	(195,824)	-
Transfer (to)/ from investment properties	-	(80,244)	-	77	257	(45,071)	(124,981)
At 31 December 2012	164,946	22,574	7,889	4,827	144,180	174,385	518,801
Accumulated depreciation:							
At 1 January 2012	-	4,771	4,833	1,612	69,214	-	80,430
Depreciation charge for the year	-	2,198	1,439	516	13,185	-	17,338
Adjustments	-	-	-	425	(7)	-	418
Transfer (to)/ from investment properties	-	(3,550)	-	-	-	-	(3,550)
At 31 December 2012	-	3,419	6,272	2,553	82,392	-	94,636
Net carrying amount:							
At 31 December 2012	164,946	19,155	1,617	2,274	61,788	174,385	424,165

7 INVESTMENT PROPERTIES

2013	*Buildings* *AED'000*	*Plant and machinery* *AED'000*	*Furniture, fixtures and others* *AED'000*	*Capital work-in progress* *AED'000*	*Total* *AED'000*
Cost					
At 1 January 2013	7,774,331	436,988	314,667	-	8,525,986
Additions	105,251	-	-	-	105,251
Transfer from property, plant and equipment	156,003	-	-	62,344	218,347
Reclassifications	18,175	3,100	(21,275)	-	-
At 31 December 2013	**8,053,760**	**440,088**	**293,392**	**62,344**	**8,849,584**
Accumulated depreciation:					
At 1 January 2013	784,594	181,580	304,445	-	1,270,619
Depreciation charge for the year	205,296	43,771	63	-	249,130
Reclassifications	12,745	285	(13,030)	-	-
Adjustments	33	-	-	-	33
At 31 December 2013	**1,002,668**	**225,636**	**291,478**	**-**	**1,519,782**
Net carrying amount:					
At 31 December 2013	**7,051,092**	**214,452**	**1,914**	**62,344**	**7,329,802**

2012	*Buildings* *AED'000*	*Plant and machinery* *AED'000*	*Furniture, fixtures and others* *AED'000*	*Capital work-in progress* *AED'000*	*Total* *AED'000*
Cost					
At 1 January 2012	7,575,356	436,988	314,667	-	8,327,011
Additions	73,994	-	-	-	73,994
Transfer from property, plant and equipment	124,981	-	-	-	124,981
At 31 December 2012	7,774,331	436,988	314,667	-	8,525,986
Accumulated depreciation:					
At 1 January 2012	593,428	137,878	242,963	-	974,269
Depreciation charge for the year	191,624	43,702	61,482	-	296,808
Transfer (to)/ from property, plant and equipment	3,550	-	-	-	3,550
Adjustments	(4,008)	-	-	-	(4,008)
At 31 December 2012	784,594	181,580	304,445	-	1,270,619
Net carrying amount:					
At 31 December 2012	6,989,737	255,408	10,222	-	7,255,367

7 INVESTMENT PROPERTIES (continued)

At 31 December 2013, the fair value of investment properties is AED 22,622,380 thousands (2012: AED 15,169,619 thousands) compared with a carrying value of AED 7,329,802 thousands (2012: AED 7,255,367 thousands).

Certain investment properties are pledged as security against interest bearing loans and borrowings as disclosed under Note 17.

Investment properties represent the Company's interest in land and buildings situated in the UAE.

Buildings are constructed on land owned by the Parent Company.

At 31 December 2013, the Parent Company holds the title to the investment properties and the Company has been given all rights attached to benefits of the investment properties through a head lease agreement. The legal formalities with regard to the legal transfer of title in the investment properties are in progress.

The fair value of Company's investments properties was determined by the management based on valuations performed by qualified and independent chartered surveyors and property consultants. The valuation was performed using an approved method of valuation in accordance with the RICS Valuation Standards which is the Capitalisation method. The market value of the investment properties have been determined through analysis of the income flow achievable for the building and takes into account the projected annual expenditure. Both the contracted rent and market rental values have been considered in the valuation with allowance of void period, running costs, vacancy rates and other cost. The net income has been capitalised at an equivalent yield in the range of 6% to 7% (2012: 8% to 10.50%). Rent growth rate of 3% to 5% and long term vacancy rate of 3% to 10% were assumed and discount rates of 8% to 10% applied based on the type and location of the asset to determine the value of each of the investment properties.

Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of its investment properties by valuation technique:

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2013	**22,622,380**	**-**	**-**	**22,622,380**
2012	15,169,619	-	-	15,169,619

Any significant movement in the assumptions used for the fair valuation of investment properties such as discount rates, yield, rental growth, vacancy rate etc. would result in significantly lower / higher fair value of those assets.

8 INVESTMENT IN SUBSIDIARIES

The details of the Company's subsidiaries, which are accounted at cost, are as follows:

Name of the subsidiary	*Country of incorporation*	*Principal activity*	*Beneficial Ownership*	
			2013	*2012*
Emaar Retail LLC	UAE	Leisure and entertainment activities	**99%**	99%
Reel Entertainment LLC	UAE	Screening of any kind of motion pictures, advertisements, sale of food and beverages at the cinemas and other cinema related activities	**100%**	100%
The Dubai Mall LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar Dubai Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar International Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%

9 TRADE RECEIVABLES

	2013	*2012*
	AED'000	*AED'000*
Trade receivables - net	**194,312**	238,203

Trade receivables include amounts due from related parties amounting to AED 9,504 thousands (2012: AED 6,948 thousands) [Note 11 (b)].

The above trade receivables are net of allowance for doubtful debts of AED 58,301 thousands (2012: AED 89,478 thousands) representing management's best estimate of doubtful trade receivables which are past due and impaired.

Movement in the allowance for doubtful debts is as follows:

	2013	*2012*
	AED'000	*AED'000*
At 1 January	**89,478**	109,291
Net (reversal)/ charge for the year	**(365)**	2,910
Written off during the year	**(30,812)**	(22,723)
At 31 December	**58,301**	89,478

9 TRADE RECEIVABLES (continued)

At 31 December, ageing analysis of trade receivables is as follows:

			Past due but not impaired			
	Total AED'000	*Neither past due nor impaired AED'000*	*Upto 30 days AED'000*	*31-60 days AED'000*	*61-90 days AED'000*	*>90 days AED'000*
2013	**194,312**	**84,739**	**74,716**	**11,141**	**5,355**	**18,361**
2012	238,203	104,402	36,372	21,103	44,016	32,310

Unimpaired receivables are fully recoverable on the basis of past experience.

10 ADVANCES AND PREPAYMENTS

	2013 AED'000	*2012 AED'000*
Advances	**29,363**	37,054
Prepayments	**5,467**	6,959
	34,830	44,013

11 RELATED PARTY DISCLOSURES

(a) During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	2013 AED'000	*2012 AED'000*
Rental income		
Parent Company	**3,743**	9,579
Subsidiaries	**56,853**	56,621
Associated companies	**11,269**	10,029
Entities owned by Directors and other related parties	**80,732**	81,367
	152,597	157,596
Operating expenses		
Parent Company	**74,303**	168,717

	2013 AED'000	*2012 AED'000*
General and administrative expenses		
Parent Company	**86,675**	56,362
Entities owned by Directors and other related parties	**335**	-
Finance costs		
Parent Company	**152,360**	221,312

11 RELATED PARTY DISCLOSURES (continued)

b) Balances with related parties included in the statement of financial position are as follows:

31December 2013	*Due from related parties AED '000*	*Due to related parties AED '000*	*Trade receivables AED '000*	*Deferred income AED '000*
Non-current				
Parent company - loan	-	1,583,493	-	-
- interest	-	86,212	-	-
- other	-	155,785	-	-
Associated companies	-	302	-	-
	-	1,825,792	-	-
Current				
Parent company	-	-	655	-
Associated companies	10,783	-	520	1,502
Subsidiaries	161,071	-	507	18,530
Entities owned by Directors and other related parties	-	-	7,822	40,903
	171,854	-	9,504	60,935

31December 2012	*Due from related parties AED '000*	*Due to related parties AED '000*	*Trade receivables AED '000*	*Deferred income AED '000*
Non-current				
Parent company - loan	-	2,001,973	-	-
- interest	-	27,138	-	-
- other	-	300,604	-	-
Associated companies	-	731	-	-
	-	2,330,446	-	-
Current				
Parent company	-	-	467	137
Associated companies	13,903	-	2,768	812
Subsidiaries	107,452	-	-	17,981
Entities owned by Directors and other related parties	-	-	3,713	42,796
	121,355	-	6,948	61,726

11 RELATED PARTY DISCLOSURES (continued)

c) Due to the Parent Company represents the amount payable for the investment properties and property, plant and equipment transferred to the Company at cost.

In 2010, the Company reached an agreement with the Parent Company to convert an amount of AED 6,372,059 thousands, from the balance due, to a long term loan carrying interest at 8% p.a. This loan is repayable when the funds are available with the Company. Movement in the loan balance during the year is as follows:

	2013	*2012*
	AED'000	*AED'000*
Balance at 1 January	**2,001,973**	4,090,438
Repayments made during the year	**(418,480)**	(2,088,465)
Balance at 31 December	**1,583,493**	2,001,973

d) Compensation of key management personnel

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

	2013	*2012*
	AED'000	*AED'000*
Short term benefits	**20,746**	15,112
End of service benefits	**612**	504

12 BANK BALANCES AND CASH

	2013	*2012*
	AED'000	*AED'000*
Cash in hand	**213**	169
Bank balances:		
Current and call accounts	**26,422**	139,425
Deposits maturing within three months	**130,000**	259,235
Cash and cash equivalents	**156,635**	398,829
Deposits under lien (Note 17)	**68,542**	65,988
Deposits maturing after three months	**1,137,532**	205,134
Balance at 31 December	**1,362,709**	669,951

Cash at banks earn interest at floating rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Fixed deposits maturing after three months earn interest at rates between 1.1% and 1.7% per annum (2012: 1.4% and 2.7%).

13 SHARE CAPITAL

	Authorised		*Issued and fully paid up*	
	2013	*2012*	***2013***	*2012*
	AED'000	*AED'000*	***AED'000***	*AED'000*
300 shares of AED 1,000 each	**300**	300	**300**	300

14 STATUTORY RESERVE

As required by the UAE Federal Commercial Companies Law No. 8 of 1984 (as amended) and the Company's memorandum of association, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the issued share capital. This reserve is not available for distribution except in the circumstances stipulated by the law. The statutory reserve has reached upto 50% of the paid-up share capital of the Company and therefore the Company has ceased further transfers to this reserve.

15 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2013	*2012*
	AED'000	*AED'000*
Earnings:		
Profit attributable to the shareholders	**1,099,439**	730,823
Shares in thousands:		
	2013	*2012*
Weighted average number of ordinary shares for basic & diluted earnings per share	**300**	300
Earnings per share:		
- basic and diluted earnings per share	**3,665**	2,436

16 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits is as follows:

	2013	*2012*
	AED'000	*AED'000*
Balance as at 1 January	**8,044**	6,919
Provision during the year	**3,685**	2,159
Transferred to parent company/ related parties	**(47)**	(110)
Paid during the year	**(830)**	(924)
Balance as at 31 December	**10,852**	8,044

Provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law. An actuarial valuation of the employees' end of service benefits has not been performed as in management's opinion the net impact of discount rates and future increases in benefits are not likely to be material. The benefits are un-funded.

17 ISLAMIC FINANCE FACILITY

	2013 *AED'000*	*2012* *AED'000*
Islamic finance facility	**3,510,000**	3,600,000
Less: unamortised portion of loan arrangement fee	**(54,933)**	(67,433)
Net Islamic finance facility	**3,455,067**	3,532,567
Net Islamic finance facility is repayable as follows:		
Within one year (shown under current liabilities)	**180,000**	90,000
After one year (shown under non-current liabilities)	**3,275,067**	3,442,567
	3,455,067	3,532,567

The Islamic finance facility represented AED 3,600,000 thousands (USD 1 billion) of syndicated facility availed of in 2011 from a consortium of commercial banks, secured against certain investment properties (Note 7) owned by the Company in the UAE, at EIBOR plus 1.85% per annum (31 December 2012: EIBOR plus 3.50% per annum) and fully repayable by 2019. The bank has a lien on certain cash collaterals amounting to AED 68,542 thousands (31 December 2012: AED 65,988 thousands) (Note 12). The Company has given an irrevocable undertaking to deposit the proceeds of its revenue into the specific account maintained with a financing bank.

The facility is secured against the following:

- Assignment of mortgage over Dubai Mall
- All present and future revenues of Dubai Mall
- Guarantee of the Parent Company

The facility is subject to covenants clauses, including certain key financial and general covenants on both the Company and Parent Company (the Guarantor).

18 ACCOUNTS PAYABLE AND ACCRUALS

	2013 *AED'000*	*2012* *AED'000*
Trade payables	**34,536**	30,741
Accrued expenses	**253,058**	179,529
Interest payable	**10,622**	16,180
Other payables	**37,388**	50,132
	335,604	276,582

19 CONTINGENCIES AND COMMITMENTS

Commitments

At 31 December 2013, the Company had commitments of AED 406,491 thousands (2012: AED 108,114 thousands) which includes project commitments of AED 180,214 thousands. This represents the value of contracts issued as at 31 December net of invoices received and accruals made as at that date.

Operating lease commitments - Company as lessor

The Company leases out its property under operating leases as a lessor. The future minimum lease payments receivable (base rent) under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	2013 *AED'000*	*2012* *AED'000*
Within one year	**1,348,088**	1,267,915
After one year but not more than five years	**2,088,846**	1,922,954
More than five years	**264,519**	365,929
	3,701,453	3,556,798

In addition to the base rent, the Company also charges annual service charges to its tenants. The total amount of service charges for the year ended 31 December 2013 was AED 229,675 thousands (2012: AED 194,174 thousands).

Legal claims

As at 31 December 2013, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 16 million . The management is confident that the outcome of these claims will be in favor of the Company and will have no adverse impact on the financial statements of the Company.

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk,
b) Market risk, and
c) Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Board of Directors of the parent company on their activities.

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on the following:

	2013 *AED'000*	*2012* *AED'000*
Bank balances	**1,362,709**	669,951
Trade receivables	**194,312**	238,203
Due from related parties	**171,854**	121,355
	1,728,875	1,029,509

Credit risk from balances with banks and financial institutions is managed by Parent company's treasury in accordance with the Parent company's policy. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

Credit risk from trade receivables is managed by setting credit limits for individual tenants, monitoring outstanding receivables and obtaining security deposits under the lease arrangements. The Company establishes an allowance for impairment at each reporting date that represents its estimate of incurred losses in respect of trade receivables.

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk.

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the Company's income or the value of its holdings of financial instruments. Financial instruments affected by interest rate risk include islamic finance facility and bank deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits and islamic finance facility).

The following table demonstrates the sensitivity of the income statement to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and liabilities held at 31 December.

There is no impact on the Company's equity other than the profit impact rated below.

	Changes in basis points	*Sensitivity of interest income/expense AED'000*
2013		
Bank deposits	**±100**	-
Islamic finance facility	**±100**	**10,530**
2012		
Bank deposits	±100	-
Islamic finance facility	±100	18,000

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's significant monetary assets and liabilities denominated in foreign currencies are either in USD or in currencies pegged to USD. As the AED is currently pegged to the USD, balances in USD and other currencies pegged to USD are not considered to represent significant currency risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The cash flows, funding requirements and liquidity of the Company are monitored on a centralised basis, under the control of Parent Company Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the capital resources. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's discounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2013

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*More than 5 years AED'000*	*Total AED'000*
Due to related parties	**925,000**	**-**	**972,315**	**-**	**1,897,315**
Islamic finance facility	**68,320**	**234,235**	**3,639,307**	**-**	**3,941,862**
Trade payables	**10,361**	**24,175**	**-**	**-**	**34,536**
Accrued expenses	**130,880**	**122,178**	**-**	**-**	**253,058**
Interest payable	**10,622**	**-**	**-**	**-**	**10,622**
Other payables	**3,385**	**2,059**	**1,455**	**-**	**6,899**
Total	**1,148,568**	**382,647**	**4,613,077**	**-**	**6,144,292**

At 31 December 2012

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*More than 5 years AED'000*	*Total AED'000*
Due to related parties	-	-	2,330,446	-	2,330,446
Islamic finance facility	72,624	215,959	3,680,632	465,950	4,435,165
Trade payables	30,741	-	-	-	30,741
Accrued expenses	125,670	53,859	-	-	179,529
Interest payable	16,180	-	-	-	16,180
Other payables	50,132	-	-	-	50,132
Total	295,347	269,818	6,011,078	465,950	7,042,193

Capital management
Capital includes equity attributable to the equity holders of the Company. The Company's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business. The primary objective of the Company's capital management strategy is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 31 December 2012.

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Company include bank balances and cash, trade receivables, advances, other receivables and due from related parties. Financial liabilities of the Company include security deposits, interest bearing loans, trade payables and due to related parties.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

22 HEDGING ACTIVITIES

Cash flow hedges
At 31 December 2013, the Company held certain interest rate swap contract designated as a hedge of expected future payments under the borrowing contracts entered by the Company for which it has firm commitments. The interest rate swap contract is being used to hedge the interest rate risk of the firm commitments. The nominal amount of these contracts is AED 2,520,000 thousands respectively (2012: AED 1,800,000 thousands).

	2013		*2012*	
	Assets AED'000	***Liabilities AED'000***	*Assets AED'000*	*Liabilities AED'000*
Interest rate swap contracts				
Fair value	**-**	**34,862**	-	45,096

Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of cash flow hedges by valuation technique:

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
2013				
Interest rate swap contracts	**34,862**	**-**	**34,862**	**-**
2012				
Interest rate swap contracts	45,096	-	45,096	-

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation technique
The present value of interest rate swaps is computed by determining the present value of the fixed leg and the floating leg interest flows. The value of the fixed leg is given by the present value of the fixed coupon payments. The value of the floating leg is given by the present value of the floating coupon payments determined at the agreed dates of each payment. The forward rate for each floating payment date is calculated using the forward curves.

23 EVENTS AFTER REPORTING DATE

The Company plans to enter the capital market through an Initial Public Offering ("IPO") of its shares by offloading 25 per cent holding of existing shareholders in the Company. The management of the Company is in discussion with advisors and consultants for its restructuring for the proposed issue.

Emaar Malls Group LLC
(Company Only)

SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2012

Emaar Malls Group LLC
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United Arab Emirates

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MANAGEMENT REPORT

The management of Emaar Malls Group LLC (the "Company") has pleasure in submitting the statement of financial position of the Company as at 31 December 2012 and the related statement of income, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2012.

Principal Activities

The principal activities of the Company during the year ended 31 December 2012 were retail development and management of shopping malls.

Financial Results

The Company has recorded a net profit of AED 731 million for the year ended 31 December 2012 (2011: AED 263 million). The transfer to statutory reserve has been suspended as the reserve has reached 50% of the paid up share capital.

The amount of the distributable profit of AED 731 million has been transferred to retained earnings.

Total shareholders' funds as at 31 December 2012 amounted to AED 1,849 million (2011: AED 1,164 million)

Outlook for 2013

The Company's primary focus in 2013 is to consolidate the existing leasing portfolio and maintain the occupancy levels across all assets. The Company is seeking expansion plans to achieve geographical diversity, in its portfolio of assets.

Auditors

Ernst & Young were appointed as external auditors of the Company for the year ended 31 December 2012. Ernst & Young are eligible for reappointment for 2013 and have expressed their willingness to continue in office.

Mr Ahmed Thani Rashed Al Matrooshi
General Manager

28 March 2013

ERNST & YOUNG

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EMAAR MALLS GROUP LLC (COMPANY ONLY)

Report on the Financial Statements

We have audited the accompanying financial statements of Emaar Malls Group LLC, (the "Company"), which comprise the statement of financial position as at 31 December 2012, and the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Emaar Malls Group LLC as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EMAAR MALLS GROUP LLC (COMPANY ONLY) - continued

Other matter

The financial statements of the Company for the year ended 31 December 2011 were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2012.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended) and the articles of association of the Company; proper books of account have been kept by the Company, an inventory was duly carried out and the contents of the report of the management relating to these financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the articles of association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

Ernst + Young

Dubai, United Arab Emirates

28 March 2013

Emaar Malls Group LLC (Company Only)

INCOME STATEMENT

For the year ended 31 December 2012

	Notes	***2012*** ***AED'000***	*2011* *AED'000*
REVENUE			
Rental income		**1,944,192**	1,520,989
Other income		**5,382**	3,606
Total revenue		**1,949,574**	1,524,595
EXPENSES			
Operating expenses		**(361,948)**	(354,229)
Sales and marketing expenses		**(39,432)**	(25,340)
Depreciation of property, plant and equipment	5	**(17,338)**	(18,738)
Depreciation of investment properties	6	**(296,808)**	(296,607)
General and administrative expenses		**(102,383)**	(108,292)
Finance costs	3	**(400,842)**	(458,012)
Total expenses		**(1,218,751)**	(1,261,218)
PROFIT FOR THE YEAR	4	**730,823**	263,377

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	2012 *AED'000*	*2011* *AED'000*
Profit for the year	**730,823**	263,377
Other comprehensive income/ (loss):		
Net movement on cash flow hedges	**(45,096)**	8,949
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**685,727**	272,326

The attached notes 1 to 20 form part of these financial statements.

Emaar Malls Group LLC (Company Only)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Notes	2012 AED'000	2011 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**424,165**	231,191
Investment properties	6	**7,255,367**	7,352,742
Investment in subsidiaries	7	**447**	447
		7,679,979	7,584,380
Current assets			
Inventories		**9,148**	7,485
Trade receivables	8	**238,203**	233,031
Advances and prepayments	9	**44,013**	20,677
Due from related parties	10	**121,355**	128,073
Bank balances and cash	11	**669,951**	32,842
		1,082,670	422,108
TOTAL ASSETS		**8,762,649**	8,006,488
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**300**	300
Statutory reserve	13	**150**	150
Retained earnings		**1,893,903**	1,163,080
Hedging reserve		**(45,096)**	-
TOTAL EQUITY		**1,849,257**	1,163,530
Non-current liabilities			
Employees' end of service benefits	14	**8,044**	6,919
Islamic finance facility - long term portion	15	**3,442,567**	722,318
Due to related parties	10	**2,330,446**	5,243,472
		5,781,057	5,972,709
Current liabilities			
Islamic finance facility - short term portion	15	**90,000**	-
Accounts payable and accruals	16	**276,582**	191,655
Advances and security deposits		**394,878**	332,686
Deferred income		**370,875**	345,908
		1,132,335	870,249
TOTAL LIABILITIES		**6,913,392**	6,842,958
TOTAL EQUITY AND LIABILITIES		**8,762,649**	8,006,488

The financial statements were authorised for issue on 28 March 2013 by:

General Manager

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2012

	Notes	*2012 AED'000*	*2011 AED'000*
OPERATING ACTIVITIES			
Profit for the year		**730,823**	263,377
Adjustments for:			
Depreciation of property, plant and equipment	5	**17,338**	18,738
Depreciation of investment properties	6	**296,808**	296,607
Provision for doubtful debts		**(8,673)**	41,927
Provision for employees' end of service benefits	14	**2,159**	3,054
Finance costs		**400,842**	458,012
Other income		**(5,382)**	(2,896)
		1,433,915	1,078,819
Working capital changes:			
Inventories		**(1,663)**	(4,594)
Trade receivables		**3,501**	52,969
Due from related parties		**3,020**	(22,956)
Advances and prepayments		**(22,098)**	(5,828)
Accounts payable and accruals		**(200,061)**	44,229
Advances and security deposits		**62,192**	(115,476)
Deferred income		**24,967**	222,609
Net cash flows from operations		**1,303,773**	1,249,772
Employees' end of service benefits paid	14	**(924)**	(294)
Net cash flows from operating activities		**1,302,849**	1,249,478
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	**(332,161)**	(227,059)
Purchase of investment properties	6	**(73,994)**	(106,552)
Interest received		**4,144**	2,896
Deposits under lien or maturing after three months		**(248,622)**	(22,500)
Net cash flows used in investing activities		**(650,633)**	(353,215)
FINANCING ACTIVITIES			
Movement in due to related parties, net		**(2,913,026)**	(679,613)
Movement in islamic finance facility, net		**2,810,248**	(338,889)
Interest paid		**(160,951)**	(71,628)
Net cash flows used in financing activities		**(263,729)**	(1,090,130)
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**388,487**	(193,867)
Cash and cash equivalents at 1 January		**10,342**	204,209
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11	**398,829**	10,342

The attached notes 1 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2012

	Share capital AED'000	*Statutory reserve AED'000*	*Retained earnings AED'000*	*Hedging reserve AED'000*	*Total AED'000*
As at 1 January 2011 (Unaudited)	300	150	899,703	(8,949)	891,204
Profit for the year	-	-	263,377	-	263,377
Other comprehensive income for the year	-	-	-	8,949	8,949
As at 31 December 2011	300	150	1,163,080	-	1,163,530
Profit for the year	-	-	730,823	-	730,823
Other comprehensive income for the year	-	-	-	(45,096)	(45,096)
As at 31 December 2012	**300**	**150**	**1,893,903**	**(45,096)**	**1,849,257**

The attached notes 1 to 20 form part of these financial statements.

1 ACTIVITIES

Emaar Malls Group L.L.C. (the "Company") was registered as a limited liability company in the Emirate of Dubai on 16 November 2005 in accordance with UAE Federal Commercial Companies Law No. 8 of 1984 (as amended).

The Company is a 100% beneficially owned subsidiary of Emaar Properties PJSC (the "Parent Company"), a company incorporated in the United Arab Emirates and listed on the Dubai Financial Market.

The principal activities of the Company are retail development and management of shopping malls.

The address of the registered office of the Company is P.O. Box 9440, Dubai, United Arab Emirates (UAE).

2.1 BASIS OF PREPARATION

These financial statements are "separate financial statements" i.e. prepared in accordance with International Accounting Standard (IAS) 27 on a "stand-alone basis" with investments in subsidiaries recorded at cost as the Parent Company produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of United Arab Emirates laws.

The financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands except where otherwise indicated.

The financial statements have been prepared on a historical cost basis except for derivative financial instruments and financial assets at fair value through other comprehensive income that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Exemption from IAS 27
These financial statements have been prepared as per International Accounting Standard (IAS) 27 "Separate Financial Statements" which states that, a parent need not to present consolidated financial statements if the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use. Accordingly, these financial statements reflect the operating results and the financial position of the Company only. For an understanding of the consolidated results of operations and the consolidated financial position, the consolidated financial statements of Emaar Properties PJSC (the "Parent Company") should be referred to. The Parent Company is listed on the Dubai Financial Market and the registered address of the Parent Company is P.O. Box 9440, Dubai, United Arab Emirates.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and revised Accounting Standards and Interpretations

(a) Standards, amendments and interpretations effective from 1 January 2012 which are adopted by the Company during 2012 are as follows:

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Company does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) Standards, amendments and interpretations effective from 1 January 2012 which are adopted by the Company during 2012 are as follows (continued):

The following interpretations of published standards are mandatory for accounting periods beginning on or after 1 January 2012 but are not relevant to the Company's operations:

IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012); and

IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (effective for annual periods beginning on or after 1 July 2011).

(b) Standards, amendments and interpretations in issue but not effective

At the date of authorisation of these financial statements, other than the Standards and Interpretations adopted by the Company (as described above) the following Standards and Interpretations were in issue but not yet effective:

IAS 1	Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012);
IAS 19	Employee Benefits (Amendment) (effective for annual periods beginning on or after 1 January 2013);
IAS 28	Investments in Associates and Joint Ventures (as revised in 2011) (effective for annual periods beginning on or after 1 January 2013);
IAS 32	Financial Instruments: Presentation (Amendment) – Guidance on the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014);
IFRS 1	First time Adoption of International Financial Reporting Standards. Government Loans - (Amendments) (The amendment is effective for annual periods on or after 1 January 2013);
IFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (The amendments are effective for annual periods beginning on or after 1 January 2013);
IFRS 10	Consolidated Financial Statements - Replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements (effective for annual periods beginning on or after 1 January 2013);
IFRS 11	Joint Arrangements - Replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers (effective for annual periods beginning on or after 1 January 2013);
IFRS 12	Disclosure of Interests in Other Entities - Disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28 (effective for annual periods beginning on or after 1 January 2013);
IFRS 13	Fair Value Measurement - Establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted (effective for annual periods beginning on or after 1 January 2013); and
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine - Interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine (effective for annual periods beginning on or after 1 January 2013).

The management anticipates that all of the above Standards and Interpretations will be adopted by the Company to the extent applicable to them from their effective dates. The adoption of these Standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Company in the period of their initial application.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Improvements to IFRSs
In May 2012, the IASB issued its fourth omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. Following improvements are effective for annual periods beginning on or after 1 January 2013 but will not have any material impact on the financial statements of the Company.

IAS 1 Presentation of Financial Statements
This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period. The Company provides minimum required comparative information.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

IAS 16 Property Plant and Equipment
This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation
This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting
The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. The specific criteria described below must also be met before revenue is recognised.

Rental income from lease of investment property
Rental income from investment properties is recognised, net of discount, in accordance with the terms of the lease contracts over the lease term on a systematic basis, as this method is more representative of the time pattern in which use of benefit are derived from the leased assets.

Revenue recognition for turnover rent
Income from turnover rent is recognized based on the audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Income from late opening penalties
Income from late opening penalties is recognised on receipt basis.

Interest income
Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of income in the period in which they are incurred.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment
Property, plant and equipment other than capital work-in-progress are stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress is not depreciated, and is stated at cost less any impairment value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 45 years
Leasehold improvements	2 - 15 years
Computers and other equipments	3 - 20 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 -10 years

No depreciation is charged on land and capital work-in-progress. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment 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 property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Investment properties
Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 45 years
Plant and machinery	3 - 10 years
Fixed furniture and fixtures	4 - 10 years
Movable furniture and fixtures	4 - 10 years

No depreciation is charged on land.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Company determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property in an arm's length transaction less related costs while value in use is the present value of estimated future cash flows expected to arise from the continuing use of the investment property and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries
Investments in subsidiaries are stated at cost, less any impairment in value.

Inventories
Inventories mainly represent spares and consumables. Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

Derivative financial instruments
The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the income statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship. The Company designates derivatives as hedges of interest rate risk and foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting
The Company designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of interest rate risk and foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Company 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 Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the income statement immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts previously recognised in the statement of comprehensive income and accumulated in equity are reclassified to the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets
All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets
For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity investments
All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Company has made on early adoption of IFRS 9 - Phase I or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity investments is recorded through the income statement.

Debt instruments
Debt instruments are also measured at fair value through profit or loss unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade receivables
Trade receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the income statement.

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the statement of comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the income statement.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)
Derecognition of financial assets
A financial asset (or, when applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired,
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement,
- The Company has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass -through arrangement, it evaluates if and to what extent it as retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. A financial asset or a Company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Financial liabilities and equity instruments issued by the Company
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Company determines the classification of its financial liabilities at the initial recognition.

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 Company are recorded at the proceeds received, net of direct issue costs.

Loans and borrowings
Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognised in the income statement.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

End-of-service benefits
The Company provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Company makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Provisions
Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Foreign currencies
The Company's financial statements are presented in UAE Dirhams, which is also the currency in which significant transactions are carried out by the Company.

Transactions in foreign currencies are initially recorded by the Company at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on the basis of lease payments payable under the agreements entered into by the Company with the lessor, which are representative of the time pattern of the benefits obtained by the Company. Lease incentives, typically rent free period, is recognised in the same manner as operating lease rentals.

Certain leases provide for contingent rents, which are determined as a percentage of gross sales in excess of a specified level. The Company records such rent on an accrual basis, when specified levels have been achieved or when management determine that achieving the specified levels is probable during the year.

Company as a lessor
The Company has entered into leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognised in the income statement in accordance with the terms of the lease contracts over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefit are derived from the leased assets.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair values
For investments traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have a significant impact on the amounts recognised in the financial statements.

Revenue recognition for leases
Lease income from operating leases is recognised in the income statement in accordance with the terms of the lease contracts with the tenants over the lease term as management is of the opinion that this method is more representative of the time pattern in which benefits are derived from the leased asset.

Revenue recognition for turnover rent
The Company recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Investment properties
The Company has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses.

Classification of investment properties
The Company determines whether a property qualifies as investment property in accordance with IAS 40 Investment Property. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by the Company.

Operating lease commitments - Company as lessor
The Company has entered into commercial and retail property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables
An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions (continued)

Useful lives of property, plant and equipment and investment properties

The Company's management determines the estimated useful lives of its property, plant and equipment and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management is of the opinion that the useful lives differ from previous estimates.

Allocation of cost of investment properties

The total costs incurred on the construction of investment properties have been allocated to various components such as structure, plant and machinery and furniture and fixtures based on certain percentages of the total costs as estimated by the cost consultants at the time of completion of the assets. Management is of the opinion that this method is appropriate pending determination of the final costs of the assets and settlement of contractors' claims. On conclusion of the final determination of costs, management would reassess the allocation and adjust the allocation prospectively, if necessary.

Valuation of investment properties

The Company hires the services of third party professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the financial statements.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

3 FINANCE COSTS

	2012 ***AED'000***	*2011* *AED'000*
Interest on amounts due to the parent company	**221,312**	382,771
Interest on borrowings under Islamic finance facility	**173,514**	65,438
Others	**6,016**	9,803
	400,842	458,012

4 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2012 ***AED'000***	*2011* *AED'000*
Staff costs	**97,859**	89,328
Operating leases	**5,518**	3,284

5 PROPERTY, PLANT AND EQUIPMENT

2012	*Buildings AED'000*	*Leasehold improvements AED'000*	*Computers and office equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2012	-	45,144	7,401	4,424	86,237	168,415	311,621
Additions	-	57,674	488	326	26,808	246,865	332,161
Transfers	164,946	-	-	-	30,878	(195,824)	-
Transfer (to)/ from investment properties	-	(80,244)	-	77	257	(45,071)	(124,981)
At 31 December 2012	**164,946**	**22,574**	**7,889**	**4,827**	**144,180**	**174,385**	**518,801**
Accumulated depreciation:							
At 1 January 2012	-	4,771	4,833	1,612	69,214	-	80,430
Depreciation charge for the year	-	2,198	1,439	516	13,185	-	17,338
Adjustments	-	-	-	425	(7)	-	418
Transfer (to)/ from investment properties	-	(3,550)	-	-	-	-	(3,550)
At 31 December 2012	-	**3,419**	**6,272**	**2,553**	**82,392**	-	**94,636**
Net carrying amount:							
At 31 December 2012	**164,946**	**19,155**	**1,617**	**2,274**	**61,788**	**174,385**	**424,165**

5 PROPERTY, PLANT AND EQUIPMENT (continued)

2011	*Buildings AED'000*	*Leasehold improvements AED'000*	*Computers and office equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:							
At 1 January 2011	-	2,294	5,386	1,100	76,142	314	85,236
Additions	-	42,850	2,015	3,393	10,929	168,101	227,288
Disposals	-	-	-	(69)	(834)	-	(903)
At 31 December 2011	-	45,144	7,401	4,424	86,237	168,415	311,621
Accumulated depreciation:							
At 1 January 2011	-	1,850	3,543	941	55,678	-	62,012
Depreciation charge for the year	-	2,921	1,290	328	14,199	-	18,738
Disposals	-	-	-	(11)	(663)	-	(674)
Charged to related parties	-	-	-	354	-	-	354
At 31 December 2011	-	4,771	4,833	1,612	69,214	-	80,430
Net carrying amount:							
At 31 December 2011	-	40,373	2,568	2,812	17,023	168,415	231,191

6 INVESTMENT PROPERTIES

2012	*Buildings AED'000*	*Plant and machinery AED'000*	*Furniture, fixtures and others AED'000*	*Total AED'000*
Cost				
At 1 January 2012	7,575,356	436,988	314,667	8,327,011
Additions	73,994	-	-	73,994
Transfer (to)/ from property, plant and equipment	124,981	-	-	124,981
At 31 December 2012	**7,774,331**	**436,988**	**314,667**	**8,525,986**
Accumulated depreciation:				
At 1 January 2012	593,428	137,878	242,963	974,269
Depreciation charge for the year	191,624	43,702	61,482	296,808
Transfer (to)/ from property, plant and equipment	3,550	-	-	3,550
Adjustments	(4,008)	-	-	(4,008)
At 31 December 2012	**784,594**	**181,580**	**304,445**	**1,270,619**
Net carrying amount:				
At 31 December 2012	**6,989,737**	**255,408**	**10,222**	**7,255,367**

2011	*Buildings AED'000*	*Plant and machinery AED'000*	*Furniture, fixtures and others AED'000*	*Total AED'000*
Cost				
At 1 January 2011	7,473,271	436,758	310,430	8,220,459
Additions	102,085	230	4,237	106,552
At 31 December 2011	7,575,356	436,988	314,667	8,327,011
Accumulated depreciation:				
At 1 January 2011	419,218	94,148	164,296	677,662
Depreciation charge for the year	174,210	43,730	78,667	296,607
At 31 December 2011	593,428	137,878	242,963	974,269
Net carrying amount:				
At 31 December 2011	6,981,928	299,110	71,704	7,352,742

Buildings are constructed on land owned by the Parent Company.

At 31 December 2012, the Parent Company holds the title to the investment properties and the Company has been given all rights attached to benefits of the investment properties through a head lease agreement. The legal formalities with regard to the legal transfer of the investment properties are in progress.

The fair value of Company's investments properties was determined by the management based on valuations performed by qualified and independent chartered surveyors and property consultants. The valuation was performed using an approved method of valuation in accordance with the RICS Valuation Standards which is the Capitalization Method. The Market Value of the Properties have been determined through analysis of the income flow achievable for the building and takes into account the projected annual expenditure. Both the contracted rent and market rental values have been considered in the valuation with allowance of void period, running costs, vacancy rates and other cost. The net income has been capitalised at an equivalent yield in the range of 8% to 10.50% to determine the value of each of the investment properties.

6 INVESTMENT PROPERTIES (continued)

At 31 December 2012, the fair value of investment properties is AED 15,169,619 thousands (2011: AED 13,450,135 thousands) compared with a carrying value of AED 7,255,367 thousands (2011: AED 7,352,742 thousands).

Certain investment properties pledged as security against interest bearing loans and borrowings as disclosed under Note 15.

Investment properties represent the Company's interest in land and buildings situated in the UAE.

7 INVESTMENT IN SUBSIDIARIES

The details of the Company's subsidiaries, which are accounted at cost, are as follows:

Name of the subsidiary	*Country of incorporation*	*Principal activity*	*Beneficial Ownership*	
			2012	*2011*
Emaar Retail LLC	UAE	Leisure and entertainment activities	**99%**	99%
Reel Entertainment LLC	UAE	Screening of any kind of motion pictures, advertisements, sale of food and beverages at the cinemas and other cinema related activities	**100%**	100%
The Dubai Mall LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar Dubai Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar International Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%

8 TRADE RECEIVABLES

	2012 *AED'000*	*2011* *AED'000*
Trade receivables - net	**238,203**	233,031

Trade receivables include amounts due from related parties amounting to AED 6,900 thousands (2011: AED 4,701 thousands) [Note 10 (b)].

The above trade receivables are net of allowance for doubtful debts of AED 89,478 thousands (2011: AED 109,291 thousands) representing management's best estimate of doubtful trade receivables which are past due and impaired.

8 TRADE RECEIVABLES (continued)

Movement in the allowance for doubtful debts is as follows:

	2012 *AED'000*	*2011* *AED'000*
At 1 January	**109,291**	79,466
Charge for the year	**2,910**	41,927
Written off during the year	**(22,723)**	(12,102)
At 31 December	**89,478**	109,291

At 31 December, ageing analysis of trade receivables is as follows:

		Neither past due nor impaired	*Past due but not impaired*			
	Total *AED'000*	*AED'000*	*Upto 30 days* *AED'000*	*31-60 days* *AED'000*	*61-90 days* *AED'000*	*>90 days* *AED'000*
2012	**238,203**	**104,402**	**36,372**	**21,103**	**44,016**	**32,310**
2011	233,031	84,388	11,684	25,414	27,072	84,473

Unimpaired receivables are fully recoverable on the basis of past experience.

9 ADVANCES AND PREPAYMENTS

	2012 *AED'000*	*2011* *AED'000*
Advances	**37,054**	12,519
Prepayments	**6,959**	8,158
	44,013	20,677

Prepayments include amounts paid to related parties amounting to AED Nil (2011: AED 3,660 thousands) [Note 10 (b)].

10 RELATED PARTY DISCLOSURES

(a) During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	2012 *AED'000*	*2011* *AED'000*
Rental income		
Parent Company	**9,579**	8,086
Subsidiaries	**56,621**	47,091
Associated companies	**10,029**	8,762
Entities owned by Directors and other related parties	**81,206**	61,129
	157,435	125,068
Operating expenses		
Parent Company	**168,717**	167,210

10 RELATED PARTY DISCLOSURES (continued)

	2012 AED'000	*2011 AED'000*
General and administrative expenses		
Parent Company	**56,362**	3,280
Finance costs		
Parent Company	**221,312**	382,771

b) Balances with related parties included in the statement of financial position are as follows:

31December 2012	***Due from related parties AED '000***	***Due to related parties AED '000***	***Prepayments AED '000***	***Trade receivables AED '000***	***Deferred income AED '000***
Non-current					
Parent company - loan	-	**2,001,973**	-	-	-
- interest	-	**27,138**	-	-	-
- other	-	**300,604**	-	-	-
Associated companies	-	**731**	-	-	-
	-	**2,330,446**	-	-	-
Current					
Parent company	-	-	-	**467**	**137**
Associated companies	**13,903**	-	-	**2,768**	**812**
Subsidiaries	**107,452**	-	-	-	**17,981**
Entities owned by Directors and other related parties	-	-	-	**3,665**	**42,796**
	121,355	-	-	**6,900**	**61,726**

31December 2011	*Due from related parties AED '000*	*Due to related parties AED '000*	*Prepayments AED '000*	*Trade receivables AED '000*	*Deferred income AED '000*
Non-current					
Parent company - loan	-	4,090,438	-	-	-
- interest	-	696,930	-	-	-
- other	-	455,384	-	-	-
Associated companies	-	720	-	-	-
	-	5,243,472	-	-	-
Current					
Parent company	-	-	3,660	458	8
Associated companies	10,103	-	-	1,383	2,007
Subsidiaries	117,970	-	-	44	19,237
Entities owned by Directors and other related parties	-	-	-	2,816	33,947
	128,073	-	3,660	4,701	55,199

10 RELATED PARTY DISCLOSURES (continued)

c) Due to the Parent Company represents the amount payable for the investment properties and property, plant and equipment transferred to the Company at cost.

In 2010, the Company reached an agreement with the Parent Company to convert an amount of AED 6,372,059 thousands, from the balance due, to a long term loan carrying interest at 8% p.a. This loan is repayable when the funds are available with the Company. Movement in the loan balance during the year is as follows:

	2012 AED'000	*2011 AED'000*
Balance at 1 January	**4,090,438**	5,175,154
Repayments made during the year	**(2,088,465)**	(1,084,716)
Balance at 31 December	**2,001,973**	4,090,438

d) Compensation of key management personnel

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

	2012 AED'000	*2011 AED'000*
Short term benefits	**15,112**	9,217
End of service benefits	**504**	329

11 BANK BALANCES AND CASH

	2012 AED'000	*2011 AED'000*
Cash in hand	**169**	174
Bank balances:		
Current accounts	**139,425**	10,168
Deposits maturing within three months	**259,235**	-
Cash and cash equivalents	**398,829**	10,342
Deposits under lien (Note 15)	**65,988**	22,500
Deposits maturing after three months	**205,134**	-
Balance at 31 December	**669,951**	32,842

Cash at banks earn interest at floating rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Fixed deposits maturing after three months earn interest at rates between 1.4% and 2.7% per annum (2011: Nil).

12 SHARE CAPITAL

	Authorised		*Issued and fully paid up*	
	2012 AED'000	*2011 AED'000*	***2012 AED'000***	*2011 AED'000*
300 shares of AED 1,000 each	**300**	300	**300**	300

13 STATUTORY RESERVE

As required by the UAE Federal Commercial Companies Law No. 8 of 1984 (as amended) and the Company's memorandum of association, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the issued share capital. This reserve is not available for distribution except in the circumstances stipulated by the law. The statutory reserve has reached upto 50% of the paid-up share capital of the Company and therefore the Company has ceased further transfers to this reserve.

14 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits is as follows:

	2012 *AED'000*	*2011* *AED'000*
Balance as at 1 January	**6,919**	3,500
Provision during the year	**2,159**	3,054
Transferred (to)/ from parent company/ related parties	**(110)**	659
Paid during the year	**(924)**	(294)
Balance as at 31 December	**8,044**	6,919

Provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law. An actuarial valuation of the employees' end of service benefits has not been performed as in management's opinion the net impact of discount rates and future increases in benefits are not likely to be material. The benefits are un-funded.

15 ISLAMIC FINANCE FACILITY

	2012 *AED'000*	*2011* *AED'000*
Islamic finance facility	**3,600,000**	801,412
Less: unamortised portion of loan arrangement fee	**(67,433)**	(79,094)
Net Islamic finance facility	**3,532,567**	722,318
Net Islamic finance facility is repayable as follows:		
Within one year (shown under current liabilities)	**90,000**	-
After one year (shown under non-current liabilities)	**3,442,567**	722,318
	3,532,567	722,318

The islamic finance facility represented AED 3,600,000 thousands (USD 1 billion) of syndicated facility availed in 2011 from a consortium of commercial banks, secured against certain investment properties (Note 6) owned by the Company in UAE, at EIBOR plus 3.50% per annum and fully repayable by 2019 with the first repayment due on 30 November 2016. The bank has a lien on certain cash collaterals amounting to AED 65,988 thousands (Note 11). The Company has given an irrevocable undertaking to deposit the proceeds of its revenue into the specific account maintained with a financing bank.

The facility is secured against the following:

- Assignment of mortgage over Dubai Mall
- All present and future revenues of Dubai Mall
- Guarantee of the Parent Company

The facility is subject to covenants clauses, including certain key financial and general covenants on both the Company and Parent Company (the Guarantor).

16 ACCOUNTS PAYABLE AND ACCRUALS

	2012	*2011*
	AED'000	*AED'000*
Trade payables	**30,741**	21,139
Accrued expenses	**179,529**	164,523
Interest payable	**16,180**	3,617
Other payables	**50,132**	2,376
	276,582	191,655

17 CONTINGENCIES AND COMMITMENTS

Commitments
At 31 December 2012, the Company had commitments of AED 108,114 thousands (2011: AED 105,547 thousands).

Operating lease commitments - Company as lessor
The Company leases out its property under operating leases as a lessor. The future minimum lease payments receivable (base rent) under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	2012	*2011*
	AED'000	*AED'000*
Within one year	**1,267,915**	1,001,597
After one year but not more than five years	**1,922,954**	1,903,669
More than five years	**365,929**	333,509
	3,556,798	3,238,775

In addition to the base rent, the Company also charges annual service charges to its tenants. The total amount of service chargers for the year ended 31 December 2012 was AED 194,174 thousands (2011: AED 156,503 thousands).

18 RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk,
b) Market risk, and
c) Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Board of Directors of the parent company on their activities.

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

18 RISK MANAGEMENT (continued)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on the following:

	2012 AED'000	*2011 AED'000*
Bank balances	**699,782**	32,668
Trade receivables	**313,484**	233,031
Due from related parties	**121,355**	128,073
	1,134,621	393,772

Credit risk from balances with banks and financial institutions is managed by Parent company's treasury in accordance with the Parent company's policy. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

Credit risk from trade receivables is managed by setting credit limits for individual tenants, monitoring outstanding receivables and obtaining security deposits under the lease arrangements. The Company establishes an allowance for impairment at each reporting date that represents its estimate of incurred losses in respect of trade receivables.

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk.

Market risk
Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the Company's income or the value of its holdings of financial instruments. Financial instruments affected by interest rate risk include islamic finance facility and bank deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits and islamic finance facility).

The following table demonstrates the sensitivity of the income statement to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and liabilities held at 31 December.

There is no impact on the Company's equity other than the profit impact rated below.

	Changes in basis points	*Sensitivity of interest income/expense AED'000*
2012		
Bank deposits	**±100**	-
Islamic finance facility	**±100**	**18,000**
2011		
Bank deposits	±100	-
Islamic finance facility	±100	8,014

18 RISK MANAGEMENT (continued)

Market risk (continued)

Foreign currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's significant monetary assets and liabilities denominated in foreign currencies are either in USD or in currencies pegged to USD. As the AED is currently pegged to the USD, balances in USD and other currencies pegged to USD are not considered to represent significant currency risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The cash flows, funding requirements and liquidity of the Company are monitored on a centralised basis, under the control of Parent Company Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the capital resources. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's discounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2012

	Less than 3 months AED'000	***3 to 12 months AED'000***	***1 to 5 years AED'000***	***More than 5 years AED'000***	***Total AED'000***
Due to related parties	**-**	**-**	**2,330,446**	**-**	**2,330,446**
Islamic finance facility	**72,624**	**215,959**	**3,680,632**	**465,950**	**4,435,165**
Trade payables	**30,741**	**-**	**-**	**-**	**30,741**
Accrued expenses	**125,670**	**53,859**	**-**	**-**	**179,529**
Interest payable	**16,180**	**-**	**-**	**-**	**16,180**
Other payables	**50,132**	**-**	**-**	**-**	**50,132**
Total	**295,347**	**269,818**	**6,011,078**	**465,950**	**7,042,193**

At 31 December 2011

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*More than 5 years AED'000*	*Total AED'000*
Due to related parties	-	-	5,243,472	-	5,243,472
Islamic finance facility	11,019	33,058	975,763	-	1,019,840
Trade payables	21,139	-	-	-	21,139
Accrued expenses	45,636	118,887	-	-	164,523
Interest payable	3,617	-	-	-	3,617
Other payables	2,376	-	-	-	2,376
Total	83,787	151,945	6,219,235	-	6,454,967

18 RISK MANAGEMENT (continued)

Capital management
Capital includes equity attributable to the equity holders of the Company. The Company's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business. The primary objective of the Company's capital management strategy is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2012 and 31 December 2011.

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Company include bank balances and cash, trade receivables, advances, other receivables and due from related parties. Financial liabilities of the Company include security deposits, interest bearing loans, trade payables and due to related parties.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

20 HEDGING ACTIVITIES

Cash flow hedges
At 31 December 2012, the Company held certain interest rate swap contract designated as a hedge of expected future payments under the borrowing contracts entered by the Company for which it has firm commitments. The interest rate swap contract is being used to hedge the interest rate risk of the firm commitments. The nominal amount of these contracts is AED 1,800,000 thousands respectively (2011: AED Nil).

	2012		*2011*	
	Assets AED'000	***Liabilities AED'000***	*Assets AED'000*	*Liabilities AED'000*
Interest rate swap contracts				
Fair value	-	**45,096**	-	-

Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of cash flow hedges by valuation technique:

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
2012				
Interest rate swap contracts	**45,096**	-	**45,096**	-
2011				
Interest rate swap contracts	-	-	-	-

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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printed by **eprint*financial*.com**
tel: + 44 (0) 20 7613 1800   document number 4601