

## DP WORLD ANNOUNCES STRONG FINANCIAL RESULTS

### Earnings grow 50% in First Half of 2016

**Dubai, United Arab Emirates, 18 August, 2016.** Global trade enabler DP World today announces strong financial results for the six months to 30 June 2016. On a reported basis, revenue grew 10.2% and adjusted EBITDA increased by 27.2%, adjusted EBITDA margin of 56.2%, delivering profit attributable to owners of the Company, before separately disclosed items<sup>1</sup>, of \$608 million, up 50.2%, and EPS of 73.2 US cents. On a like-for-like basis, revenue grew 2.5% and adjusted EBITDA increased by 6.6%, adjusted EBITDA margin of 51.8%, attributable earnings up 4.3%, reflecting the challenging global trade environment.

Results before separately disclosed items <sup>1</sup> unless otherwise stated	1H2016	1H2015	As Reported % change	Like-for- like at constant currency % change <sup>2</sup>
<b>USD million</b>				
Consolidated throughput <sup>3</sup> (TEU '000)	14,603	14,378	1.6%	(1.4%)
Revenue	2,094	1,900	10.2%	2.5%
Share of profit from equity-accounted investees	69	33	109.1%	(4.1%)
Adjusted EBITDA <sup>4</sup>	1,176	924	27.2%	6.6%
Adjusted EBITDA margin <sup>5</sup>	56.2%	48.6%	-	51.8% <sup>6</sup>
Profit for the period	673	455	47.8%	6.7%
Profit for the period attributable to owners of the Company	608	405	50.2%	4.3%
Profit for the period attributable to owners of the Company after separately disclosed items	557	364	53.1%	-
Basic Earnings per share attributable to owners of the Company (US cents)	73.2	48.7	50.2%	4.3%
Basic earnings per share attributable to owners of the Company (US cents) (EPS) after separately disclosed items	67.1	43.9	53.1%	-

## Results Highlights

- **Revenue of \$2,094 million (Revenue growth of 10.2%, Like-for-like revenue grew 2.5%)**
  - Revenue growth of 10.2% supported by the acquisitions of Jebel Ali Free Zone (UAE) and Prince Rupert (Canada).

<sup>1</sup> Before separately disclosed items (BSDI) primarily excludes non-recurring items. DP World reported a loss in separately disclosed items of \$52 million.

<sup>2</sup> Like-for-like at constant currency is without the addition of new capacity at Yarimca (Turkey), Stuttgart (Germany), Antwerp Inland (Belgium), Prince Rupert (Canada) and Jebel Ali Free Zone (UAE).

<sup>3</sup> Consolidated throughput is throughput from all terminals where the group has control as per IFRS.

<sup>4</sup> Adjusted EBITDA is Earnings before Interest, Tax, Depreciation & Amortisation including share of profit from equity-accounted investees before separately disclosed items.

<sup>5</sup> The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue, including our share of profit from equity-accounted investees.

<sup>6</sup> Like-for-like adjusted EBITDA margin.

- Like-for-like revenue increased by 2.5% driven by a 4% increase in total containerised revenue.
  - Containerised revenue per TEU (twenty-foot equivalent unit) grew 5.4% on a like-for-like basis.
  - Non-container revenue decreased by 0.9% on a like-for-like basis and increased by 17.9% on a reported basis.
- **Adjusted EBITDA of \$1,176 million and adjusted EBITDA margin of 56.2% (Like-for-like adjusted EBITDA margin at 51.8%)**
- Adjusted EBITDA margin reached a new high of 56.2% reflecting the Jebel Ali Free Zone acquisition and increased contribution from other higher margin locations. Like-for-like adjusted EBITDA margin was at 51.8%.
- **Profit for the period attributable to owners of the Company of \$608 million**
- Strong adjusted EBITDA growth resulted in a 50.2% increase in profit attributable to owners of the Company before separately disclosed items on a reported basis and 4.3% growth on a like-for-like basis at constant currency.
- **Strong cash generation and robust balance sheet**
- Cash from operating activities amounted to \$905 million up from \$857 million in 1H2015.
  - Leverage (Net Debt to annualised adjusted EBITDA) decreased to 2.9 times (from 3.2 times at 31 December 2015).
- **Reduced financing cost and lowering refinancing risk**
- Successfully raised \$1.2 billion in a new 7-year sukuk transaction at significantly improved terms, refinancing \$1.1 billion of the existing 2017 sukuk through a tender offer and extending the debt maturity profile.
- **Continued investment in high quality long-term assets with strong supply/demand dynamics**
- Capital expenditure of \$586 million invested across the portfolio during the first half of the year.
  - Capital expenditure guidance for 2016 remains unchanged at between \$1.2-1.4 billion with investments planned into Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (UK), Prince Rupert (Canada), JNP Mumbai (India), and Yarimca (Turkey).
- **Global trade outlook remains uncertain**
- Global trade environment remains challenging including for Jebel Ali port.
  - Portfolio remains well placed to continue to outperform the market.
  - Confident of meeting full year expectations.

**DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem, commented:**

*"DP World is pleased to announce a strong set of first half results, with 50% year-on-year earnings growth, and 56% adjusted EBITDA margins. The more modest like-for-like earnings growth is a reflection of the challenging trade environment. This financial performance has been achieved despite uncertain market conditions, which once again demonstrates the resilient nature of our portfolio. In 2016, we have invested \$586 million of capex in key growth markets, and this investment leaves us well placed to capitalise on the significant medium to long-term growth potential of this industry.*

*"We will maintain the existing shape of our ports portfolio that has a 70% exposure to origin and destination cargo and 75% exposure to faster growing markets. This positioning will enable us to deliver both earnings growth and shareholder value over the long term."*

*"The outlook for trade growth remains uncertain, however, we believe our portfolio is well positioned to continue to outperform the market. We remain focused on delivering relevant new capacity in the right markets through disciplined investment, improving efficiencies and managing costs to drive profitability.*

*"Looking ahead to the second half of the year, we expect throughput performance to improve, and like-for-like financial performance (excluding one-off items and foreign exchange movements) to be similar to the first half. Overall, the strong financial performance of the first six months leaves us well placed to meet full-year market expectations."*

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## **18<sup>th</sup> August 11am UAE, 8am UK Conference Call**

- 1) Conference call for analysts and investors hosted by Redwan Ahmed
- 2) A playback of the call will be available shortly after the 1pm conference call concludes. For the dial in details and playback details please contact [investor.relations@dpworld.com](mailto:investor.relations@dpworld.com).

The presentation accompanying these conference calls will be available on DP World's website within the investor centre. [www.dpworld.com](http://www.dpworld.com) from approximately 0900 UAE time this morning.

### **Forward-Looking Statements**

*This document contains certain "forward-looking" statements reflecting, among other things, current views on our markets, activities and prospects. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur and which may be beyond DP World's ability to control or predict (such as changing political, economic or market circumstances). Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of DP World speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except to the extent required by law, DP World does not undertake to update or revise forward-looking statements to reflect any changes in DP World's expectations with regard thereto or any changes in information, events, conditions or circumstances on which any such statement is based.*

## Group Chairman and CEO Statement

The challenging market conditions of 2015 have continued into 2016 with currency volatility, weak commodity prices and geopolitical issues contributing to uncertainty in domestic demand, resulting in overall weak global throughput growth. However, despite these hurdles DP World has continued to deliver ahead-of-market volume growth while the financial performance has remained strong, which once again reinforces our view that operating a diversified portfolio with a focus on faster growing markets, and origin and destination cargo, will deliver superior earnings growth and enhance shareholder value.

During the first six months, we have continued to focus on integrating our acquisitions of the Jebel Ali Free Zone (UAE) and Prince Rupert Terminal (Canada), while continuing to drive further efficiency gains across the broader portfolio. Our expansionary capex has been targeted at select key markets with strong demand / supply dynamics, with the aim of delivering visible returns. We have made strong progress on all fronts which is evident from the financial performance of these half year results.

Within our existing portfolio, \$586 million capital expenditure has been invested in the first half of 2016, and we will continue to maintain our disciplined approach to deploying capital. We aim to ensure our ports are equipped to meet the needs of our customers and also well placed to capture current and future trade flows. We will continue to add capacity in key growth markets while maintaining the existing shape of our portfolio that has a 70% exposure to origin and destination cargo (O&D) and 75% exposure to faster growing markets.

We retain the flexibility to bring on extra capacity in line with demand. For example, at Jebel Ali port (UAE) we have delayed 1.5 million TEU of Terminal 3 capacity expansion into 2017, while also slowed our expansion of Terminal 4 due to the softer market conditions. Our flagship port continues to operate at high levels of utilisation and we believe the medium term outlook remains positive, particularly with the lead up to EXPO 2020.

Looking ahead to the second half of the year, we expect throughput performance to improve, and like-for-like financial performance (excluding one-off items and foreign exchange gains) to be similar to the first half. The growth rates on a reported basis are expected to moderate as the acquisition benefits seen in the first half will not be repeated. Overall, the strong financial performance of the first six months leaves us well placed to meet full-year market expectations.

## **Group Chief Financial Officer's Review**

DP World delivered a strong set of financial results in the first half of 2016 with profit attributable to owners of the Company growing 50.2% to \$608 million. Our adjusted EBITDA was \$1,176 million, while our adjusted EBITDA margin reached a new high of 56.2%. Reported revenue grew by 10.2% to \$2,094 million, aided by acquisitions and robust like-for-like growth.

Despite the softer throughput growth environment, our portfolio continues to deliver impressive operational and financial leverage with revenue growth outpacing throughput growth and EBITDA growth outpacing revenue growth.

On a like-for-like basis, first half 2016 revenues grew by 2.5%, while volume was lower by 1.4% on like-for-like basis. This resulted in a like-for-like adjusted EBITDA growth of 6.6% and like-for-like adjusted EBITDA margin of 51.8%.

Like-for-like revenue growth was mainly driven by a 4.0% improvement in total containerized revenue. Like-for-like non-container revenue declined by 0.9%, after a particularly strong performance in the same period last year. Total revenue per TEU rose 4.0% on a like-for-like basis.

During the year, we reviewed our long term funding plans and we successfully refinanced our near term debt on attractive terms as we tendered \$1.1 billion of our 2017 sukuk and raised \$1.2 billion in a new 7-year sukuk. This transaction reduces 2017 refinancing risk whilst also providing capital at significantly improved terms. Overall this provides flexibility to support growth either in our existing business, or new opportunities should they become available at attractive prices.

During the first half of 2016, we invested \$586 million capex in key markets, including projects in India, Turkey, Canada, UK and UAE. Jebel Ali Terminal 3 has delivered new capacity of 0.5 million while the remaining 1.5 million TEU addition to Terminal 3 will be delivered in 2017. At London Gateway, the 1.0 million TEU addition is expected to be operational in 2H2016.

## **Middle East, Europe and Africa**

<b>Results before separately disclosed items</b>	<b>1H2016</b>	<b>1H2015</b>	<b>% change</b>	<b>Like-for-like at constant currency % change</b>
<b>USD million</b>				
Consolidated throughput (TEU '000)	10,607	10,777	(1.6%)	(2.1%)
Revenue	1,542	1,375	12.1%	3.5%
Share of profit from equity-accounted investees	(2.8)	8.4	(132.9%)	(128.0%)
Adjusted EBITDA	869	750	15.9%	4.4%
Adjusted EBITDA margin	56.4%	54.5%	-	55.3% <sup>6</sup>

Market conditions in the Middle East, Europe and Africa region were mixed. Growth within our portfolio outside of the UAE was strong with Europe continuing to outperform, mainly driven by the ramp up at London Gateway. Volumes in the UAE were down by 6.0% at 7.4 million TEU, reflecting a reduction in lower margin cargo. Revenue in the region grew 12.1% to \$1,542 million, aided by the acquisition of Jebel Ali Free Zone. Like-for-like containerised revenue per TEU was up by 6.5% and total revenue per TEU was up by 5.7%.

Adjusted EBITDA was \$869 million, 15.9% ahead of the same period last year mostly due to the addition of the Jebel Ali Free Zone, while adjusted EBITDA margin rose to 56.4%. Like-for-like revenue and adjusted EBITDA growth on prior year at constant currency was 3.5% and 4.4% respectively. Like-for-like adjusted EBITDA margins stood at 55.3%.

We invested \$467 million in the region during the year. Investment was focused across the Middle East and Europe including Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (UK) and Yarimca (Turkey).

## **Asia Pacific and Indian Subcontinent**

<b>Results before separately disclosed items</b>	<b>1H2016</b>	<b>1H2015</b>	<b>% change</b>	<b>Like-for-like at constant currency % change</b>
<b>USD million</b>				
Consolidated throughput (TEU '000)	2,531	2,374	6.6%	6.6%
Revenue	221	202	9.5%	15.3%
Share of profit from equity-accounted investees	62	59	5.8%	12.5%
Adjusted EBITDA	163	139	17.3%	23.6%
Adjusted EBITDA margin	73.7%	68.8%	-	73.7% <sup>6</sup>

Markets conditions in the Asia Pacific and Indian Subcontinent region were generally positive. Volume growth of 6.6% was driven by the Indian subcontinent terminals as the region benefited from new capacity in Mumbai (India) and a favourable trading environment.

Revenue growth of 9.5% to \$221 million was stronger than volume growth due to an improvement in containerised revenue per TEU. Our share of profit from equity-accounted investees rose 5.8% to \$62 million mainly due to strong performance in China, Hong Kong and Indonesia.

Adjusted EBITDA of \$163 million was 17.3% higher than the same period last year, while the adjusted EBITDA margin increased to 73.7%. Like-for-like growth was stronger at 23.6% as currency fluctuations adversely impacted top line growth.

Capital expenditure in this region during the year was \$37 million, mainly focused on the capacity expansion in Mumbai (India).

## **Australia and Americas**

<b>Reported results before separately disclosed items</b>	<b>1H2016</b>	<b>1H2015</b>	<b>% change</b>	<b>Like-for-like at constant currency % change</b>
<b>USD million</b>				
Consolidated throughput (TEU '000)	1,464	1,226	19.4%	(10.5%)
Revenue	331	322	2.5%	(9.6%)
Share of profit from equity-accounted investees	9.5	(34.1)	127.9%	9.3%
Adjusted EBITDA	153	105	45.1%	(10.1%)
Adjusted EBITDA margin	46.2%	32.6%	-	38.1% <sup>6</sup>

Market conditions in the Australia and Americas region have been challenging. Volatile currency and weaker commodity prices led to softer economic growth in this region. Reported volumes grew by 19.4%, benefiting from the inclusion of Prince Rupert (Canada) from August 2015 onwards. Revenues grew by 2.5% to \$331 million. Profit from equity-accounted investees was \$9.5 million, with the year-on-year improvement driven by foreign exchange gains in Brazil.

Adjusted EBITDA was \$153 million, 45.1% ahead of the prior year mainly due to the acquisition of Prince Rupert, foreign exchange gains in Brazil and improved performance in equity-accounted investees. However, like-for-like throughput volumes were down by 10.5%, like-for-like total revenue growth at constant currency was down by 9.6%, and like-for-like adjusted EBITDA declined by 10.1% on the prior period, reflecting the overall macro weakness in Latin America.

We invested \$81 million capital expenditure in our terminals across this region during the year mainly focused in Prince Rupert (Canada).

## **Cash Flow and Balance Sheet**

Cash generation remained strong with cash from operations standing at \$905 million for 1H2016. Our capital expenditure reached \$586 million across the portfolio as we delivered new capacity in Mumbai (India), Yarimca (Turkey), London Gateway (UK) and Jebel Ali (UAE). Gross debt stayed broadly flat at \$7,675 million in 1H2016 compared to \$7,670 at 31 December 2015. Net debt was slightly higher at \$6,394 million compared to \$6,234 at year end as the cash on the balance sheet in 1H2016 of \$1,281 million was lower due to capital expenditure. Our balance sheet shows that leverage (net debt to annualized adjusted EBITDA) decreased to 2.9 times from 3.2 times at 31 December 2015.



Overall, the balance sheet remains strong with ongoing strong cash generation and plenty of headroom and flexibility to add to our portfolio should favourable assets become available at attractive prices.

## **Capital Expenditure**

Consolidated capital expenditure in the first half of 2016 was \$586 million, with maintenance capital expenditure of \$50 million. We expect the full year 2016 capital expenditure to remain in a range of \$1.2-\$1.4 billion and we look forward to adding further capacity at London Gateway (UK).

## **Net finance costs before separately disclosed items**

Net finance cost for the six months was lower than the prior period at \$142 million (1H2015: \$161 million) mainly due to favourable currency translation impact.

## **Taxation**

DP World is not subject to income tax on its UAE operations. The tax expense relates to the tax payable on the profit earned by overseas subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. For the first six months of the year, DP World's income tax expense before separately disclosed items was \$91 million (1H2015: \$74 million) due to a stronger performance within tax paying jurisdictions and a one-time credit adjustment in 2015 related to UK corporate tax.

## **Profit attributable to non-controlling interests (minority interest)**

Profit attributable to non-controlling interests (minority interest) before separately disclosed items was \$65 million, (1H2015: \$51 million) ahead of the comparable period due to a generally stronger performance in Americas, Middle East and Africa.

## **Separately disclosed items**

DP World reported separately disclosed items of \$52 million loss, mainly representing costs incurred on refinancing long term debt offset by change in fair value of convertible bond option.

## **Earnings per share (EPS)**

As at 30 June 2016, basic EPS after separately disclosed items was 67.1 US cents. Basic EPS before separately disclosed items was 73.2 US cents, representing 50.2% growth on prior year.

## **Dividends**

It is our current dividend policy that not less than 20% of our profit for the year attributable to owners of the Company (after separately disclosed items) will be distributed as dividends.

Dividends in respect of the full year 2016 will be proposed at the time of the preliminary results in March 2017.

<b>Sultan Ahmed Bin Sulayem</b> <b>Group Chairman and Chief Executive Officer</b>	<b>Yuvraj Narayan</b> <b>Group Chief Financial Officer</b>
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**DP World Limited  
and its subsidiaries**

Condensed consolidated  
interim financial statements  
*30 June 2016*

# DP World Limited and its subsidiaries

## **Condensed consolidated interim financial statements**

*for the six months ended 30 June 2016*

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## **Independent Auditors' report on review of condensed consolidated interim financial statements**

The Shareholders  
DP World Limited

### **Introduction**

We have reviewed the accompanying 30 June 2016 condensed consolidated interim financial statements of DP World Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2016;
- the condensed consolidated income statement for the six month period ended 30 June 2016;
- the condensed consolidated statement of other comprehensive income for the six month period ended 30 June 2016;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2016;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2016; and
- notes to the interim financial statements.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

### **Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2016 condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*KPMG Lower Gulf Limited*  
Rohit Rajvanshi

18 August 2016

# DP World Limited and its subsidiaries

## Condensed consolidated statement of profit or loss

	Note	Period ended 30 June 2016			Period ended 30 June 2015		
		Before separately disclosed items	Separately disclosed items (Note 7)	Total	Before separately disclosed items	Separately disclosed items (Note 7)	Total
		USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)	USD'000 (Unaudited)
Revenue		2,093,783	33,107	2,126,890	1,899,923	59,335	1,959,258
Cost of sales		(1,005,636)	(33,107)	(1,038,743)	(998,860)	(59,335)	(1,058,195)
<b>Gross profit</b>		<b>1,088,147</b>	<b>-</b>	<b>1,088,147</b>	<b>901,063</b>	<b>-</b>	<b>901,063</b>
General and administrative expenses		(265,764)	(6,160)	(271,924)	(259,129)	-	(259,129)
Other income		14,493	-	14,493	14,767	-	14,767
Share of profit from equity-accounted investees (net of tax)	13	68,930	-	68,930	32,968	-	32,968
<b>Results from operating activities</b>		<b>905,806</b>	<b>(6,160)</b>	<b>899,646</b>	<b>689,669</b>	<b>-</b>	<b>689,669</b>
Finance income		73,430	59,570	133,000	48,370	10,368	58,738
Finance costs		(215,469)	(114,368)	(329,837)	(209,340)	(48,998)	(258,338)
<b>Net finance costs</b>		<b>(142,039)</b>	<b>(54,798)</b>	<b>(196,837)</b>	<b>(160,970)</b>	<b>(38,630)</b>	<b>(199,600)</b>
<b>Profit before tax</b>		<b>763,767</b>	<b>(60,958)</b>	<b>702,809</b>	<b>528,699</b>	<b>(38,630)</b>	<b>490,069</b>
Income tax expense	6	(90,997)	8,535	(82,462)	(73,650)	-	(73,650)
<b>Profit for the period</b>		<b>672,770</b>	<b>(52,423)</b>	<b>620,347</b>	<b>455,049</b>	<b>(38,630)</b>	<b>416,419</b>
<b>Profit attributable to:</b>							
Owners of the Company		607,557	(50,267)	557,290	404,538	(40,493)	364,045
Non-controlling interests		65,213	(2,156)	63,057	50,511	1,863	52,374
		<b>672,770</b>	<b>(52,423)</b>	<b>620,347</b>	<b>455,049</b>	<b>(38,630)</b>	<b>416,419</b>
<b>EBITDA - adjusted</b>	5	<b>1,175,950</b>		<b>-</b>	<b>924,129</b>	<b>-</b>	<b>-</b>
<b>Earnings per share</b>							
Basic earnings per share – US cents	9	<b>73.20</b>		<b>67.14</b>	48.74	-	43.86
Diluted earnings per share – US cents	9	<b>71.16</b>		<b>59.64</b>	47.73	-	43.86

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

# DP World Limited and its subsidiaries

## Condensed consolidated statement of other comprehensive income

		<b>30 June 2016</b>	30 June 2015
	<i>Note</i>	<b>USD'000</b>	USD'000
		<b>(Unaudited)</b>	(Unaudited)
<b>Profit for the period</b>		<b>620,347</b>	416,419
<b>Other comprehensive income</b>			
<b><i>Items that are or may be reclassified to profit or loss:</i></b>			
Foreign exchange translation differences – foreign operations*		<b>(229,875)</b>	(167,409)
Net change in fair value of available-for-sale financial assets		<b>(3,909)</b>	5,457
Share of other comprehensive income of equity-accounted investees	13	<b>(4,185)</b>	3,306
Cash flow hedges – effective portion of changes in fair value		<b>(77,603)</b>	21,273
Related tax on fair value of cash flow hedges		<b>10,934</b>	(3,914)
<b><i>Items that will never be reclassified to profit or loss:</i></b>			
Re-measurements of post-employment benefit obligations**		<b>(217,266)</b>	(5,147)
Related tax		<b>4,999</b>	(412)
<b>Other comprehensive income for the period, net of tax</b>		<b>(516,905)</b>	(146,846)
<b>Total comprehensive income for the period</b>		<b>103,442</b>	269,573
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>45,287</b>	215,553
Non-controlling interests		<b>58,155</b>	54,020
		<b>103,442</b>	269,573

\* A significant portion of this includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. The translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency are also reflected here. There are no differences on translation from functional to presentation currency as the Company's functional currency is pegged to the presentation currency.

\*\* This includes reapportionment of pension fund deficit contribution from a related party and increase in pension actuarial loss on account of decrease in discount rate at reporting date.

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

# DP World Limited and its subsidiaries

## Condensed consolidated statement of financial position

		<b>30 June 2016</b>	31 December 2015
	<i>Note</i>	<b>USD'000</b>	USD'000
		<b>(Unaudited)</b>	(Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>7,071,061</b>	6,969,126
Investment properties	<i>11</i>	<b>1,238,373</b>	1,177,229
Intangible assets and goodwill	<i>12</i>	<b>6,944,575</b>	7,134,917
Investment in equity-accounted investees	<i>13</i>	<b>2,354,540</b>	2,408,321
Other investments		<b>64,815</b>	68,736
Accounts receivable and prepayments		<b>352,578</b>	249,056
<b>Total non-current assets</b>		<b>18,025,942</b>	18,007,385
<b>Current assets</b>			
Inventories		<b>68,304</b>	61,520
Accounts receivable and prepayments		<b>850,713</b>	753,627
Cash and cash equivalents	<i>14</i>	<b>1,281,154</b>	1,436,595
<b>Total current assets</b>		<b>2,200,171</b>	2,251,742
<b>Total assets</b>		<b>20,226,113</b>	20,259,127
<b>Equity</b>			
Share capital	<i>18</i>	<b>1,660,000</b>	1,660,000
Share premium		<b>2,472,655</b>	2,472,655
Shareholders reserve		<b>2,000,000</b>	2,000,000
Retained earnings		<b>5,030,672</b>	4,722,382
Translation reserve		<b>(1,817,261)</b>	(1,593,342)
Other reserves	<i>19</i>	<b>(782,945)</b>	(494,861)
<b>Total equity attributable to equity holders of the Company</b>		<b>8,563,121</b>	8,766,834
<b>Non-controlling interests</b>		<b>406,478</b>	367,764
<b>Total equity</b>		<b>8,969,599</b>	9,134,598
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	<i>20</i>	<b>7,552,606</b>	7,527,231
Accounts payable and accruals		<b>436,039</b>	463,057
Deferred tax liabilities		<b>900,582</b>	940,636
Employees' end of service benefits		<b>104,392</b>	97,762
Pension and post-employment benefits		<b>353,473</b>	180,887
<b>Total non-current liabilities</b>		<b>9,347,092</b>	9,209,573
<b>Current liabilities</b>			
Interest bearing loans and borrowings	<i>20</i>	<b>122,258</b>	143,047
Accounts payable and accruals		<b>1,626,987</b>	1,614,580
Income tax liabilities		<b>153,223</b>	147,320
Pension and post-employment benefits		<b>6,954</b>	10,009
<b>Total current liabilities</b>		<b>1,909,422</b>	1,914,956
<b>Total liabilities</b>		<b>11,256,514</b>	11,124,529
<b>Total equity and liabilities</b>		<b>20,226,113</b>	20,259,127

*The accompanying notes form an integral part of these condensed consolidated interim financial statements.  
The condensed consolidated interim financial statements were authorised for issue on 18 August 2016.*

.....  
Sultan Ahmed Bin Sulayem  
Chairman and Chief Executive Officer

.....  
Yuvraj Narayan  
Chief Financial Officer



# DP World Limited and its subsidiaries

## Condensed consolidated statement of changes in equity

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital and premium	Shareholders reserve	Retained Earnings	Translation reserve	Other reserves	Total		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance as at 1 January 2015</b>	4,132,655	2,000,000	3,918,177	(1,061,117)	(492,317)	8,497,398	529,262	9,026,660
Profit for the period	-	-	364,045		-	364,045	52,374	416,419
Other comprehensive income, net of tax	-	-	-	(166,328)	17,836	(148,492)	1,646	(146,846)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid (refer to note 8)	-	-	(195,050)	-	-	(195,050)	-	(195,050)
<b>Changes in ownership interests in subsidiaries without change of control</b>								
Acquisition of non-controlling interests without change in control	-	-	(11,025)	-	-	(11,025)	(8,975)	(20,000)
<b>Transactions with non-controlling interests, recognised directly in equity</b>								
Dividends paid	-	-	-	-	-	-	(11,545)	(11,545)
Acquisition of subsidiary with non-controlling interests (refer to note 15 (b))	-	-	-	-	-	-	8,950	8,950
<b>Balance as at 30 June 2015</b>	4,132,655	2,000,000	4,076,147	(1,227,445)	(474,481)	8,506,876	571,712	9,078,588
<b>Balance as at 1 January 2016</b>	4,132,655	2,000,000	4,722,382	(1,593,342)	(494,861)	8,766,834	367,764	9,134,598
Profit for the period	-	-	557,290			557,290	63,057	620,347
Other comprehensive income, net of tax	-	-	-	(223,919)	(288,084)	(512,003)	(4,902)	(516,905)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid (refer to note 8)	-	-	(249,000)	-	-	(249,000)	-	(249,000)
<b>Transactions with non-controlling interests, recognised directly in equity</b>								
Contributions by non-controlling interests	-	-	-	-	-	-	2,000	2,000
Dividends paid	-	-	-	-	-	-	(21,441)	(21,441)
<b>Balance as at 30 June 2016</b>	<b>4,132,655</b>	<b>2,000,000</b>	<b>5,030,672</b>	<b>(1,817,261)</b>	<b>(782,945)</b>	<b>8,563,121</b>	<b>406,478</b>	<b>8,969,599</b>

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

# DP World Limited and its subsidiaries

## Condensed consolidated statement of cash flows

		<b>30 June 2016</b>	30 June 2015
	<i>Note</i>	<b>USD'000</b>	USD'000
		<b>(Unaudited)</b>	(Unaudited)
<b>Cash flows from operating activities</b>			
Gross cash flows from operations	14	<b>1,100,751</b>	890,545
Changes in:			
Inventories		<b>(9,294)</b>	(512)
Accounts receivable and prepayments		<b>(122,336)</b>	33,335
Accounts payable and accruals		<b>(41,566)</b>	(66,124)
Provisions, pensions and post-employment benefits		<b>(22,691)</b>	(595)
<b>Cash generated from operating activities</b>		<b>904,864</b>	856,649
Income taxes paid		<b>(82,739)</b>	(100,877)
<b>Net cash from operating activities</b>		<b>822,125</b>	755,772
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	10	<b>(475,876)</b>	(466,491)
Additions to investment properties	11	<b>(77,923)</b>	(52,288)
Additions to port concession rights	12	<b>(32,321)</b>	(77,844)
Proceeds from disposal of property, plant and equipment and port concession rights		<b>1,732</b>	1,989
Net cash outflow on acquisition of subsidiaries	15	<b>-</b>	(2,120,936)
Net cash outflow on acquisition of non-controlling interests without change in control	15	<b>-</b>	(20,000)
Interest received		<b>17,560</b>	17,660
Dividends received from equity-accounted investees		<b>37,555</b>	36,709
Additional investment in equity-accounted investees		<b>(8,350)</b>	(13,494)
Net loans from / (to) equity-accounted investees		<b>40,941</b>	(40,532)
<b>Net cash used in investing activities</b>		<b>(496,682)</b>	(2,735,227)
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		<b>(888,380)</b>	(89,665)
Drawdown of interest bearing loans and borrowings		<b>848,911</b>	1,159,147
Proceeds from issue of 2023 Sukuk		<b>1,200,000</b>	-
Redemption of 2017 Sukuk		<b>(1,174,455)</b>	-
Transaction cost paid on issuance of 2023 Sukuk		<b>(10,505)</b>	-
Interest paid		<b>(171,027)</b>	(131,495)
Dividend paid to the owners of the Company		<b>(249,000)</b>	(195,050)
Contribution from non-controlling interests		<b>2,000</b>	-
Dividend paid to non-controlling interests		<b>(21,441)</b>	(11,545)
<b>Net cash (used in)/ from financing activities</b>		<b>(463,897)</b>	731,392
<b>Net decrease in cash and cash equivalents</b>		<b>(138,454)</b>	(1,248,063)
Cash and cash equivalents as at 1 January		<b>1,436,595</b>	3,723,073
Effect of exchange rate fluctuations on cash held		<b>(16,987)</b>	(12,198)
<b>Cash and cash equivalents as at 30 June</b>		<b>1,281,154</b>	2,462,812

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

# DP World Limited and its subsidiaries

## Notes to the condensed consolidated interim financial statements

### 1. Corporate information

DP World Limited (“the Company”) was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre (“DIFC”) under the Companies Law, DIFC Law No. 3 of 2006. The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine terminal operations, economic zones, free zones and industrial zones.

Port & Free Zone World FZE (“the Parent Company”), which originally held 100% of the Company’s issued and outstanding share capital, made an initial public offer of 19.55% of its share capital to the public and the Company was listed on the Nasdaq Dubai with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation (“the Ultimate Parent Company”).

The Company’s registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

### 2. Basis for preparation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2015.

The condensed consolidated interim financial statements were approved by the Board of Directors on 18 August 2016.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for derivative financial instruments and available-for-sale financial assets which are measured at fair value.

### 3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

### 4. Use of estimates and judgements

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

# DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

## 5. Segment information

The Group has identified the following geographic areas as its basis of segmentation. The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation (“Adjusted EBITDA”).

- Asia Pacific and Indian subcontinent
- Australia and Americas
- Middle East, Europe and Africa

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker. In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment properties, and port concession rights other than goodwill.

Information regarding the results of each reportable segment is included below.

# DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

## 5. Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's segments as at the reporting date.

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	254,493	261,470	330,526	322,415	1,541,871	1,375,373	-	-	-	-	2,126,890	1,959,258
Adjusted for separately disclosed items	(33,107)	(59,335)	-	-	-	-	-	-	-	-	(33,107)	(59,335)
<b>Revenue before separately disclosed items</b>	<b>221,386</b>	<b>202,135</b>	<b>330,526</b>	<b>322,415</b>	<b>1,541,871</b>	<b>1,375,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,093,783</b>	<b>1,899,923</b>
<b>Adjusted EBITDA</b>	<b>163,129</b>	<b>139,105</b>	<b>152,580</b>	<b>105,153</b>	<b>869,219</b>	<b>749,818</b>	<b>(8,978)</b>	<b>(69,947)</b>	<b>-</b>	<b>-</b>	<b>1,175,950</b>	<b>924,129</b>
Finance income	-	-	-	-	-	-	73,430	48,370	-	-	73,430	48,370
Finance costs	-	-	-	-	-	-	(215,469)	(209,340)	-	-	(215,469)	(209,340)
Tax expense	-	-	-	-	-	-	(90,997)	(73,650)	-	-	(90,997)	(73,650)
Depreciation and amortisation	(32,438)	(35,303)	(38,091)	(31,994)	(194,404)	(163,945)	(5,211)	(3,218)	-	-	(270,144)	(234,460)
Adjusted net profit/ (loss) for the year before separately disclosed items	130,691	103,802	114,489	73,159	674,815	585,873	(247,225)	(307,785)	-	-	672,770	455,049
Adjusted for separately disclosed items	-	-	-	-	(6,160)	-	(46,263)	(38,630)	-	-	(52,423)	(38,630)
<b>Profit/ (loss) for the year</b>	<b>130,691</b>	<b>103,802</b>	<b>114,489</b>	<b>73,159</b>	<b>668,655</b>	<b>585,873</b>	<b>(293,488)</b>	<b>(346,415)</b>	<b>-</b>	<b>-</b>	<b>620,347</b>	<b>416,419</b>

Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.

# DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

## 5. Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Segment assets</b>	<b>3,797,237</b>	3,798,105	<b>2,113,481</b>	1,992,483	<b>14,892,244</b>	14,922,804	<b>9,494,793</b>	9,823,975	<b>(10,071,642)</b>	(10,278,240)	<b>20,226,113</b>	20,259,127
<b>Segment liabilities</b>	<b>368,254</b>	344,585	<b>593,552</b>	569,667	<b>3,501,857</b>	3,433,642	<b>8,758,764</b>	8,935,589	<b>(3,019,718)</b>	(3,246,910)	<b>10,202,709</b>	10,036,573
<b>Tax liabilities *</b>	-	-	-	-	-	-	<b>1,053,805</b>	1,087,956	-	-	<b>1,053,805</b>	1,087,956
<b>Total liabilities</b>	<b>368,254</b>	344,585	<b>593,552</b>	569,667	<b>3,501,857</b>	3,433,642	<b>9,812,569</b>	10,023,545	<b>(3,019,718)</b>	(3,246,910)	<b>11,256,514</b>	11,124,529
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Capital expenditure</b>	<b>37,046</b>	61,250	<b>80,951</b>	26,010	<b>466,538</b>	507,825	<b>1,585</b>	1,538	-	-	<b>586,120</b>	596,623
<b>Depreciation</b>	<b>11,662</b>	12,594	<b>27,198</b>	26,131	<b>154,976</b>	136,573	<b>5,212</b>	3,218	-	-	<b>199,048</b>	178,516
<b>Amortisation</b>	<b>20,776</b>	22,709	<b>10,893</b>	5,863	<b>39,427</b>	27,372	-	-	-	-	<b>71,096</b>	55,944
<b>Share of profit/ (loss) of equity-accounted investees before separately disclosed items</b>	<b>62,147</b>	58,728	<b>9,541</b>	(34,136)	<b>(2,758)</b>	8,376	-	-	-	-	<b>68,930</b>	32,968
<b>Tax expense</b>	-	-	-	-	-	-	<b>82,462</b>	73,650	-	-	<b>82,462</b>	73,650

\*Tax liabilities and tax expenses from various geographical locations have been grouped under head office.

# DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

## 6. Income tax

The Group's effective tax rate in respect of continuing operations is as below:

	Six months ended 30 June 2016	Six months ended 30 June 2015
	(Unaudited)	(Unaudited)
Before separately disclosed items	16.14%	18.88%
Including separately disclosed items	16.32%	20.28%

The effective tax rate has decreased primarily due to the acquisition of a subsidiary in a no tax jurisdiction in the 'Middle East, Europe and Africa' region.

## 7. Separately disclosed items

	Six months ended 30 June 2016	Six months ended 30 June 2015
	USD'000	USD'000
	(Unaudited)	(Unaudited)
<b>Revenue :</b>		
Construction contract revenue relating to service concessions	33,107	59,335
<b>Cost of sales :</b>		
Construction contract costs relating to service concessions	(33,107)	(59,335)
<b>General and administrative expenses :</b>		
Restructuring costs	(6,160)	-
<b>Finance income :</b>		
Change in fair value of convertible bond option	59,570	-
Ineffective interest rate swap gain	-	1,053
Net gain on restructuring of loan	-	9,315
<b>Finance costs :</b>		
Change in fair value of convertible bond option	-	(30,242)
Interest accretion on convertible bond	(9,938)	(18,756)
Premium on early redemption of sukuk	(61,755)	-
Transaction costs written off on restructuring of loan	(40,325)	-
Ineffective interest rate swap loss	(2,350)	-
<b>Income tax credit</b>	<b>8,535</b>	-
<b>Total</b>	<b>(52,423)</b>	<b>(38,630)</b>

**Construction contract revenue and costs:** In accordance with IFRIC 12 '*Service Concession Arrangements*', the Group has recorded revenue on the construction of a port in the 'Asia Pacific and Indian subcontinent' region. The construction revenue represents the fair value of the construction services provided in developing the port. No margin has been recognised, as in management's opinion the fair value of the construction services provided approximates the construction cost.

**Restructuring costs** relate to a subsidiary in the 'Middle East, Europe and Africa' region.

**Change in fair value of convertible bond option** relates to the movement based on re-measured fair value of the embedded derivative liability of the convertible bonds.

**Ineffective interest rate swap gain/ loss** relates to an ineffective element of hedge in a subsidiary in the 'Middle East, Europe and Africa' region.

# DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

## 7. Separately disclosed items (continued)

**Net gain on restructuring of loan** mainly represents the fair value gain being the difference between the fair value of the loan based on market rate of interest as against the carrying value, reversal of excess interest accrual on the old loan partly offset by the transaction costs written off on the restructuring of loan in a subsidiary in the ‘Asia Pacific and Indian subcontinent’ region.

**Interest accretion on convertible bond** represents the accretion of liability component as at the reporting date to the amount that will be payable on redemption of the convertible bond.

**Premium on early redemption of sukuk** represents the redemption premium paid on an early redemption of sukuk bond liability.

**Transaction cost written off on restructuring of loan** relates to a subsidiary in the ‘Middle East, Europe and Africa’ region.

**Income tax credit** relates to a subsidiary in the ‘Middle East, Europe and Africa’ region.

## 8. Dividends paid

Dividends relating to 2015 amounting to USD 249,000 thousand was paid during the period ended 30 June 2016 (30 June 2015: USD 195,050 thousand)

## 9. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	30 June 2016	30 June 2016	30 June 2015	30 June 2015
	Before separately disclosed items	Adjusted for separately disclosed items	Before separately disclosed items	Adjusted for separately disclosed items
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to the ordinary shareholders of the Company (a)	607,557	557,290	404,538	364,045
Add: costs related to convertible bonds saved as a result of the conversion	9,320	(40,312)	9,195	58,193
<b>Profit attributable to the ordinary shareholders of the Company after conversion (b)</b>	<b>616,877</b>	<b>516,978</b>	413,733	422,238
Weighted average number of basic shares outstanding as at 31 December (c)	830,000	830,000	830,000	830,000
Weighted average numbers of shares due to conversion of convertible bond	36,847	36,847	36,847	36,847
<b>Total weighted average number of ordinary share (diluted) outstanding – (d)</b>	<b>866,847</b>	<b>866,847</b>	866,847	866,847
<b>Basic earnings per share US cents – (a/c)</b>	<b>73.20</b>	<b>67.14</b>	48.74	43.86
<b>Diluted earnings per share US cents – (b/d)</b>	<b>71.16</b>	<b>59.64</b>	47.73	43.86



# DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

## **10. Property, plant and equipment**

During the six months period ended 30 June 2016, the Group acquired assets amounting to USD 475,876 thousand (30 June 2015: USD 466,491 thousand).

The depreciation on property, plant and equipment during the six months period ended 30 June 2016 amounted to USD 183,457 thousand (30 June 2015: USD 170,393 thousand).

Assets with a net carrying amount of USD 1,623 thousand were disposed by the Group during the six month period ended 30 June 2016 (30 June 2015: USD 1,373 thousand), resulting in a gain on disposal of USD 109 thousand (30 June 2015: loss of USD 616 thousand).

## **11. Investment properties**

During the six months period ended 30 June 2016, the Group invested USD 77,923 thousand (30 June 2015: USD 52,288 thousand) and has incurred depreciation charge of USD 15,591 thousand (30 June 2015: USD 8,123 thousand).

## **12. Intangible assets and goodwill**

### ***Port concession rights***

During the six months period ended 30 June 2016, the Group acquired port concession rights amounting to USD 32,321 thousand (30 June 2015: USD 77,844 thousand).

The amortization of port concession rights during the six months period ended 30 June 2016 amounted to USD 56,502 thousand (30 June 2015: USD 47,466 thousand).

### ***Goodwill***

During the six months period ended 30 June 2016, the reduction in goodwill represents the impact of foreign currency translation of USD 69,220 thousand (30 June 2015: USD 13,246 thousand).

### ***Land-use rights***

The amortization of land-use rights during the six months period ended 30 June 2016 amounted to USD 14,594 thousand (30 June 2015: USD 8,478 thousand).

## DP World Limited and its subsidiaries

### Notes to the consolidated financial statements

#### 13. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value at acquisition and reconciled to the carrying amount of Group's interest in equity-accounted investees as included in the condensed consolidated interim statement of financial position:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash and cash equivalents	465,331	386,429	104,406	102,991	187,989	204,006	757,726	693,426
Other current assets	303,353	226,744	101,376	97,990	167,835	150,528	572,564	475,262
Non-current assets	7,153,205	7,262,814	2,199,549	2,078,861	2,446,725	2,440,019	11,799,479	11,781,694
<b>Total assets</b>	<b>7,921,889</b>	<b>7,875,987</b>	<b>2,405,331</b>	<b>2,279,842</b>	<b>2,802,549</b>	<b>2,794,553</b>	<b>13,129,769</b>	<b>12,950,382</b>
Current financial liabilities	-	10,780	94,593	84,154	38,944	36,187	133,537	131,121
Other current liabilities	441,235	357,476	137,070	200,634	180,818	199,323	759,123	757,433
Non-current financial liabilities	1,189,584	1,098,965	1,537,010	1,434,621	534,101	543,778	3,260,695	3,077,364
Other non-current liabilities	628,684	637,175	122,032	77,751	560,825	510,608	1,311,541	1,225,534
<b>Total liabilities</b>	<b>2,259,503</b>	<b>2,104,396</b>	<b>1,890,705</b>	<b>1,797,160</b>	<b>1,314,688</b>	<b>1,289,896</b>	<b>5,464,896</b>	<b>5,191,452</b>
<b>Net assets (100%)</b>	<b>5,662,386</b>	<b>5,771,591</b>	<b>514,626</b>	<b>482,682</b>	<b>1,487,861</b>	<b>1,504,657</b>	<b>7,664,873</b>	<b>7,758,930</b>
<b>Group's share of net assets in equity-accounted investees</b>							<b>2,354,540</b>	<b>2,408,321</b>
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	809,024	808,576	287,573	293,305	276,693	268,292	1,373,290	1,370,173
Depreciation and amortisation	(154,851)	(151,699)	(51,131)	(64,902)	(47,676)	(28,258)	(253,658)	(244,859)
Other expenses	(296,914)	(313,637)	(205,248)	(212,075)	(220,831)	(202,256)	(722,993)	(727,968)
Finance costs	(36,138)	(50,041)	(119,933)	(141,281)	(20,042)	(8,521)	(176,113)	(199,843)
Finance income	8,505	16,596	110,388	5,371	1,633	1,319	120,526	23,286
Income tax expense	(82,228)	(74,481)	(13,086)	(202)	(11,171)	(10,693)	(106,485)	(85,376)
<b>Net profit/ (loss)</b>	<b>247,398</b>	<b>235,314</b>	<b>8,563</b>	<b>(119,784)</b>	<b>(21,394)</b>	<b>19,883</b>	<b>234,567</b>	<b>135,413</b>
<b>Group's share of profit/ (loss) (before separately disclosed items)</b>	<b>62,147</b>	<b>58,728</b>	<b>9,541</b>	<b>(34,136)</b>	<b>(2,758)</b>	<b>8,376</b>	<b>68,930</b>	<b>32,968</b>
<b>Group's share of other comprehensive income</b>							<b>(4,185)</b>	<b>3,306</b>

# DP World Limited and its subsidiaries

## Notes to the consolidated financial statements

### 14. Cash and cash equivalents

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
	<b>(Unaudited)</b>	(Audited)
Cash at banks and in hand	<b>566,724</b>	334,447
Short-term deposits	<b>629,500</b>	1,033,771
Deposits under lien	<b>84,930</b>	68,377
<b>Cash and cash equivalents for consolidated statement of cash flows</b>	<b>1,281,154</b>	1,436,595

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates. Bank overdrafts are repayable on demand.

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries. The fair value of cash and cash equivalents approximates to the carrying value due to the short term maturity of these instruments.

### Cash flow information

		<b>30 June 2016</b>	30 June 2015
	<i>Note</i>	<b>USD'000</b>	USD'000
		<b>(Unaudited)</b>	(Unaudited)
<b>Cash flows from operating activities</b>			
Profit for the period		<b>620,347</b>	416,419
<i>Adjustments for:</i>			
Depreciation and amortization	5	<b>270,144</b>	234,460
Share of profit from equity-accounted investees (net of tax)		<b>(68,930)</b>	(32,968)
Finance costs		<b>329,837</b>	258,338
Gain on sale of property, plant and equipment and port concession rights		<b>(109)</b>	(616)
Finance income		<b>(133,000)</b>	(58,738)
Income tax expense		<b>82,462</b>	73,650
<b>Gross cash flows from operations</b>		<b>1,100,751</b>	890,545

# DP World Limited and its subsidiaries

## Notes to the consolidated financial statements

### 15. Business combinations

#### 2016 acquisitions: Nil

#### 2015 acquisitions:

a) On 16 March 2015, the Group acquired 100% ownership of Economic Zones World FZE (EZW - an entity previously owned by the Parent Company) for a total cash consideration of USD 2,715,837 thousand (cash acquired on acquisition USD 606,222 thousand). The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
<b>Assets</b>		
Property, plant and equipment	2,556	2,556
Land use rights	2,265,464	2,677,717
Investment properties	1,045,539	1,069,993
Investment in equity-accounted investees	11,150	11,150
Accounts receivables and prepayments	20,665	20,665
Cash and cash equivalents	606,222	606,222
<b>Liabilities</b>		
Employees' end of service benefits	(7,892)	(7,892)
Loans and borrowings	(1,195,545)	(1,301,740)
Income tax liabilities	(28)	(28)
Accounts payable and accruals	(362,806)	(362,806)
<b>Net assets</b>	<b>2,385,325</b>	<b>2,715,837</b>
<b>Total cost of acquisition</b>		<b>2,715,837</b>

For the previous year, EZW has contributed profit of USD 99,191 thousand to the Group. If the acquisition had taken place at the beginning of the year, the profit of the Group for the previous year would have increased by USD 57,900 thousand and revenue would have increased by USD 105,084 thousand.

The Group had not acquired any contingent liabilities as part of the acquisition and expected that the full contractual receivables will be collected (refer note 16 for related party transactions).

b) On 9 March 2015, the Group acquired 55.9% shares of Alianza Internacional Portuaria Alinport S.A. (Ecuador), a company holding the rights to build and operate a deep-water port in Ecuador for a total consideration of USD 11,344 thousand (cash acquired on acquisition USD 23 thousand). This acquisition had resulted in recognition of non-controlling interest of USD 8,950 thousand.

### 16. Related party transactions

#### Business combinations under common control

#### 2016: Nil

On 16 March 2015, the Group acquired 100% ownership of EZW from its Parent Company. This business combination were accounted under common control acquisitions (refer to note 15).

# DP World Limited and its subsidiaries

Notes to the consolidated financial statements

## 16. Related party transactions (continued)

### Other related party transactions

Transactions with related parties included in the condensed consolidated interim financial statements are as follows:

	Equity-accounted investees	Other related parties	30 June 2016 Total	Equity-accounted investees	Other related parties	30 June 2015 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Expenses charged:</i>						
Concession fee	-	22,571	22,571	-	25,294	25,294
Shared services	-	474	474	-	376	376
Other services	-	7,701	7,701	-	16,670	16,670
<i>Revenue earned:</i>						
Revenue	-	6,297	6,297	-	8,624	8,624
Management fee income	12,558	7,893	20,451	11,162	3,966	15,128
Finance income	11,250	-	11,250	8,649	-	8,649
<i>Other comprehensive income:</i>						
Reapportionment of pension fund deficit contribution	-	97,047	97,047	-	-	-

Balances with related parties included in the condensed consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Ultimate Parent Company	2,217	2,222	485	210
Parent Company	19,899	19,868	416	312
Equity-accounted investees	342,966	226,937	76,398	27,218
Other related parties	24,330	23,303	6,527	10,547
	389,412	272,330	83,826	38,287

The Group has issued guarantees of USD 43,781 thousand (31 December 2015: USD 52,455 thousand) on behalf of equity-accounted investees.

### Compensation of key management personnel

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

	30 June 2016	30 June 2015
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Short-term benefits and bonus	9,030	7,396
Post-retirement benefits	1,165	461
	10,195	7,857

# DP World Limited and its subsidiaries

## Notes to the consolidated financial statements

### 17. Financial instruments

#### Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated statement of financial position are as follows:

		30 June 2016	30 June 2016	31 December 2015	31 December 2015
	Fair value hierarchy	Carrying amount	Fair Value	Carrying amount	Fair Value
		USD'000	USD'000	USD'000	USD'000
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>Assets carried at fair value</b>					
Available-for-sale financial assets	1	9,323	9,323	9,202	9,202
Available-for-sale financial assets	2	47,294	47,294	51,336	51,336
Forward foreign currency contracts	2	-	-	408	408
		56,617	56,617	60,946	60,946
<b>Assets carried at amortised cost</b>					
Held to maturity investments	2	8,198	7,810	8,198	8,137
Trade and other receivables	3	990,085	990,085	861,112	861,112
Cash and cash equivalents	3	1,281,154	1,281,154	1,436,595	1,436,595
		2,279,437	2,279,049	2,305,905	2,305,844
<b>Liabilities carried at fair value</b>					
Interest rate swaps used for hedging	2	(151,287)	(151,287)	(85,463)	(85,463)
Embedded derivative option	2	(161,372)	(161,372)	(220,941)	(220,941)
		(312,659)	(312,659)	(306,404)	(306,404)
<b>Liabilities carried at amortised cost</b>					
Secured bank loans	3	(1,132,375)	(1,132,375)	(1,225,541)	(1,225,541)
Mortgage debenture stocks	3	(1,914)	(1,117)	(2,111)	(1,231)
Unsecured bond issues	1	(4,534,173)	(4,773,312)	(4,468,329)	(4,624,106)
Convertible bond	2	(792,307)	(813,543)	(781,799)	(813,764)
Unsecured bank and other loans	3	(1,189,137)	(1,189,137)	(1,164,221)	(1,164,221)
Finance lease liabilities	3	(24,958)	(24,958)	(28,277)	(28,277)
Trade and other payables	3	(1,570,001)	(1,570,001)	(1,542,219)	(1,542,219)
		(9,244,865)	(9,504,443)	(9,212,497)	(9,399,359)

The fair value of forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

The fair value of trade and other receivable and trade and other payables approximates to their carrying values.

Fair value of the embedded derivative option liability of convertible bond is based on a valuation model with market assumptions and fair value of the host liability component in the convertible bond is arrived at after deducting the fair value of embedded derivative option liability from the stock exchange quoted closing bid price of convertible bond at the reporting date.

A significant portion of bank and other loans carry a variable rate of interest and hence, the fair values reported approximate carrying values.

Fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

# DP World Limited and its subsidiaries

Notes to the consolidated financial statements

## 17. Financial instruments (continued)

### Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

## 18. Share capital

The share capital of the Company as at 31 December was as follows:

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
<i>Authorised</i>		
1,250,000,000 of USD 2.00 each	<b>2,500,000</b>	2,500,000
<i>Issued and fully paid</i>		
830,000,000 of USD 2.00 each	<b>1,660,000</b>	1,660,000

## 19. Other reserves

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	<b>Hedging reserve</b>	<b>Actuarial reserve</b>	<b>Total other reserves</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Balance as at 1 January 2015	(88,245)	(404,072)	(492,317)
Other comprehensive income, net of tax	24,204	(6,368)	17,836
Balance as at 30 June 2015	(64,041)	(410,440)	(474,481)
Balance as at 1 January 2016	<b>(83,320)</b>	<b>(411,541)</b>	<b>(494,861)</b>
Other comprehensive income, net of tax	<b>(75,817)</b>	<b>(212,267)</b>	<b>(288,084)</b>
Balance as at 30 June 2016	<b>(159,137)</b>	<b>(623,808)</b>	<b>(782,945)</b>

## 20. Interest bearing loans and borrowings

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
	<b>(Unaudited)</b>	(Audited)
<b>Non-current liabilities</b>		
Secured bank loans	<b>1,037,348</b>	1,106,519
Mortgage debenture stock	<b>1,914</b>	2,111
Unsecured bank loans	<b>1,156,535</b>	1,135,690
Unsecured bond issues	<b>4,534,173</b>	4,468,329
Convertible bond	<b>792,307</b>	781,799
Unsecured loans	<b>12,756</b>	11,952
Finance lease liabilities	<b>17,573</b>	20,831
	<b>7,552,606</b>	7,527,231
<b>Current liabilities</b>		
Secured bank loans	<b>95,027</b>	119,022
Unsecured bank loans and other loans	<b>19,846</b>	16,579
Finance lease liabilities	<b>7,385</b>	7,446
	<b>122,258</b>	143,047
<b>Total</b>	<b>7,674,864</b>	7,670,278

# DP World Limited and its subsidiaries

Notes to the consolidated financial statements

## 20. Interest bearing loans and borrowings (continued)

In May 2016, the Group issued new USD 1,200,000 thousand 7-year Sukuk (listed on NASDAQ Dubai) and the proceeds were used for an early redemption of USD 1,112,700 thousand of the existing USD 1,500,000 thousand 2017 Sukuk.

## 21. Operating leases

### Operating lease commitments – Group as a lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
	<b>(Unaudited)</b>	(Audited)
Within one year	<b>311,966</b>	311,551
Between one to five years	<b>1,200,699</b>	1,226,541
Between five to ten years	<b>1,303,031</b>	1,341,951
Between ten to twenty years	<b>1,915,093</b>	1,960,524
Between twenty to thirty years	<b>1,389,974</b>	1,446,799
Between thirty to fifty years	<b>1,286,188</b>	1,238,454
Between fifty to seventy years	<b>914,908</b>	1,034,857
More than seventy years	<b>869,163</b>	892,035
	<b>9,191,022</b>	9,452,712

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In respect of terminal operating leases, contingent rent is payable based on revenues/ profits earned in the future period. The majority of leases contain renewable options for additional lease periods at rental rates based on negotiations or prevailing market rates.

### Operating lease commitments – Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases at the reporting date:

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
	<b>(Unaudited)</b>	(Audited)
Within one year	<b>339,321</b>	334,035
Between one to five years	<b>663,527</b>	632,029
More than five years	<b>713,167</b>	643,717
	<b>1,716,015</b>	1,609,781

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods and at rental rates based on negotiations or prevailing market rates.



# DP World Limited and its subsidiaries

## Notes to the consolidated financial statements

### 22. Capital commitments

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
	<b>(Unaudited)</b>	(Audited)
Estimated capital expenditure contracted at the reporting date	<b>616,507</b>	671,637

### 23. Contingencies

- a) The Group has the following contingent liabilities at the reporting date:

	<b>30 June 2016</b>	31 December 2015
	<b>USD'000</b>	USD'000
	<b>(Unaudited)</b>	(Audited)
Payment guarantees	<b>23,986</b>	37,367
Performance guarantees	<b>119,142</b>	126,658
Letters of credit	<b>1,113</b>	749
Guarantees issued on behalf of equity-accounted investees	<b>44,391</b>	52,455

The bank guarantees and letters of credit are arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

- b) Chennai Port Trust (“CPT”) had raised a demand for an amount of USD 17,693 thousand (2015: USD 18,059 thousand) from Chennai Container Terminal Limited (“CCTL”), a subsidiary of the Company, on the basis that CCTL had failed to fulfil its obligations in respect of non-transshipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 9,453 thousand (2015: USD 9,648 thousand) under dispute in 2008. CCTL had initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on November 26, 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by Madras High Court on 8 January 2014 and accordingly a provision has been recognised against the above receivable. CCTL lodged an appeal before the Division Bench of Madras High Court along with a stay petition on 31 January 2014. The Appeal was taken up for hearing and admitted on 3 February 2014. CPT also made a statement before the Court that no further action would be taken by CPT against CCTL. The Court has admitted the matter and is pending for final hearing and disposal before the Division Bench of Madras High Court. The Group is confident that the case will be in favour of CCTL.
- c) On 8 July 2014, the Group was notified that the Office of the Inspector General of the Republic of Djibouti is investigating the awarding of the Doraleh Container Terminal (DCT) concession and had filed for arbitration before the London Court of International Arbitration. The Group rejects all the allegations made and will vigorously defend its position during the arbitration procedure. In order to maintain the operational status quo and to mitigate disruption at the terminal, the Group will continue to manage DCT in accordance with the terms of its concession agreement pending the determination of the arbitral tribunal.