BASE PROSPECTUS DATED 9 May 2016

DP WORLD CRESCENT LIMITED

(incorporated in the Cayman Islands as an exempted company with limited liability)

U.S.$3,000,000,000
Trust Certificate Issuance Programme

Under this U.S.$3,000,000,000 trust certificate issuance programme (the "**Programme**"), DP World Crescent Limited (in its capacity as issuer and as trustee, the "**Trustee**"), an exempted company incorporated in the Cayman Islands with limited liability, subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Certificates**"). The aggregate face amount of Certificates outstanding will not at any time exceed U.S.$3,000,000,000 (or its equivalent in other currencies).

Certificates may only be issued in registered form. The Certificates may be issued on a continuing basis to one or more of the Dealers specified under *"Overview of the Programme"* and any additional Dealer appointed under the Programme from time to time (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Certificates.

The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, please see "*Risk Factors*" on page 14.

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) a master declaration of trust dated 9 May 2016 (the "**Master Declaration of Trust**") entered into between the Trustee, DP World Limited ("**the Company**" or the "**Obligor**") and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegat**e"); and (ii) a supplemental declaration of trust in relation to the relevant Series (each a "**Supplemental Declaration of Trust**" and together with the Master Declaration of Trust, each a "**Declaration of Trust**"). Certificates of each Series 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 a *pro rata* ownership interest in the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the Trust Assets (as defined herein).

Application has been made to the United Kingdom Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000, as amended (the "**U.K. Listing Authority**") for Certificates issued under the Programme (other than Non-PD Certificates (as defined below)) during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the U.K. Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Certificates to be admitted to trading on the London Stock Exchange's regulated market (the "**Regulated Market**").

This Base 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 also been made to the DFSA for certain Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities (the "**DFSA Official List**") maintained by the DFSA and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai.

References in this Base Prospectus to Certificates (other than Non-PD Certificates) being "**listed**" (and all related references) shall mean that: (i) such Certificates have been admitted to listing on the Official List and admitted to trading on the Regulated Market which is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"); and/or (ii) such Certificates have been admitted to trading on NASDAQ Dubai and have been admitted to the DFSA Official List.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with each of the Trustee and the Company. The DFSA has also not assessed the suitability of the Certificates to which this Base Prospectus relates to any particular investor or type of investor and has not determined whether the Certificates are *Shari'a* compliant. If you do not understand the contents of this Base Prospectus or are unsure whether the Certificates to which this Base Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor**.**

Notice of the aggregate face amount of Certificates, profit (if any) payable in respect of Certificates, the issue price of Certificates and any other terms and conditions not contained herein which are applicable to each Series of Certificates (other than Non-PD Certificates) will be set out in a final terms document (the "**Final Terms**") which, with respect to Certificates to be listed on the Official List, will be delivered to the U.K. Listing Authority and the London Stock Exchange and which, with respect to Certificates to be listed on the DFSA Official List, will be delivered to the DFSA and NASDAQ Dubai.

The Programme also permits Certificates to be issued on the basis that they will not be admitted to listing, trading on a regulated market for the purposes of the Markets in Financial Instruments Directive in the European Economic Area and/or quotation by any competent authority, stock exchange and/or quotation system or on the basis that Certificates may be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer ("**Non-PD Certificates**") and, accordingly, no base prospectus will be required to be produced in accordance with Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU and any implementing measures in a relevant Member State) (the "**Prospectus Directive**"). Any terms and conditions not contained herein which are applicable to each Series of Non-PD Certificates will be set out in a pricing supplement (the "**Pricing Supplement**").

The Certificates have not been and will not be registered under the U.S. 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 or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), 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. In addition, the Trustee is not and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption provided by Section 3(c)7 thereof. Accordingly, the Certificates are being offered and sold: (i) to non-U.S. persons in offshore transactions in reliance on Regulation S (the "**Unrestricted Certificates**"); and (ii) within the United States to "qualified institutional buyers" (each a "**QIB**") as defined in Rule 144A under the Securities Act ("Rule **144A**") who are also "qualified purchasers" (each, a "**QP**") as defined in Section 2(a)(51) of the Investment Company Act in reliance on the exemption from registration provided by Rule 144A (the "**Restricted Certificates**"). See "*Form of the Certificates*" for a description of the manner in which Certificates will be issued. Prospective purchasers are hereby notified that sellers of the Restricted Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Trustee is a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be "banking entities" for the purposes of the Volcker Rule, which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates, may be restricted from holding the Certificates. **Any prospective investor in the Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule. For further information, see "*Important Notices*".**

The Company has been assigned long term credit ratings of Baa3 with a "stable outlook" by Moody's Investors Service Ltd. ("**Moody's**") and BBB- with a "positive outlook" by Fitch Ratings Limited ("**Fitch**"). The United Arab Emirates (the "**UAE**") has been assigned a credit rating of Aa2 by Moody's Investors Service Singapore Pte. Ltd. The rating of certain Series of Certificates to be issued under the Programme and the credit rating agency issuing such rating may be specified in the applicable Final Terms (or Pricing Supplement, as applicable).

Moody's Investors Service Singapore Pte. Ltd. is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The rating has been endorsed by Moody's in accordance with the CRA Regulation. Each of Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. As such, each of Fitch and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Limited information with respect to ratings will be disclosed in the applicable Final Terms (or Pricing Supplement, as applicable). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, change or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the *Shari'a* Advisory Board of Citi Islamic Investment Bank E.C., the Executive *Shariah* Committee of HSBC Saudi Arabia Limited, the *Shari'a* Supervision Board of Dubai Islamic Bank and Dar Al Sharia and the *Shari'a* Supervisory Board of First Gulf Bank P.J.S.C. Prospective Certificateholders should not rely on the approval referred to above 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 the approval referred to above is in compliance with *Shari'a* principles.

Arrangers and Dealers

Citigroup	**Deutsche Bank**	**Dubai Islamic Bank**
Emirates NBD Capital	**First Gulf Bank**	**HSBC**

IMPORTANT NOTICES

This Base 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 comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Trustee, the Company, the Group (as defined herein) and the Certificates which, according to the particular nature of the Trustee, the Company, the Group 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 the Company.

Each of the Trustee and the Company accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Series of Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Certificates*" as supplemented by the applicable Final Terms (or Pricing Supplement, as applicable). This Base Prospectus must be read and construed together with any amendments or supplements hereto and, in relation to any Series of Certificates which is the subject of Final Terms (or a Pricing Supplement, as applicable), must be read and construed together with the applicable Final Terms (or Pricing Supplement, as applicable).

The only persons authorised to use this Base Prospectus in connection with an offer of Certificates are the relevant Dealers or the Managers (as identified in the relevant subscription agreement), as the case may be.

Copies of the applicable Final Terms (or the Pricing Supplement, as applicable) will be available from the registered office of the Trustee and the specified office of each of the Paying Agents (as defined in "*Terms and Conditions of the Certificates*"), save that a Pricing Supplement will only be available for inspection by a holder of a Non-PD Certificate and such holder must produce evidence satisfactory to the Trustee or the Paying Agent (as applicable) as to its holding of such Certificates and identity.

Certain information under the headings "*Risk Factors*", "*Description of the Company*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Ports Operation Industry Overview*" has been extracted from information provided by the IMF World Economic Outlook database and Drewry Shipping Consultants Ltd. ("Drewry"). Certain information appearing on pages 175 to 178 (inclusive) of this Base Prospectus under the heading "*Book-Entry Clearance Systems*" has been obtained from the clearing systems referred to herein. Each of the Trustee and the Company confirms that all third party information contained in this Base Prospectus has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

No person is or has been authorised by the Trustee or the Company to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee or the Company or any of the Arrangers or Dealers.

None of the Arrangers and Dealers, the Delegate or the Agents have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking in respect thereof, express or implied, is made. None of the Arrangers and Dealers, the Delegate and the Agents accept any responsibility for the contents of this Base Prospectus or for any other statement made, or purported to be made, by an Arranger or Dealer or on its behalf in connection with the Trustee or the Company or the issue and offering of the Certificates. Each of the Arrangers and Dealers, the Delegate and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other information supplied in connection

with the Programme or any Certificates: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Trustee, the Company, the Arrangers and Dealers, the Delegate or Agents that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any 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 the Company.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Certificates shall in any circumstances imply that the information contained herein concerning the Trustee and the Company is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers and Dealers, the Delegate and the Agents expressly do not undertake to review the financial condition or affairs of the Trustee or the Company during the life of the Programme or to advise any investor in the Certificates of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, the Company or the Arrangers and Dealers represent that this Base Prospectus may be lawfully distributed, or that any 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 or the Company or the Arrangers and Dealers which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and none of this Base Prospectus, 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 Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the Dubai International Financial Centre, Japan, the Kingdom of Saudi Arabia, Malaysia, the Republic of Italy, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States. Please see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Certificates may not be a suitable investment for all investors. 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:

- **have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in Certificates and the information contained in this Base Prospectus or any applicable supplement;**

- **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financing situation, an investment in Certificates and the impact such investment will have on its overall investment portfolio;**

- **have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with principal or profit payable in one or more currencies, or where the currency for principal or profit payments is different from the potential investor's currency;**

- **understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and**

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

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

None of the Trustee, the Company, any Arranger or Dealer has authorised, nor does it authorise, the making of any offer of Certificates in circumstances in which an obligation arises for the Trustee or the Company or any Arranger or Dealer to publish or supplement a prospectus for such offer.

In making an investment decision, investors must rely on their own independent examination of the Trustee and the Company and the terms of the Certificates being offered, including the merits and risks involved.

None of the Trustee, the Company, any Arranger or Dealer, the Delegate or the Agents 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.

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

The requirement to publish a base prospectus under the Prospectus Directive only applies to Certificates which are to be admitted to trading on a regulated market for the purposes of the Markets in Financial Instruments Directive in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to "Non-PD Certificates" are to Certificates issued by the Trustee for which no base prospectus is required to be published under the Prospectus Directive. The U.K. Listing Authority has neither approved nor reviewed information contained in this Base Prospectus in connection with Non-PD Certificates.

Neither this Base Prospectus nor any Final Terms (or Pricing Supplement, as applicable) constitutes an offer or an invitation to subscribe for or purchase any Certificates and should not be considered as a recommendation by the Trustee, the Company the Arrangers and Dealers, the Delegate or the Agents that any recipient of this Base Prospectus or any Final Terms (or Pricing Supplement, as applicable) should subscribe for or purchase any Certificates. Each recipient of this Base Prospectus or any Final Terms (or Pricing Supplement, as applicable) shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and the Company.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs who are also QPs for informational use solely in connection with the consideration of the purchase of the Certificates being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

NEITHER THE PROGRAMME NOR THE CERTIFICATES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY SECURITIES COMMISSION OF ANY STATE IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF CERTIFICATES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Certificates may not be offered or sold within the United States, except in transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act. Neither the Trust nor the Trustee has been or will be registered as an investment company in the United States under the Investment Company Act. Each investor, by purchasing a Certificate, agrees that the Certificates may be reoffered, resold, repledged or otherwise transferred only upon registration under the Securities Act and the Investment Company Act or pursuant to the exemptions therefrom described under "*Subscription and Sale and Transfer and Selling Restrictions*". Each investor also will be deemed to have made certain representations and agreements as described in *"Subscription and Sale and Transfer and Selling Restrictions*". Any transfer in breach of the transfer restrictions set forth in "*Subscription and Sale and Transfer and Selling Restrictions*" will be null and void *ab initio*, and will not operate to transfer any rights to any transferee.

The Certificates are being offered or sold to non-U.S. persons in offshore transactions in reliance on Regulation S and within the United States only to persons who are QIBs who are also QPs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Certificates and distribution of this Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Each purchaser or holder of Certificates represented by a Restricted Global Certificate or any Certificates issued in exchange or substitution therefor (together, the "**Legended Certificates**") will be deemed, by its acceptance or purchase of any such Legended Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Certificates as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Certificates*".

VOLCKER RULE

The Trustee is a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the Investment Company Act, but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Trustee intends to rely on Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder, (which limits sales of the Certificates to QPs), it is considered to be a covered fund. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from: (i) engaging in proprietary trading; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain relationships with such funds. "Ownership interest" under the Volcker Rule is defined broadly to include any participation or other interest that entitles the holder of such interest to, amongst other things: (i) vote to remove management or otherwise, other than as a creditor exercising remedies upon an event of default, (ii) share in the income, gains, profits or excess spread of the covered fund or (iii) receive underlying assets of the covered fund.

The acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be banking entities for the purposes of the Volcker Rule may be restricted from holding the Certificates. **Any prospective investor in the Certificates, including a U.S. or foreign bank or a subsidiary or other**

affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for or purchase Certificates and this Base Prospectus shall not be construed as an invitation or solicitation to any member of the public in the Cayman Islands to subscribe for or purchase Certificates. This Base Prospectus has not been filed with or reviewed by the Cayman Islands Monetary Authority or any other regulatory authority in the Cayman Islands, and no such authority in the Cayman Islands accepts any liability for the content hereof. This Base Prospectus may not be circulated in or into the Cayman Islands or made available to the general public in the Cayman Islands. The Certificates may not be transferred or sold to or purchased by any member of the general public in the Cayman Islands.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the Certificates should conduct their own due diligence on the accuracy of the information relating to the Certificates. If a prospective purchaser does not understand the contents of this Base Prospectus, he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF MALAYSIA

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus and any document or other materials in connection therewith may not 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), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 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 the Company and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

STABILISATION

In connection with the issue of any Series of Certificates, the Dealer or Dealers (if any) named as the stabilising manager(s) in the relevant subscription agreement (or Pricing Supplement, as applicable) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) 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. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Certificates is made 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 of the relevant Series of Certificates and sixty 60 days after the date of the allotment of the relevant Series of Certificates. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Trustee is incorporated in and under the laws of the Cayman Islands and the Company is incorporated in and under the laws issued by the Dubai International Financial Centre (the "**DIFC**") (and the Company's headquarters are located in Dubai) and a substantial portion of the assets of the Trustee and the Company is located outside the U.K. and the United States, including in the UAE and a number of other jurisdictions. As a result, prospective investors may have difficulty effecting service of process in the U.K. or the United States upon the Trustee or the Company in connection with any lawsuits related to the Certificates, including actions arising under the laws of the U.K. or the federal securities laws of the United States.

The Certificates are governed by English law and disputes in respect of them may be settled under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"), in London, England. In addition, actions in respect of the Certificates may be brought in the English courts. Investors may have difficulty enforcing foreign judgments and arbitration awards against the Company in the courts of the DIFC. Please see "*Risk Factors – Risks Relating to Enforcement – Investors may experience some difficulty in enforcing arbitration awards and foreign judgments against the Company*"].

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying such forward-looking statements. When used in this document, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Description of the Company*" and other sections of this Base Prospectus. The Company has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Company believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as at the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Company has otherwise identified in this Base Prospectus, or if any of the Company's underlying assumptions prove to be incomplete or inaccurate, the Company's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Company's ability to achieve and manage growth, whether through organic growth or by winning new concessions or through bolt-on acquisitions;
- the Company's exposure to certain risks in respect of the expansion of terminals and port facilities and the development of new terminals and port facilities;
- the Company's indebtedness adversely affecting its ability to raise additional capital to fund its operations;
- changes in political, social and economic stability associated with countries and regions in which the Company operates;
- the political and economic conditions in the UAE and the Middle East;
- significant competition in the container terminal industry for concessions and throughput;
- the Company's ability to maintain and renew concession agreements at its existing facilities;
- failure to comply with a wide variety of regulations applicable to the Group's business;
- fluctuations in the currency exchange rates in the markets in which the Group operates;
- any future impairment of the Company's goodwill relating to subsidiaries, joint ventures and associates which may represent a reduction in future cashflows; and
- the ability of the Company's ultimate shareholder, Dubai World, and the Government, to exert significant influence over the Company and/or their interests conflicting with those of the Company and/or holders of the Company's debt, including Certificateholders.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Trustee and the Company expressly disclaim any obligation or undertaking to disseminate after the date of this Base 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 such forward-looking statement is based.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The financial statements and information presented for the Group in this Base Prospectus are, unless otherwise specified or the context otherwise requires, for the Company and its consolidated subsidiaries.

The audited consolidated financial statements of the Group as at and for the year ended 31 December 2015 (the "**DPW 2015 Financial Statements**") and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2014 (the "**DPW 2014 Financial Statements**" and together with the DPW 2015 Financial Statements, the "**DPW Financial Statements**") are set out elsewhere in this Base Prospectus. The DPW Financial Statements have been audited by KPMG LLP, independent auditors. The DPW Financial Statements have been prepared and are presented in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board (the "**IASB**") and are presented in U.S. dollars.

The audited consolidated financial statements of the EZW Group as at and for the financial year ended 31 December 2014 (the "**EZW Financial Statements**") were audited by PricewaterhouseCoopers (Dubai Branch) in accordance with IFRS as issued by the IASB and are set out elsewhere in this Base Prospectus. The EZW Financial Statements are not consolidated into the DPW 2014 Financial Statements and the EZW Financial Statements are set out elsewhere in this Base Prospectus for information purposes only. Furthermore, the EZW Financial Statements have not been audited by the auditors of the Company. Any information or other documents incorporated by reference, either expressly or implicitly, in the EZW Financial Statements set out in this Base Prospectus shall not form part of this Base Prospectus. In addition, the description of "*Historical Results of Operation*", "*Liquidity and Capital Resources*", "*Off-Balance Sheet Arrangements*" and "*Quantitative and Qualitative Disclosures about Market Risk*" for EZW for the years ended 31 December 2013 and 31 December 2014 contained on pages 159 to 163 (inclusive) in the base prospectus dated 13 April 2015 prepared by the Company in connection with the Company's U.S.$5,000,000,000 Global Medium Term Note Programme is set out in Annex A to this Base Prospectus. On 16 March 2015, the Company completed the EZW Acquisition and, accordingly, EZW Group's financial statements and information for the period from 16 March 2015 to 31 December 2015 were consolidated into the DPW 2015 Financial Statements. The financial statements and information for EZW presented, or set out elsewhere, in this Base Prospectus are, unless otherwise specified or the context otherwise requires, for EZW together with its consolidated subsidiaries.

Each of the Group's and EZW's financial years end on 31 December, and references in this Base Prospectus to any specific year are to the 12 month period ended on 31 December of such year.

Separately Disclosed Items

The DPW Financial Statements include separately disclosed items ("**SDIs**"), which represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements, Note 12 (*Separately disclosed items*) to the DPW 2014 Financial Statements and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Future Change in Presentation of Leases

The IASB has introduced a new lease standard IFRS 16, which supersedes IAS 17 leases, which the Group is required to apply with effect from 1 January 2019. The Group is in the process of collating its leases and computing the impact, which is expected to be significant. For further information, see Note 4(w) (New standards and interpretations not yet effective) to the DPW 2015 Financial Statements.

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**"), a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax, depreciation and amortisation. "**Adjusted EBITDA**" is defined as EBITDA further adjusted to remove the impact of SDIs. See Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements and Note 12 (*Separately disclosed items*) to the DPW 2014 Financial Statements for further information regarding SDIs. EBITDA and Adjusted EBITDA are not recognised terms under IFRS or U.S. generally accepted accounting principles and do not purport to be alternatives to profit after tax from continuing operations as measures of operating performance or to cash flows from operating activities as measures of liquidity. Additionally, EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow available for management's discretionary use, as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Management believes that EBITDA and Adjusted EBITDA are helpful in highlighting trends because they exclude the results of decisions that are outside the control of operating management and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Management uses EBITDA and Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Since not all companies use identical calculations, these presentations of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. See "*Selected Financial Information of the Group*".

Management also refers to "**like-for-like revenue**" in order to normalise revenue for divestments, addition of new capacity and exchange rates. When comparing the year ended 31 December 2015 to the year ended 31 December 2014, like-for-like revenue was the Group's revenue, without the addition of: (i) new capacity at DP World London Gateway (U.K.), DP World Nhava Sheva (India), DP World Yarimca (Turkey), Rotterdam World Gateway (The Netherlands) and DP World Prince Rupert (Canada); (ii) acquisition of EZW Group, Dubai Trade FZE and World Security FZE; and (iii) the impact of exchange rates (since the Group's financial results are translated into U.S. dollars for reporting purposes). When comparing the year ended 31 December 2014 to the year ended 31 December 2013, like-for-like revenue was the Group's revenue, without the addition of: (i) new capacity at Embraport (Brazil), DP World London Gateway (U.K.), DP World Nhava Sheva (India), DP World Yarimca (Turkey) and Rotterdam World Gateway (The Netherlands); (ii) acquisition of Dubai Trade FZE and World Security FZE; and (iii) the impact of exchange rates (since the Group's financial results are translated into U.S. dollars for reporting purposes).

Certain Conventions

Certain figures and percentages included in this Base 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.

All references in this Base Prospectus to: (i) "**U.S.$**" and "**U.S. dollars**" are to United States dollars being the lawful currency of the United States of America (the "**United States**" or the "**U.S.**"); (ii) "**AED**", and "**UAE dirham**" are to the UAE dirham, being the legal currency of the UAE (the dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.$1.00); (iii) "**Sterling**" and "**£**" are to pounds sterling, being the legal currency of the United Kingdom ("**U.K.**"); and (iv) "**EUR**", "**Euro**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

References to a "**billion**" are to a thousand million.

References in this Base Prospectus to one gender shall be deemed to include the other except where the context does not permit.

Operational Data

Other than in "Overview of the Programme", "Structure Diagram and Cash Flows", "Terms and Conditions of the Certificates" and "Summary of the Principal Transaction Documents" where certain defined terms have specific meanings, the following terms, when used in this Base Prospectus, shall have the following meaning:

Certain volume figures in this Base Prospectus are expressed in "**TEU**". A TEU is a twenty-foot equivalent unit that is based on the dimensions of a cargo container 20 feet long by 8 feet wide by 8 feet 6 inches high, with a maximum load of 24 tons.

"**Throughput**" is a measure of container handling activity. The two main categories of container throughput are origin and destination ("**O&D**"), which is also often referred to as import and export, and transhipment. Every container shipped by sea is by definition an export container at the origination terminal and an import container at the destination terminal. A container that is transferred from one ship to another at some point during the journey is said to be transhipped, which gives rise to transhipment throughput at an intermediate terminal somewhere between the load terminal and the discharge terminal. Throughput includes the handling of imports, exports, empty containers and transhipments.

"**Gross throughput**" refers to the total amount of throughput that a container terminal in the Company's portfolio handled over a period of time, regardless of the Company's economic interest in such terminal or whether the Company held such terminal for the entirety of such period.

"**Capacity**" refers to the theoretical amount of throughput that a container terminal could handle in a year and is generally based on the size of the terminal's container stacking area and the capacity of its quay, which in turn is based on the length of the quay and the capacity of the ship-to-shore cranes that are available.

"**Gross capacity**" refers to the capacity of a container terminal in the Company's portfolio, regardless of the Company's economic interest in such terminal.

"**Bulk cargo**" and "**Break bulk cargo**" are part of the Group's non-containerised revenue and mainly include bulk of cement, steel and Roll On-Roll Off ("**Ro-Ro**") volumes in the UAE.

Certain Defined Terms

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed thereto in "*Terms and Conditions of the Certificates*" or any other section of this Base Prospectus. In addition, unless the context requires or this Base Prospectus states otherwise, the following terms as used in this Base Prospectus have the meanings defined below:

- references to the "**Company**" herein are to DP World Limited, a company limited by shares incorporated in the DIFC with Registration Number 0226 issued on 9 August 2006;
- references to the "**Concession Agreement**" herein are to the concession agreement between JAFZA and JAFZ dated 13 November 2007 and amended and restated on 29 April 2012, pursuant to which JAFZA granted JAFZ a concession with exclusive rights and privileges to provide certain licensing and administration services (the "**Services**") within the specified area that comprises substantially all of the Free Zone (the "**Concession Area**");
- references to the "**Concession Documents**" herein are to the Concession Agreement and the Usufruct Agreement;
- references to "**Dubai**" herein are to the Emirate of Dubai;
- references to "**EZW**" herein are to Economic Zones World FZE;
- references to the "**EZW Acquisition**" herein are to the acquisition by the Company of the EZW Group from PFZW on 16 March 2015 for cash consideration of U.S.$2.7 billion (see "*Description of the Company – History – Regional and international expansion through acquisitions – EZW Group*");

- references to the "**EZW Group**" herein are to EZW, together with its subsidiaries and subsidiary undertakings;
- references to the "**Free Zone**" herein are to the Jebel Ali Free Zone;
- references to the "**GCC**" herein are to the Gulf Cooperation Council;
- references to the "**Government**" herein are to the Government of Dubai;
- unless otherwise specified or the context otherwise requires, references to the "**Group**" herein are to the Company, together with its consolidated subsidiaries, joint ventures and associates;
- references to "**JAFZ**" herein are to Jebel Ali Free Zone FZE;
- references to "**JAFZA**" herein are to the Jebel Ali Free Zone Authority;
- references to the "**Master Leases**" herein are to the three master leases entered into between JAFZA and JAFZ that together cover all commercial leases relating to property in the Concession Area that JAFZA has entered into with each customer and are effective from 14 November 2007;
- references to "**PFZW**" herein are to the Port and Free Zone World FZE;
- references to "**P&O**" herein are to The Peninsular and Oriental Steam Navigation Company, a company incorporated in the U.K. by Royal Charter with limited liability with company number Z73;
- references to the "**UAE**" herein are to the United Arab Emirates; and
- references to the "**Usufruct Agreement**" are to the usufruct agreement dated 13 November 2007 and amended and restated on 29 April 2012 pursuant to which JAFZA granted JAFZ exclusive rights (the "**Usufruct Rights**") to use and benefit from the Concession Area and the fixed assets contained therein (the "**Usufruct Property**").

Presentation of Market, Market Share and Industry Data

The market, market share and industry data contained in this Base Prospectus has been derived from a number of publicly available sources and industry reports. In particular, information and data relating to the international container shipping industry has been derived from reports, databases (including the IMF World Economic Outlook Update, January 2016 and other sources made available in the public domain by, among others, Drewry, namely, the Annual Review and Forecast of Global Container Terminal Operators 2015 and the Container Forecaster Q4, 2015). The Trustee and the Company confirm that this information has been accurately reproduced and, so far as the Trustee and the Company is aware and has been able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the accuracy of such information is subject to the availability and reliability of the data supporting such information and neither the published information nor the underlying data has been independently verified. In addition, the methodology of Drewry and of other industry sources for collecting information and data, and therefore the reported information, may differ from that used by the Company to compile its own operational data and from the methodologies employed by other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the container shipping industry. Drewry has made no representation, express or implied, and has not accepted any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

SUPPLEMENTARY PROSPECTUS

If at any time the Trustee and the Company are required to prepare a supplementary prospectus pursuant to section 87G of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"), the Trustee and the Company will prepare and make available an appropriate amendment or supplement to this Base

Prospectus or a further base prospectus which, in respect of any subsequent issue of Certificates to be listed on the Official List and admitted to trading on the Regulated Market, shall constitute a supplementary prospectus as required by the U.K. Listing Authority and section 87G of the FSMA.

Each of the Trustee and the Company has given an undertaking to the Arrangers and Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Certificates and whose inclusion in, or removal from, this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Trustee or the Company, and the rights attaching to the Certificates, the Trustee and the Company shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Certificates and shall supply to each Arranger and Dealer such number of copies of such supplement hereto as such Arranger and/or Dealer may reasonably request.

AVAILABLE INFORMATION

The Trustee has agreed that, for so long as any Certificates are "**restricted securities**" as defined in Rule 144(a)(3) under the Securities Act, the Trustee (failing which, the Company) will during any period that it is neither subject to Section 13 or 15(d) of the U.S. Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting requirements pursuant to and in compliance with Rule 12g3-2(b) thereunder, furnish, upon request, to any holder or beneficial owner of Certificates in connection with any resale thereof or any prospective purchaser designated by any such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

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OVERVIEW OF THE GROUP

This overview should be read as an introduction to, and is qualified in its entirety by reference to, the more extensive information contained elsewhere in this Base Prospectus. This overview does not contain all of the information that prospective investors should consider before deciding to invest in the Certificates and any such decision should be based on a consideration of this Base Prospectus as a whole. You should read this entire Base Prospectus carefully, including the financial statements and related notes and the information set forth under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

Overview of the Group

The Group is one of the largest container terminal operators in the world by capacity and throughput, as well as one of the most geographically diversified. As at 31 December 2015, the Group managed a portfolio of 77 terminals across six continents, with new developments underway in Asia, Africa and the Americas. The Group's portfolio has an average concession life of approximately 39 years. As at and for the year ended 31 December 2015, the Group's portfolio had a gross capacity of 79.6 million TEU and generated gross throughput of 61.7 million TEU; for the same period, the Group generated revenue from operations (which does not include revenue attributable to its joint ventures and associates) of U.S.$3,967.7 million (excluding SDIs) and an Adjusted EBITDA of U.S.$1,928.1 million.

Recent Developments

For the three month period ended 31 March 2016, the Group's portfolio generated gross throughput of 15.5 million TEU. Gross container volumes and like-for-like container volumes grew by 3.7 per cent. and 2.4 per cent., respectively, compared to the same period in the previous year. This growth was primarily due to a strong performance from the Group's terminals located in Europe and India, which was partially offset by a decrease in lower-margin cargo in the Group's operations in the UAE.

In addition, on 25 April 2016, the Group was awarded two concession agreements by the Government of the Republic of Cyprus at the Limassol port. The takeover date of both concessions is currently envisaged to be 29 January 2017.

Risk Factors

An investment in the Certificates involves significant risks, including: (i) risks relating to the Group such as risks associated with winning new concessions, the expansion of terminals and port facilities, the high level of competition that the Group faces in the container terminal industry for concessions and throughput and the Group's reliance on joint ventures; (ii) risks relating to the regions in which the Group operates, such as risks associated with anti-trust and competition laws, as well as risks relating to the political, economic and social environments of the regions and countries in which the Group operates; and (iii) risks relating to the Certificates, such as risks associated with the enforceability of judgments against the Company, as well as risks relating to structural subordination of the Certificates.

Investors should review these risks carefully prior to making any decision regarding an investment in the Certificates. See "*Risk Factors*".

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series of Certificates, is supplemented by the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement). The Trustee, the Company and any relevant Dealer may agree that Certificates shall be issued in a form other than that contemplated in the Terms and Conditions of the Certificates, in which event, in the case of Certificates other than Non-PD Certificates, a new Base Prospectus or a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Terms and Conditions of the Certificates*" (the "**Conditions**") and "*Form of the Certificates*" shall have the same meanings in this overview.

Trustee..	DP World Crescent Limited, as trustee for and on behalf of the Certificateholders and, in such capacity, as issuer of the Certificates, an exempted company incorporated with limited liability in the Cayman Islands on 14 April 2016 with registered number 310423 with its registered office at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party. The Trustee shall on each Issue Date issue the Certificates to the Certificateholders and act as Trustee in respect of the Trust Assets for the benefit of the Certificateholders.
Ownership of the Trustee.............	The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 shares of U.S.$1.00 each, of which 100 shares are fully paid up and issued. The Trustee's entire issued share capital is held in trust by Codan Trust Company (Cayman) Limited as share trustee (the "**Share Trustee**") of a purpose trust, including charitable purposes, under the terms of a declaration of trust.
Administration of the Trustee	Codan International Limited, a service provider incorporated in the DIFC and an affiliate of the Share Trustee, acts as the secretary of the Trustee (in such capacity, the "**Trustee Administrator**"). Pursuant to the terms of a corporate services agreement dated 14 April 2016 entered into between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to provide, or procure the provision of, certain administrative functions to the Trustee, including registered office, director and alternate director, secretarial, administrative and other services until termination of the Services Agreement. The offices of the Trustee Administrator are situated at Office 201, Gate Village 4, Level 2, Dubai International Financial Centre, P.O. Box 506528, Dubai, United Arab Emirates.
The Company................................	DP World Limited, a company limited by shares incorporated in the DIFC with Registration Number 0226 issued on 9 August 2006. The address of the Company's registered office is P.O. Box 17000, Dubai, UAE. The Company's telephone number is +971 4 881 1110.

	DP World Limited is majority owned by PFZW, which in turn is wholly-owned and controlled by Dubai World.
Description	Trust Certificate Issuance Programme.
Size..	Up to U.S.$3,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate face amount of Certificates outstanding at any time. The size of the Programme may be increased in accordance with the terms of the Dealer Agreement.
Risk Factors	There are certain factors that may affect the Trustee's and the Company's ability to fulfil its obligations under Certificates issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme. These include certain risks relating to the structure of a particular Series of Certificates and certain market risks. See "*Risk Factors*".
Arrangers and Dealers.................	Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Dubai Islamic Bank PJSC, Emirates NBD PJSC, First Gulf Bank P.J.S.C. and HSBC Bank plc. The Trustee and the Company may from time to time terminate the appointment of any arranger and/or dealer under the Programme or appoint additional arrangers and/or dealers either in respect of one or more Series of Certificates or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Series.
Delegate	Deutsche Trustee Company Limited (the "**Delegate**"). In accordance with the Master Declaration of Trust, the Trustee will, *inter alia*, unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future duties, powers, authorities and discretions vested in the Trustee by certain provisions in the Master Declaration of Trust in accordance with the terms of the Master Declaration of Trust. In addition, pursuant to the Master Declaration of Trust, certain powers will be vested solely in the Delegate.
Issuing and Paying Agent, Paying Agent and Exchange Agent..........	Deutsche Bank AG, London Branch.
Euro Registrar, Transfer Agent and Paying Agent (in respect of Unrestricted Certificates, as defined in the Agency Agreement)	Deutsche Bank Luxembourg S.A.
U.S. Registrar, Transfer Agent and Paying Agent (in respect of Restricted Certificates, as defined in the Agency Agreement)............	Deutsche Bank Trust Company Americas.
Sale and Purchase of Throughput Services..	For each Series, the Company (as Seller) will sell to the Trustee (as Purchaser) certain allotted Throughput Services (the "**Allotted**

Throughput Services"), additional Throughput Services (the "**Additional Throughput Services**") and, if applicable, further Throughput Services (the "**Further Throughput Services**") pursuant to the relevant Purchase of Services Agreement for that Series (as defined herein). See further, "*Structure Diagram and Cash Flows*" and "*Summary of the Principal Transaction Documents*".

Method of Issue............................

The Certificates will be issued on a syndicated or non-syndicated basis. The Certificates will be issued in series (each series of Certificates being a "**Series**"). The specific terms of each Series will be completed in the final terms document (the "**applicable Final Terms**") or, in the case of Non-PD Certificates, the pricing supplement document (the "**applicable Pricing Supplement**").

Issue Price ....

Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement). The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Company and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Status of the Certificates.............

Each Certificate will represent an undivided ownership interest in the Trust Assets of the relevant Series, is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

Form and Delivery of Certificates ....

The Certificates will be issued in registered form only. The Certificates of each Series will be represented on issue by ownership interests in one or more global certificates (each a "**Global Certificate**"), which will be deposited 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 S.A. ("**Clearstream, Luxembourg**") and/or the Depository Trust Company ("**DTC**") (as applicable). Certificates sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by an unrestricted global certificate (an "**Unrestricted Global Certificate**") and Certificates sold to QIBs who are also QPs in reliance on Rule 144A will initially be represented by a restricted global certificate (a "**Restricted Global Certificate**"). Ownership interests in a Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, Luxembourg and DTC (as applicable), and their respective participants. Certificates in definitive form evidencing holdings of Certificates ("**Definitive Certificates**") will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances. See further the section entitled "*Form of the Certificates*".

Clearing Systems ....

Certificateholders must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg and/or DTC and in relation to any Series, such other clearing system as may be agreed between the Trustee, the Company, the relevant Dealer(s), the Issuing and Paying Agent and the Delegate. Transfers within and between each of Euroclear or Clearstream, Luxembourg and/or DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Specified Currencies..................... Subject to compliance with all relevant laws, regulations and directives, Certificates may be issued in any currency agreed between the Trustee, the Company and the relevant Dealer(s).

Maturities...................................... The Certificates will have such maturities as may be agreed between the Trustee, the Company and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the relevant Specified Currency (as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

Specified Denomination .... The Certificates will be in such denominations as may be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), subject to compliance with then current laws and regulations and the provisions of the following sentence. Certificates will have a minimum denomination of €100,000 (or its equivalent in other currencies as at the date of issue), and in case of any Certificates (including Certificates denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the U.K. or whose issue otherwise constitutes a contravention of Section 19 of the FSMA, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations.

Negative Pledge............................. The Certificates will have the benefit of a negative pledge granted by the Company, as more particularly described in Condition 5 (*Negative Pledge*).

Trustee Covenants........................ The Trustee has agreed to certain restrictive covenants as set out in Condition 7 (*Covenants*).

Cross Acceleration........................ The Certificates will have the benefit of a cross acceleration provision as described in Condition 14 (*Dissolution Events*).

Trust Assets................................... Pursuant to the relevant Declaration of Trust for each Series, the Trustee has declared that it will 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 Certificateholder. The term "**Trust Assets**" means:

(a) the cash proceeds of the issue of a Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

(b) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to the relevant Purchase of Services Agreement and which remain to be sold pursuant to the Service Agency Agreement (and the relevant Services Plan for each Series) and, if applicable, the Purchase Undertaking or the Sale Undertaking (each as defined herein);

(c) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); and

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

and all proceeds of the foregoing.

Limited Recourse.......................... Each Certificate of a particular Series will represent an undivided ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets.

Certificateholders have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Company (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party) or the Delegate or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been enforced, realised and fully discharged following which all obligations of the Trustee and the Company shall be extinguished.

Periodic Distribution Amounts.... Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the Conditions and the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

Dissolution on the Scheduled Dissolution Date............................ Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem the Series of Certificates at an amount equal to the relevant Final Dissolution Amount (as defined in the Conditions) and the Trust in relation to the relevant Series will be dissolved by the Trustee on the relevant Scheduled Dissolution Date specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) for such Series.

Early Dissolution of the Trust ..... Subject to the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) in respect of each Series, the Trust may be dissolved prior to the Scheduled Dissolution Date upon:

(a) the occurrence of a Dissolution Event;

(b) all of the Certificates of a relevant Series being redeemed following the exercise by the Company of an Optional Dissolution Right (Call Option) (as applicable);

(c) the occurrence of a Tax Event;

(d) upon all of the Certificateholders of a relevant Series exercising the Optional Dissolution Right (Put Option) or the Change of Control Put Option (as applicable); or

(e) all of the Certificates of the relevant Series being cancelled following the purchase of such Certificates by or on behalf of the Company and or any of its Subsidiaries.

In the case of the events described in paragraphs (a) to (d) above, the Certificates of a Series will be redeemed pursuant to the exercise of the Purchase Undertaking or the Sale Undertaking (as applicable) whereupon the Company will purchase from the Trustee the Outstanding Throughput Services, the Additional Throughput Services and, if applicable, the Further Throughput Services (each as defined in the Service Agency Agreement). The relevant exercise price payable under the relevant Sale Agreement upon due exercise of the Purchase Undertaking or Sale Undertaking (as applicable) will be used to fund the redemption of the Certificates at an amount equal to the relevant Dissolution Amount.

Optional Dissolution Right (Call Option) and Optional Dissolution Right (Put Option)........................

The applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) issued in respect of each Series of Certificates will state whether such Certificates may be redeemed prior to the Scheduled Dissolution Date at the option of the Company (either in whole or in part) or at the option of the Certificateholders, and, if so, the terms applicable to such redemption.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) in respect of any single Series of Certificates.

Early Dissolution for Tax Reasons ....

Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 11 (*Taxation*) or the Company has or will become obliged to pay any additional amounts in respect of amounts payable under the Transaction Documents as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in the Conditions) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Series of the Certificates (as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement)) and such obligation cannot be avoided by the Trustee or the Company, as applicable, taking reasonable measures available to it, the Trustee will, following receipt of a notice (the "**Exercise Notice**") and payment of the Exercise Price by the Company under the Sale Agreement upon due exercise of the Sale Undertaking redeem the Certificates, in whole but not in part, at an amount equal to the relevant Tax Redemption Amount on the relevant Tax Redemption Date specified in the Exercise Notice. See further Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

Change of Control Put Option ....

If so specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), each Certificateholder will have the right to require the redemption of its Certificates if a Change of Control Event occurs. See further

	Condition 10(d)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);
Dissolution Events	The Certificates will be subject to certain dissolution events as described in Condition 14 (*Dissolution Events*). Following the occurrence of a Dissolution Event, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Final Dissolution Amount.
Ratings...	Series of Certificates to be issued under the Programme will be rated or unrated. Where a Series of Certificates is to be rated, the relevant rating(s) (and the credit rating agency issuing such rating(s)) will be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement). *A securities rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, change or withdrawal at any time by the assigning rating agency, and each rating should be evaluated independently of any other rating.*
Withholding Tax...........................	All payments by the Company under the Transaction Documents to which it is a party are to be made without withholding or deduction for, or on account of, any Taxes imposed in the UAE, Dubai or the DIFC (or any political subdivision or any authority thereof or therein having power to tax) unless the withholding or deduction is required by law. In the event that any such withholding or deduction is made by the Company as a result of any requirement of law, the Company will be required to pay to the Trustee additional amounts so that the Trustee will receive the full amounts that it would have received under the relevant Transaction Documents had no such withholding or deduction been required. All payments by the Trustee in respect of the Certificates shall be made without withholding or deduction for, or on account of, any Taxes imposed in the Cayman Islands (or any political subdivision or any authority thereof or therein having power to tax) unless the withholding or deduction is required by law. In the event that any such withholding or deduction is made by the Trustee as a result of any requirement of law, the Trustee will be required, subject to certain exceptions provided in Condition 11 (*Taxation*), to pay such additional amounts as shall result in receipt by the Certificateholders of the amount that would have been received by them had no such withholding or deduction been required. The Company has agreed in the Transaction Documents that, if the Trustee is required to make any such deduction or withholding, the Company will pay to the Trustee such additional amounts to cover the amounts so withheld or deducted. See further, Condition 11 (*Taxation*).
ERISA..	Plans and other entities subject to ERISA or Section 4975 of the Code or similar laws may not acquire Certificates (or any interest in a Certificate).
Tax Considerations.......................	See the section entitled "*Taxation*" for a description of certain tax considerations applicable to the Certificates.
Governing Law	Each of the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Dealer Agreement, each Subscription Agreement, the Master Purchase of

Services Agreement, each Supplemental Purchase of Services Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, each Sale Agreement entered into in connection with the exercise of the Purchase Undertaking or the Sale Undertaking, each Transfer Agreement entered into in connection with the Sale Undertaking, the Certificates and any non-contractual obligations arising out of or in connection with the same, will be governed by, and construed in accordance with, English law.

Transaction Documents .... The Transaction Documents are: the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Master Purchase of Services Agreement, each Supplemental Purchase of Services Agreement, the Service Agency Agreement (including the relevant Services Plan), the Purchase Undertaking, the Sale Undertaking, each Sale Agreement entered into in connection with the exercise of the Purchase Undertaking or the Sale Undertaking and each Transfer Agreement entered into in connection with the Sale Undertaking.

Listing and Admission to Trading .... Application has been made to list Certificates issued under the Programme (other than Non-PD Certificates) for a period of 12 months from the date of this Base Prospectus on the Official List and to admit them to trading on the Regulated Market and references to listing shall be construed accordingly.

Application has also been made to the DFSA for the Certificates issued under the Programme to be admitted to the DFSA Official List and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai.

As specified in the applicable Pricing Supplement, a Series of Certificates may be unlisted or be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer (the "**Non-PD Certificates**").

The U.K. Listing Authority has neither approved nor reviewed information contained in this Base Prospectus in connection with Non-PD Certificates.

Redenomination, Renominalisation and/or Consolidation .... Certificates denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Certificates then denominated in euro.

Waiver of Immunity .... The Company has irrevocably agreed that, should any Proceedings (as defined in Condition 21(c) (*Governing Law and Jurisdiction – Jurisdiction*)) be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to those Proceedings (including without limitation, immunity from the jurisdiction of any court or tribunal, suit, service of process, injunctive or other interim relief, any order for specific performance, any order for recovery of land, any attachment (whether in aid of execution, before judgment or otherwise) of its assets, any process for execution of any award or judgment or other legal process) shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company has irrevocably agreed that it and its assets (irrespective of its use or intended use) are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Certificates or the Transaction Documents to which it is a party. Notwithstanding the foregoing, the Company makes no representation as to whether Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) and/or Article 247 of Federal Law No. 11 of 1992 regarding the Law of Civil Procedures will apply to its assets, revenue or property.

Selling Restrictions....................... There are restrictions on the offer, sale and transfer of the Certificates in the Cayman Islands, the DIFC, Japan, the Kingdom of Saudi Arabia, Malaysia, the Republic of Italy, the UAE, the United Kingdom and the United States. Additional restrictions may be required in connection with the offering and sale of a particular Series of Certificates. Please see "*Subscription and Sale and Transfer and Selling Restrictions – Selling Restrictions*".

Transfer Restrictions.................... There are restrictions on the transfer of Certificates represented by a Restricted Global Certificate or any Certificates issued in exchange or substitution therefor.

See "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

Use of Proceeds............................. The proceeds of each Series of Certificates issued under the Programme will be paid by the Trustee to the Company as consideration for the purchase by the Trustee of the relevant Throughput Services specified in the Supplemental Purchase of Services Agreement in respect of such Series. The net proceeds of each Series of Certificates issued under the Programme will be applied by the Company for general corporate purposes, including the refinancing of any indebtedness as described in "*Use of Proceeds*".

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The summary consolidated financial data of the Group: (i) as of and for the year ended 31 December 2015 have been derived from the DPW 2015 Financial Statements; and (ii) as of and for the years ended 31 December 2014 and 2013 have been derived from the DPW 2014 Financial Statements, in each case appearing elsewhere in this Base Prospectus. See "Presentation of Certain Financial and Other Information".

Consolidated statement of profit and loss

	Year ended 31 December								
	2013			2014			2015		
	Before separately disclosed items	Separately disclosed items[(1)]	Total	Before separately disclosed items	Separately disclosed items[(1)]	Total	Before separately disclosed items	Separately disclosed items[(1)]	Total
					(Audited)				
					(U.S. dollars in thousands)				
Income Statement Data:									
Revenue	3,073,248	—	3,073,248	3,411,014	52,337	3,463,351	3,967,739	75,171	4,042,910
Cost of sales	(1,849,087)	—	(1,849,087)	(1,958,295)	(52,337)	(2,010,632)	(2,009,145)	(75,171)	(2,084,316)
Gross profit	1,224,161	—	1,224,161	1,452,719	—	1,452,719	1,958,594	—	1,958,594
General and administrative expenses	(311,243)	(101,433)	(412,676)	(385,878)	(19,400)	(405,278)	(590,284)	(653)	(590,937)
Other income	21,458	—	21,458	22,363	9,153	31,516	26,979	16,867	43,846
Profit on sale and termination of business	—	158,188	158,188	—	—	—	—	(610)	(610)
Share of profit/(loss) from equity accounted investees (net of tax)	84,366	(4,305)	80,061	77,961	(1,754)	76,207	52,702	—	52,702
Results from operating activities	1,018,742	52,450	1,071,192	1,167,165	(12,001)	1,155,164	1,447,991	15,604	1,463,595
Finance income	84,493	—	84,493	89,765	1,582	91,347	104,969	9,705	114,674
Finance costs	(369,439)	—	(369,439)	(372,841)	(4,122)	(376,963)	(492,087)	(23,352)	(515,439)
Net finance costs	(284,946)	—	(284,946)	(283,076)	(2,540)	(285,616)	(387,118)	(13,647)	(400,765)
Profit before tax	733,796	52,450	786,246	884,089	(14,541)	869,548	1,060,873	1,957	1,062,830
Income tax expense	(59,558)	(4,900)	(64,458)	(127,418)	40,000	(87,418)	(90,988)	—	(90,988)
Profit for the year	674,238	47,550	721,788	756,671	25,459	782,130	969,885	1,957	971,842
Profit attributable to:									
Owners of the Company	604,421	35,215	639,636	675,430	25,143	700,573	882,576	355	882,931
Non-controlling interest	69,817	12,335	82,152	81,241	316	81,557	87,309	1,602	88,911

(1) SDIs represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements and Note 12 (*Separately disclosed items*) to the DPW 2014 Financial Statements.

	Year ended 31 December					
	2013		2014		2015	
	Revenue	Profit after tax	Revenue	Profit after tax	Revenue	Profit after tax
			(Audited)			
			(U.S. dollars in thousands)			
Income Statement Data by Segment (before separately disclosed items):						
Middle East, Europe and Africa	2,123,848	858,398	2,386,049	983,721	2,911,399	1,276,278
Australia and Americas	594,183	120,340	628,312	148,617	642,137	120,936
Asia-Pacific and Indian Subcontinent	355,217	140,857	396,653	185,924	414,203	212,540
Head office	—	(445,357)	—	(561,591)	—	(639,869)
Total	**3,073,248**	**674,238**	**3,411,014**	**756,671**	**3,967,739**	**969,885**

Consolidated statement of financial position

	As at 31 December		
	2013	2014	2015
	(Audited)		
	(U.S. dollars in thousands)		
Consolidated Balance Sheet Data:			
Non-current assets	13,455,633	13,382,448	18,007,385
Current assets			
Bank balances and cash	2,572,470	3,723,073	1,436,595
Other current assets[(1)]	732,411	799,220	815,147
Total current assets	3,304,881	4,522,293	2,251,742
Total assets	16,760,514	17,904,741	20,259,127
Equity	9,021,541	9,026,660	9,134,598
Non-current liabilities			
Interest bearing loans and borrowings	4,776,690	5,603,658	7,527,231
Other non-current liabilities[(2)]	1,448,350	1,720,402	1,682,342
Total non-current liabilities	6,225,040	7,324,060	9,209,573
Current liabilities			
Accounts payable and accruals	1,033,784	1,130,021	1,614,580
Interest bearing loans and borrowings	258,327	251,330	143,047
Other current liabilities[(3)]	221,822	172,670	157,329
Total current liabilities	1,513,933	1,554,021	1,914,956
Total liabilities	7,738,973	8,878,081	11,124,529
Total equity and liabilities	**16,760,514**	**17,904,741**	**20,259,127**

(1) Other current assets includes inventories and accounts receivable and prepayments.
(2) Other non-current liabilities includes deferred tax liabilities, employees' end of service benefits, pension and post employment benefits and accounts payable and accruals.
(3) Other current liabilities includes income tax liabilities, bank overdrafts and pension and post employment benefits.

Selected consolidated statement of cash flows

	Year ended 31 December		
	2013	2014	2015
	(Audited)		
	(U.S. dollars in thousands)		
Consolidated Cash Flow Data:			
Net cash from operating activities	1,211,733	1,354,215	1,780,747
Net cash used in investing activities	(210,801)	(700,799)	(4,024,572)
Net cash (used in)/from financing activities	(304,314)	527,854	(11,785)
Net increase/(decrease) in cash and cash equivalents	696,618	1,181,270	(2,255,610)
Effect of exchange rate fluctuation on cashflow	(7,288)	(29,260)	(30,868)
Cash and cash equivalents at 1 January	1,881,733	2,571,063	3,723,073
Cash and cash equivalents at 31 December	**2,571,063**	**3,723,073**	**1,436,595**

Selected other operating and financial data

	Year ended 31 December		
	2013	2014	2015
	(Audited)		
	(U.S. dollars in thousands)		
Calculation of EBITDA and Adjusted EBITDA:			
Profit after tax	721,788	782,130	971,842
Finance costs	369,439	372,841	492,087
Finance income	(84,493)	(89,765)	(104,969)
Tax expense	59,558	127,418	90,988
Depreciation and amortisation	395,499	420,985	480,125
EBITDA[(1)]	1,461,791	1,613,609	1,930,073
Separately disclosed items[(2)]	(47,550)	(25,459)	(1,957)
Adjusted EBITDA[(3)]	**1,414,241**	**1,588,150**	**1,928,116**

(1) EBITDA, a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax, depreciation and amortisation. EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

(2) See Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements and Note 12 (*Separately disclosed items*) to the DPW 2014 Financial Statements.

(3) Adjusted EBITDA is defined as EBITDA further adjusted to remove the impact of SDIs. Adjusted EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

	Year ended 31 December		
	2013	2014	2015
	(Audited)		
	(U.S. dollars in thousands)		
Adjusted EBITDA[(1)] by Segment:			
Middle East, Europe and Africa	1,095,171	1,259,866	1,611,506
Australia and Americas	195,235	217,250	189,619
Asia-Pacific and Indian Subcontinent	219,700	256,489	280,963
Head office	(95,865)	(145,455)	(153,972)
Total	**1,414,241**	**1,588,150**	**1,928,116**

(1) Adjusted EBITDA is defined as EBITDA further adjusted to remove the impact of SDIs. Adjusted EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*" and "*– Calculation of EBITDA and Adjusted EBITDA*" above.

	Year ended 31 December		
	2013	2014	2015
	(Audited, unless otherwise indicated)		
Other Financial and Operating Data: Revenue (before separately disclosed items, in thousands of U.S.$)			
Containerised/stevedoring revenue	1,396,510	1,502,990	1,506,735
Containerised/other revenue	1,026,792	1,166,079	1,239,744
Non containerised revenue	649,946	741,945	802,314
Service concession revenue	—	52,337	75,171
Lease rental and related services	—	—	418,946
Total revenue	3,073,248	3,463,351	4,042,910
Net Debt to Adjusted EBITDA[(1)]	1.74	1.34	3.23
Total throughput (in millions of TEU)			
Middle East, Europe and Africa	18,993	20,973	21,556
Australia and Americas	2,480	2,471	2,684
Asia-Pacific and Indian Subcontinent	4,604	4,897	4,870
Total throughput (unaudited)	**26,077**	**28,341**	**29,110**

(1) Net debt to Adjusted EBITDA is calculated by dividing total debt minus cash and cash equivalents by Adjusted EBITDA.

RISK FACTORS

Each of the Trustee and the Company believes that the following factors may affect its ability to fulfil its obligations under Certificates issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Trustee nor the Company is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Certificates issued under the Programme are also described below.

If any of the risks described below actually materialise, the Trustee's, the Company's and the Group's business, results of operations, financial condition or prospects could be materially and adversely affected. If that were to happen, the trading price of the Certificates could decline and investors could lose all or part of their investment.

Each of the Trustee and the Company believes that the factors described below represent all the material risks inherent in investing in Certificates issued under the Programme, but the inability of the Trustee to pay Periodic Distribution Amounts, Dissolution Amounts, Partial Dissolution Amounts or any other amounts on or in connection with any Certificates may occur for other reasons which may not be considered significant risks by the Trustee or the Company based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Risk factors Relating to the Trustee

The Trustee was incorporated under the laws of the Cayman Islands on 14 April 2016 as an exempted company with limited liability and has no operating history. The Trustee will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets relating to each Series of Certificates, acting in the 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 relating to each Series of Certificates, including its right to receive payments from the Company under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee from the Company of all amounts due under the relevant Transaction Documents. Therefore the Trustee is subject to all the risks to which the Company is subject to the extent that such risks could limit the Company's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents to which it is a party. In the event of any shortfall in such amounts, the ability of the Trustee to meet payment obligations under the Certificates may be adversely affected. See "*Risks Relating to the Certificates — The Certificates are limited recourse obligations*".

Risks relating to the Group

The Group's results of operations can be adversely impacted by declines in global trading volumes

The Group's results of operations can be affected by the volume of its business, which in turn depends on worldwide trade volumes as well as the import and export volumes of the regions in which the Group operates. The Group derives and will continue to derive a significant part of its revenue from customers in the UAE and worldwide and as a result, in common with other multi-national organisations, the occurrence of any negative economic, political or geographical events in these locations could have an adverse impact on revenues. This in turn could cause the Group's business to be harmed.

Global trading volumes can be affected by, amongst other factors:

- changing economic cycles and other macro-economic developments;
- the imposition of tariffs, trade barriers, sanctions, boycotts and other restrictions;
- the levels of inflation and interest rates in the regions in which the Group operates;

- significant variations in the exchange rates applicable to currencies in the regions in which the Group operates;
- governmental reactions to economic conditions and developments;
- the development of emerging market economies and government policies;
- fluctuations in the price of oil;
- trade disputes and work stoppages, particularly in the transportation services industry; and
- acts of war, hostilities, natural disasters, epidemics or terrorism.

For instance, in 2015, trading volumes declined on the key Asia-Europe trading route due to the weakening of the euro by approximately 20 per cent. against the U.S. dollar (compared to 2014), which made goods more expensive to purchase in Asia. Similarly, trade volumes into Russia were significantly reduced in 2015 due to sanctions and the weakness of the Russian Rouble.

If global trading volumes decline significantly in future periods, such as due to the effect on the U.K., European and global economies of a decision by the U.K. to leave the European Union, the Group's business, prospects, results of operation and financial condition, as well as its future growth, could be materially and adversely affected (see "*Risks relating to the regions in which the Group operates – The Group is subject to the risks of political, social and economic instability associated with countries and regions in which the Group operates or may seek to operate*").

The Company's ultimate majority shareholder, Dubai World, and the Government have the ability to exert significant influence over the Group and their interests may conflict with the interests of the Group or the Certificateholders

PFZW owns 80.45 per cent. of the Company's issued and outstanding share capital and, therefore, has the ability to exert significant influence over the Group. PFZW is wholly-owned by Dubai World Corporation ("**Dubai World**"), a holding company owned by the Government.

Dubai World implemented a restructuring on 29 June 2011 and its terms require the compliance with certain restrictive covenants by the Group set out in a facilities agreement for Dubai World negotiated by Dubai World with a co-ordinating committee of certain banks, a facility agent and a security agent, originally dated 23 March 2011. Dubai World executed an amendment to this facilities agreement on 18 March 2015, which became effective on 2 April 2015 (together with the original facilities agreement, the "**Facilities Agreement**").

Certain provisions of the Facilities Agreement may restrict Dubai World and its direct and indirect subsidiaries from providing support to the Group should it encounter financial or other difficulties in the future. However, these restrictive covenants do not restrict the Group from conducting its business in the ordinary course as described in this Base Prospectus or from repaying its indebtedness or from discharging its obligations in respect of the Transaction Documents (as further described under "*Terms and Conditions of the Certificates*"). In general, a waiver of the requirement for the Supreme Fiscal Committee approval to incur indebtedness exists for Dubai World subsidiaries, including the Company, and there are no constraints imposed indirectly on the Company as a result of obligations binding on any of its direct or indirect holding companies which are likely to have a material adverse effect on the ability of the Company to perform and comply with its payment and other material obligations in relation to the Transaction Documents.

In addition, Dubai World and the Government may exert control over, among other things:

- election of the Company's directors and, in turn, selection of its management;
- the Group's business policies and strategies, including dividend policy;
- budget approval;
- the issuance of new debt or equity securities and the arrangement of other sources of financing;

- mergers, acquisitions and disposals of the Group's assets or businesses;
- increases or decreases in share capital; and
- amendments to the Company's constitutional documents.

Consequently, there can be no assurance that the resolution of any matter at a general meeting of the shareholders that may involve the interests of Dubai World or the Government, as represented by PFZW, will be resolved in what the Certificateholders would consider to be in their or the Group's best interests. Any such resolution may have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

The Group's inability to achieve and manage the growth of its container terminal business, whether through organic growth or by winning new concessions or through bolt-on acquisitions, could adversely impact the Group's business

The Group's ability to achieve and manage the future growth of its container terminal business will depend upon a number of factors, including the Group's ability to maintain, expand or develop relationships with its customers, suppliers, contractors, lenders and other third parties, reach agreements with potential joint venture partners on commercial and technical terms satisfactory to the Group, find and exploit suitable development, expansion or acquisition opportunities and expand the Group's operating capacity in line with market demand on a timely and reasonable basis. It will also depend on the Group's ability to adjust and optimise its management and operating structure.

Growth through the winning of new concessions or bolt-on acquisitions also entails risks inherent in identifying suitable opportunities and assessing the value, strengths and weaknesses of the acquisition candidates, as well as integrating the acquired businesses into the Group's operations. In addition, prior to acquisition by the Group, target companies may have incurred contractual, financial, regulatory, environmental or other obligations and liabilities that may impact the Group in the future and that are not adequately reflected in the historical financial statements of such companies or otherwise known to the Group or discovered by it during the due diligence process or with respect to which the Group does not have adequate indemnities from the seller. Furthermore, the Group's ability to complete acquisitions will depend on, and may be limited by, the availability of suitable acquisition targets and restrictions contained in the Group's debt instruments and other existing and future financing arrangements. The Group's ability to complete acquisitions may also be limited by its ability to secure financing for such acquisitions as well as by regulatory constraints within the countries in which the Group operates due to anti-trust laws or political conflicts. See "*Risks relating to the regions in which the Group operates – Anti-trust and competition laws in the countries in which the Group operates may limit its growth and subject it to anti-trust and other investigations*".

The Group's investment in development and expansion projects has increased over the last few years. The Group currently has 8 new developments and major expansion projects underway that will provide it with the ability to increase its existing gross capacity to over 100 million TEU by 2020. These and other future investments in capacity will be based on the Group's expectations of market demand. However, there can be no assurance that market demand or the Group's business will increase in the near future or that demand for its services will grow at rates sufficient to achieve a satisfactory return on any expenditure that it makes. The Group also cannot provide assurance that any future acquisitions will be successfully identified and completed or that, if acquisitions are completed, the acquired companies will generate sufficient revenue to offset the associated costs or other harmful effects on the Group's business. A failure on the Group's part to manage its growth efficiently and effectively could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

The Group faces significant competition in the container terminal industry for concessions and throughput and in Free Zone activity, which could adversely affect its ability to maintain or increase its profitability

The global container terminal industry is highly competitive. The Group faces significant competition from other global container terminal operators, as well as smaller regional operators situated in the same locations as the Group, for both concessions, which allow the Group to operate in a particular port, and, once the Group has established operations in a specific location, throughput. While the Group competes with other terminal operators for both transhipment and O&D throughput on the basis of location, productivity, accessibility, connectivity, price and value added services, because transhipment throughput can be more easily routed through alternative ports and terminals, competition for transhipment throughput tends to be more price-sensitive and less captive than O&D throughput. For the year ended 31 December 2015, approximately 30 per cent. of the Group's gross throughput was transhipment (which was in line with the years ended 31 December 2014 and 2013).

The Group competes with other terminal operators for concessions primarily on the basis of the concession rates that will be paid to the owner of the relevant port. When choosing a concessionaire, however, governments or other port owners may also consider other factors, including, among other things, the extent of the regional dominance exhibited by a proposed concessionaire. Consequently, the Group may face a competitive disadvantage when competing for new concessions in regions or countries in which the Group is the market leading terminal operator.

Following significant consolidation in the decade up until 2007, both internally and within the container shipping industry, consolidation within the container terminal industry has stabilised in recent years. According to Drewry, the five largest terminal operators by throughput and capacity, Hutchison Port Holdings ("**HPH**"), APM Terminals ("**APMT**"), PSA International ("**PSA**"), Cosco Group and the Company, collectively accounted for 438.4 million TEU, or 43.6 per cent., of global gross capacity as of 31 December 2014 and 50.0 per cent. of global gross throughput for the year ended 31 December 2014 (*source*: Drewry's Global Container Terminal Operators Annual Review and Forecast 2015). Consolidation within the container terminal industry has resulted in the Group's having to compete with other terminal operators, some of which are larger than the Group and have greater financial resources than the Group and, therefore, may be able to bid at higher concession rates, invest more heavily or effectively in their facilities or withstand price competition and price volatility more successfully than the Group. In addition, some of the Group's competitors may have broader operational experience and longer standing relationships with international shipping companies.

There can be no assurance that consolidation within the container terminal industry will not become more prevalent (see "*Ports Operation Industry Overview – Industry Trends*") or that the Group's competitors will not undertake additional mergers and acquisitions to increase their capacity, economies of scale and financial and market strength.

If the Group is unable to compete effectively against its container terminal competitors, the Group may be forced to increase its concession rate bids or lower its fees, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

In relation to the Group's free zone business, there are currently several other free zones in Dubai and the other Emirates with which it competes. These include the industrial free zone at Taweelah in Abu Dhabi, known as Khalifa Industrial Zone Abu Dhabi ("**KIZAD**"), which is being financially supported by the Abu Dhabi government and is actively bringing in major industrial companies as tenants. KIZAD currently has a capacity of 51 square kilometres (compared to 55 square kilometres at JAFZ) that is expected to grow to approximately 420 square kilometres by 2030. KIZAD is situated adjacent to, and integrated with, the Khalifa Port, which currently has a capacity of 2.5 million TEU that is expected to grow to approximately 15 million TEU by 2030 (compared to the Jebel Ali port which is expected to have a capacity of 19 million TEU by mid-2016). In addition, there are currently certain other GCC nations which are developing or expanding integrated port and free zone projects. Ongoing developments in the State of Qatar and the Sultanate of Oman are collectively expected to add approximately 15 million TEU of port capacity supported by approximately 50 square kilometres of adjacent free zone capacity by 2030. In addition, areas such as the Dubai Investment Park, Jumeirah Lake Towers and Dubai World Central offer alternative office and warehouse space.

Currently, the Group achieves premium lease rates in the Free Zone. However, its ability to continue to do so is contingent on JAFZ retaining its leading position in the market by virtue of being a more attractive location and its ability to attract and retain new and existing customers.

Competition with other free zones and integrated port projects could result in JAFZ having to reduce its lease rates in the Free Zone, which could materially and adversely affect the cash flows generated by JAFZ under the Concession Documents. These declines, coupled with the possible decline in occupancy levels, could if sustained, materially and adversely affect the business, prospects, results of operation and financial condition of the Group.

The Group is exposed to certain risks in respect of the expansion of terminals and port facilities and the development and construction of new terminals and port facilities

As at the date of this Base Prospectus, the Group has 8 new developments and major expansion projects underway. The Group's development and expansion projects are subject to receipt of various final regulatory approvals in certain jurisdictions. These projects typically require substantial capital expenditures throughout the development, construction and upgrading phases and may take months or years before they become operational and start generating revenue and cash flow for the Group, during which time the Group is subject to a number of construction, financing, operating and other risks beyond its control, including, but not limited to:

- shortages and increases in the cost of materials, equipment, labour or other necessary supplies;
- adverse weather conditions and natural disasters;
- an inability on the Group's part to make any necessary financing arrangements on terms favourable to it, if at all;
- risk of counterparty defaults which tend to increase during periods of recession;
- changes in demand for the Group's services;
- complexity introduced into the operations when launching new technologies or machinery becoming outdated;
- labour disputes and disputes with sub-contractors;
- inadequate infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation and other links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specification;
- accidents, civil unrest, wars and other unforeseen events;
- changes in governmental priorities or the level of governmental support that the Group receives; and
- an inability to obtain on a timely basis, if at all, and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may negatively affect the Group's ability to complete its current or future projects on schedule, if at all, or within the estimated budget and may prevent it from achieving the projected revenues, internal rates of return or capacity associated with such projects. There can be no assurance that the revenues that the Group is able to generate from its projects will be sufficient to cover the associated construction and development costs.

Furthermore, because most of the Group's development and expansion projects are governed by contracts that it enters into with the owner of a particular port, failure on the Group's part to fulfil its obligations relating to such projects, including meeting its deadlines in a timely manner, may constitute a breach under the relevant contract and subject the Group to penalties, including payment of liquidated damages, or, in the case of a serious breach, termination of a project and/or civil liabilities. Although the Group attempts to allocate risk of failure to sub-contractors and suppliers to the fullest extent possible, if the Group is unable to seek full indemnification from third parties with respect to any such breach, the Group's business, prospects, results of operation and financial condition may be materially and adversely affected.

The Group's inability to maintain and renew concession agreements at its existing facilities and the Free Zone may adversely affect its financial condition and results of operations

Substantially all terminal operations in the container terminal industry are conducted pursuant to long-term operating concessions or leases entered into by a terminal operator and the owner of a relevant port, typically a governmental entity. Concession agreements often contain clauses that allow the owner of a port to cancel the agreement, impose penalties on the Group if it does not meet specified investment obligations, which, especially in the case of investments designed to reduce the environmental impact of a particular operation, can be substantial, or require minimum payments based on previously estimated throughput, regardless of actual throughput handled. Concession agreements may also allow the owner of a port to reassess and increase the rent periodically.

Similarly, because many of the counterparties to concession agreements are governmental entities, terminal operators, including the Group, are subject to the risk that concession agreements may be cancelled because of political, social or economic instability (see "*Risks relating to the regions in which the Group operates – The Group is subject to the risks of political, social and economic instability associated with countries and regions in which the Group operates or may seek to operate*"). The Group cannot provide any assurance that one or more of its existing concession agreements will not be prematurely cancelled or the rent payable by the Group will not be increased during the life of a concession or the Group will not be penalised, with or without cause, by the relevant counterparty or that the Group will be able to successfully challenge such cancellations, increases and/or penalties.

In advance of the expiration of a concession agreement, the owner of a port will typically agree to renew the concession with the existing concessionaire, but often only after significant renegotiation that usually involves, among other things, a commitment on the part of the concessionaire to make capital expenditures or an increase in fees with respect to the relevant operation.

There can be no assurance that the Group will be able to renew its concession agreements upon their expiration on commercially reasonable terms, if at all, that historical trends will be accurate in the future, or that the Group would be the winning bidder in any re-tender of one or more of its existing concessions should the relevant port owner elect not to renew the relevant concession agreement with the Group. If the Group is unable to renew one or more of its concession agreements on commercially reasonable terms on or before their expiration dates or if the concession agreement is cancelled, the capacity of the Group's terminal portfolio will be reduced by the amount of capacity provided by the terminals associated with such concession agreements and the Group's business, prospects, results of operation and financial condition as well as geographic reach may be materially and adversely affected.

In relation to the Group's free zone business, the concession granted by JAFZA to JAFZ pursuant to the Concession Documents constitutes the primary source of revenues from the Free Zone. The Concession Documents impose the following contractual restrictions on the termination rights of JAFZA:

- *Concession Agreement*: JAFZA has the right to terminate the Concession Agreement upon an event of default of JAFZ, being: (i) a breach by JAFZ of its obligations under the Concession Agreement which has a material adverse effect; (ii) non-payment of the concession fee or part thereof when due; and (iii) JAFZ ceasing to carry on the Services or abandoning or substantially abandoning the operation of any part of the Concession Area; and

- *Usufruct Agreement*: JAFZA has the right to terminate the Usufruct Agreement upon an event of default of JAFZ under the Usufruct Agreement (which events are substantially similar to those in the Concession Agreement). As a matter of law, the Usufruct Rights are registered with the Dubai Land Department and, therefore, are similar in nature to registration of title.

Certain provisions in the Concession Agreement and the Usufruct Agreement were included to protect the rights of any potential providers of finance to JAFZ. In particular, the agreements state that no variation, amendment or waiver of any of their provisions may be agreed or declared if such variation, amendment or waiver would, in the view of JAFZ, materially adversely affect the rights of any provider of finance to JAFZ. Therefore, JAFZ is not entitled to terminate the Concession Agreement and the Usufruct Agreement as long as any amounts are outstanding under any finance arrangements.

If the Concession Documents were to be terminated or cancelled for any reason, the Group would lose its main source of revenue in the Free Zone and the Group's business, prospects, results of operation and financial condition may be materially and adversely affected.

A significant number of the Group's operations are run through joint ventures and other entities in which it holds a minority interest and, in some cases, the Group does not have the right or power to direct the management and policies of such companies

As a significant number of the Group's container terminal and other ports-related operations are conducted through jointly controlled entities, associated companies and partnerships, the Group is exposed to risks relating to actions taken by its joint venture partners and controlling shareholders of entities in which the Group holds a minority interest. For the year ended 31 December 2015, the Group's share of profits of equity accounted associates and joint ventures, excluding SDIs, constituted U.S.$52.7 million (or approximately 5.4 per cent.) of the Group's profit after tax for the period, before SDIs. Similarly, U.S.$2,408.3 million (or approximately 11.9 per cent.) of the Group's total assets as of 31 December 2015 comprised investments in associates and joint ventures. To the extent that the Group does not have a controlling equity stake in, or the right or power to direct the management and policies of, a joint venture or other company through which the Group conducts its operations, joint venture partners or controlling shareholders may take action that is not in accordance with the Group's policies and objectives. Should a joint venture partner or controlling shareholder act contrary to the Group's interest, it could have a material adverse effect upon the Group's business, business, prospects, results of operation and financial condition.

Joint venture transactions present many of the same risks involved in acquisitions, but also involve additional risks, including the possibility that the Group's joint venture partners may have economic, business or legal interests or goals that are inconsistent with the Group's own, may become bankrupt, may refuse to make additional investments that the Group deems necessary or desirable or may prove otherwise unwilling or unable to fulfil their obligations under the relevant joint venture or associated agreements. There is also a risk that the Group's joint venture partners may ultimately become its competitors. In addition, joint ventures with government entities also expose the Group to risks relating to differences in focus or priorities between successive regimes.

The Group's ability to expand successfully through joint ventures will depend upon the availability of suitable and willing joint venture partners, the Group's ability to consummate such transactions and the availability of financing on commercially acceptable terms. The Group cannot give any assurance that it will be successful in completing joint ventures or that, once completed, a joint venture will be profitable for the Group. If a joint venture is unsuccessful, the Group may be unable to recoup its initial investment and the Group's business, prospects, results of operation and financial condition may be materially and adversely affected.

In addition, the Group's ability to dispose of inadequate or poorly performing businesses is sometimes subject to governmental approval, which may force the Group to bear the costs of any such business for a longer period of time, with an increasingly negative and prolonged impact on its business, prospects, results of operation and financial condition, than would otherwise be the case.

The Group's businesses require substantial capital investment and the Group may not have sufficient capital to make, or may be restricted by covenants in its financing agreements from making, future capital expenditures and other investments as it deems necessary or desirable

The Group operates in capital intensive industries that require a substantial amount of capital and other long-term expenditures, including those relating to the development and acquisition of new container terminal facilities and the expansion of existing container terminal facilities. The Group expects to utilise a combination of internally generated cash and external borrowings, including banking and capital markets transactions, to meet its financing requirements. If necessary, the Group may also seek to obtain additional funding from the equity markets. However, there can be no assurance that the Group's ultimate controlling shareholder, Dubai World, would approve, or be willing or able to participate, in any such financing.

The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. As at the date of this Base Prospectus, the performance of global financial markets has been significantly affected by the economic slowdown in emerging markets generally and volatility in the economy of The People's Republic of China ("**China**") in particular (where economic growth slowed during 2015 to 6.9 per cent. of real GDP, representing a 25-year low). In August 2015, the Shanghai composite index lost 16 per cent. of its value over a two-day period and European and U.S. equity markets were also affected. The impact of the economic slowdown in emerging markets has also been felt in the UAE with each of the ADX General Index and the Dubai Financial Market index falling by 5 per cent. and 16 per cent., respectively, between 31 December 2014 and 31 December 2015. In addition, the prevailing low international prices for hydrocarbon products have had a significant adverse affect on the oil-revenue dependent GCC economies (see "*Risks relating to the regions in which the Group operates – The Group is subject to political and economic conditions in Dubai, as well as the UAE as a whole*"). These volatile market conditions have resulted in reduced liquidity, widening of credit spreads, lack of price transparency in credit and capital markets and increased volatility in interest rates and exchange rates. Any such (or further) decline in global credit markets and/or reduced liquidity may affect the Group's ability to secure financing on commercially reasonable terms, if at all. The Group cannot provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and the Group may be required to secure any such financing with a lien over its assets or agree to contractual limitations on its business.

In addition, covenants contained in the Group's current or future financing agreements may restrict it from undertaking capital expenditure in amounts and at times that the Group deems necessary or desirable or when specified by construction timelines contained in concessions for new container terminal facilities (see "*Risks relating to the Group – The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates*"). If the Group is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditure and other investments, it may be unable to grow its business, which may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates

As at 31 December 2015, the Group had approximately U.S.$7,670.3 million of outstanding indebtedness and it may incur additional indebtedness in the future to finance the growth of its business.

The Group's indebtedness may expose it to a number of risks, including:

- increasing the Group's vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on the Group's indebtedness, thereby reducing the Group's ability to use its cash flow to fund its operations, capital expenditures and future business opportunities and to pay dividends;
- exposing the Group to the risk of increased interest rates with respect to its borrowings at variable rates of interest, unless the Group is able to fully hedge its interest rate exposure with respect to such borrowings;
- restricting the Group from making strategic acquisitions or causing it to make non-strategic divestitures;
- limiting the Group's ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes;
- limiting the Group's ability to adjust to changing market conditions and place it at a competitive disadvantage compared to its competitors that are less highly leveraged; and
- ratings currently assigned to the Company and/or the Certificates being placed on credit watch or downgraded (see also "*Risks Relating to the Certificates – Credit ratings assigned to the Company and/or the Certificates are subject to ongoing evaluation and there can be no assurance that the ratings currently assigned to the Company and/or the Certificates will not be placed on credit watch or downgraded*").

In addition, the Group's debt agreements contain various covenants that limit its ability to engage in specified types of transactions. These covenants limit the Group's ability to, among other things (and subject to certain thresholds):

- incur or guarantee additional financial indebtedness or issue certain redeemable shares;
- grant security or create any security interests; and
- consolidate, merge or sell or otherwise dispose of any of the Group's assets.

Furthermore, certain of the Group's debt agreements contain, and future agreements may contain, cross-default clauses whereby a default under one of the Group's debt agreements may constitute an event of default under other of the Group's debt agreements. For instance, the Syndicated Loan Facility (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness*") requires the Group to maintain a specified ratio of total debt to total debt plus equity and contains other financial condition tests. The Group's ability to meet such ratios and tests can be affected by events beyond the Group's control and there can be no assurance that the Group will meet such ratios and tests.

Moreover, the Syndicated Loan Facility as well as the Company's guaranteed outstanding listed debt securities contain "change of control" provisions which require the Government, either directly or indirectly, to hold at least 50 per cent. of the Company's issued share capital. However, the Group has no ability to control the actions of the Government or PFZW with respect to their holding of the Company's share capital and can therefore make no assurance that either entity will not dispose of its holdings of the Company's share capital in the future either voluntarily or involuntarily. A breach of any of these covenants or provisions would result in a default under the Syndicated Loan Facility and the Company's guaranteed outstanding listed debt securities, which may allow the holders to take action to accelerate the maturity of the securities. Accordingly, any such breach could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

For further information regarding the Group's material indebtedness and the undertakings and covenants included therein, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness*".

Fluctuations in currency exchange rates could have an adverse effect on the Group's results of operations

Because the Group presents its financial statements in U.S. dollars, it is exposed to risks related to the translation of assets and liabilities denominated in other currencies.

In response to the declining price of crude oil since June 2014, certain regional oil producing countries that have traditionally "pegged" their domestic currencies to the U.S. dollar have faced pressure to remove these foreign exchange "pegs". As at the date of this Base Prospectus, each of Kazakhstan and Azerbaijan have chosen to unwind the U.S. dollar peg of their domestic currencies. While the likelihood of the GCC states pursuing a similar course of action is unclear (the UAE Central Bank has, as recently as September 2015, re-iterated its intention to retain the UAE dirham peg against the U.S. dollar), there remains a risk that any such future de-pegging by the GCC states (in the event that the current challenging market conditions persist for a prolonged period) could result in a de-valuation of any such de-pegged currency against the U.S. dollar and could impact open cross-currency positions leading to currency fluctuations.

As of 31 December 2015, approximately 64.0 per cent. of the Group's net operating assets were denominated in currencies other than the functional currency of the Company (being the UAE dirham, which is pegged to the U.S. dollar). As a result, currency fluctuations can have a material impact on the Group's balance sheet.

In addition to these translation risks, the Group is exposed to transaction risks as a result of differences in the currency mix of its operating revenue and cost of sales. As a result, a depreciation or appreciation of a particular local currency against the U.S. dollar could have either a positive or negative impact on the Group's balance sheet and profit margin and therefore its profit for the year (see "*Management's*

Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Financial Condition and Results of Operations – Currency Risk").

Although the Group currently hedges some of its exchange rate exposure by entering into swap and/or other currency exchange rate hedging transactions, there can be no assurance that such transactions will fully protect the Group from exchange rate risk or that the Group will continue to be able to enter into such arrangements on commercially reasonable terms, if at all. Accordingly, there can be no assurance that future exchange rate fluctuations between the U.S. dollar and the currencies of countries in which the Group operates will not have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

Increases in interest rates may adversely affect the Group's financial condition

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which the Group operates. An example of this sensitivity is the current instability of interest rates across global markets due to, among other reasons, the decision of the U.S. Federal Reserve in December 2015 to raise interest rates for the first time since 2006 and the uncertainty around the broader impact of the decision of the Bank of Japan to introduce negative interest rates in January 2016. The variable rate debt portion of the Group's loans and borrowings is subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such debt. Consequently, any increase in such reference rates will result in an increase in the Group's interest rate expense and may have a material adverse effect on the Group's financial condition and results of operations. As of 31 December 2015, U.S.$2,324.9 million of the Group's financial instruments carried interest at floating rates before taking interest rate swaps into account. A hypothetical 1 per cent. change in interest rates on this portion of the Group's financial instruments, after taking interest rate swaps into account, would result in a change in the Group's interest expense of approximately U.S.$2.6 million per year. Furthermore, there can be no assurance that, upon the expiration of the Group's current interest rate hedging arrangements, it will be able to enter into similar hedging transactions in the future on commercially reasonable terms, if at all, or that these agreements, if entered into, will protect the Group fully against its interest rate risk in the future. Any future unhedged interest rate risk may result in an increase in the Group's interest expense and may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

Revenues generated by the Free Zone are dependent upon occupancy levels, rental rates and legislation

The revenues generated within the Free Zone primarily comprise leasing revenue, as well as revenue from registration and licensing activities and administration services, and are driven by the supply of, and demand for, available space which is suitable to tenants in the Free Zone, as well as other factors, such as the perceived desirability of the Free Zone by tenants as a business location.

A decrease in demand for space in the Free Zone, including for land, warehouses, offices and onsite residential accommodation, would adversely affect occupancy levels in the Free Zone and associated revenues.

Additionally, leasing revenue received by JAFZ could also be affected by legislative restrictions on the permissible level of rental increases and possible future changes in law. Dubai legislation prescribes the maximum increase which is permitted upon renewal of most types of leases in Dubai and could restrict JAFZ's ability to increase lease rates and, accordingly, its leasing revenues generated within the Free Zone.

Furthermore, the boundaries of the Free Zone are set in the Concession Documents, which means that the growth of JAFZ is limited to the development of undeveloped land or the re-development of developed properties in the Free Zone. As at 31 December 2015, approximately 11 per cent. of the land available in the Free Zone was undeveloped. Demand for space in the Free Zone in the future may be adversely affected by, among other things, competitive factors; a downturn in the global, regional or local economy; circumstances which cause the UAE or Dubai to be perceived as a less desirable place to do business; a change in law reducing the economic advantages to tenants of doing business in the Free Zone; a decline in the level of services provided to tenants in the Free Zone; and a change in the environmental condition of the Free Zone. A decline in the overall level of leasing revenue generated from the Free Zone and/or revenue from licensing activities and/or administration services could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

The Group is exposed to credit risk with respect to its counterparties and the Group's business could be adversely affected if its counterparties default on their obligations to the Group

A failure by any of the Group's debtors to pay their obligations to the Group, or inability to pay by any of the Group's counterparties, may have a significant impact on the Group's reserves and profitability. As of 31 December 2015, the Group's ten largest customers accounted for approximately 59 per cent. of the Group's gross trade receivables. While the Group seeks to limit its credit risk by setting credit limits for individual counterparties, taking financial guarantees from counterparties and monitoring outstanding receivables, the Group's counterparties may in the future default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons. The Group's credit risk is increased by the fact that its largest counterparties operate in the same industry and therefore may be similarly affected by changes in economic and other conditions. In addition, the Group is often unable to obtain reliable information regarding the financial condition of a number of its customers because they are privately-held companies and have no obligation to make such information publicly available. While the Group takes steps to closely monitor this risk and to ensure tight control in respect of the credit risk of its counterparties, any delayed payment, non-payment or non-performance on the part of one or more of the Group's major customers, or a number of the Group's smaller counterparties, could have a material adverse effect on the Group's business, prospects, results of operation and financial condition (including cash flow).

The discontinuation of any of the preferential tax treatments currently available to the Group may increase the Group's tax liabilities and decrease the Group's profitability

Certain of the Group's container terminal operations (for instance, certain terminals located in China, India and Turkey) benefit from tax "holiday" or similar awards, which exempt the Group from paying tax on its profits or allow it to pay a reduced rate of tax on its profits (in most cases for a specified period of time and in some for a specific taxable amount). Such awards do not extend to the dividend distribution of such profits. In India, the Group also pays a significantly lower rate of customs duties on the Group's imports of capital goods as a result of the Export Promotion Capital Goods Scheme ("**EPCG Scheme**"), which reduces the customs duties on imports of capital goods on the basis that certain prescribed levels of exports are achieved. As a result of these tax awards, the Group's overall tax charge is less than it would otherwise be in the absence of such awards. Some of the existing tax awards expire at various times between 2017 and 2018 and, upon their expiration, the Group will be required to pay tax on the Group's profits at the normal rate for the relevant country. In addition, if the Group fails to meet the prescribed level of exports in India under the EPCG Scheme, the Group will be liable to pay the full rate of customs duties on the Group's imports of capital goods. There can be no assurance that the tax awards that the Group currently enjoys will remain unchanged and any change in respect of one or more such awards may materially and adversely affect the Group's tax liabilities and profitability. Any future increase in the Group's tax expense may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

The Group's port operations could be adversely affected by natural disasters or other catastrophic events beyond the Group's control

The Group's business operations and development and construction projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- the amount of silting that occurs in the areas around and leading to the Group's facilities;
- invasion, piracy, sabotage, rebellion, revolution, insurrection, military or usurped power, war and radioactive or other material environmental contamination;
- riots or other forms of civil disturbance;

- occurrence of any contagious disease (such as Avian Flu, Ebola Virus Disease, SARS or Zika Virus Disease), which may adversely affect global or regional trade volumes or customer demand with respect to cargo transported to or from affected areas;

- major accidents, including chemical, and radioactive or other material environmental contamination;

- denial of the use of any railway, port, airport, shipping service or other means of public transport; and

- strike or lock-out or other industrial action by workers or employers.

The occurrence of any of these events at one or more of the Group's facilities or development and construction projects or in the regions in which the Group operates may cause delays in the arrival and departure of vessels or disruptions to the Group's operations in part or in whole, may increase the costs associated with dredging activities, may subject the Group to liability or impact its brand and reputation and may otherwise hinder the normal operation of its container terminals or the Free Zone, which could materially and adversely affect the Group's business, prospects, results of operation and financial condition. The effect of any of these events may be worsened to the extent that any such event involves risks for which the Group is uninsured or not fully insured (see "*Risks Relating to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business*").

The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business

The Group's operations may be affected by a number of risks, including terrorist acts and war-related events, for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to the Group's facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and acts of God, as well as risks relating to the Group's provision of services to customers, including, with respect to the Group's container terminal and Free Zone operations, damage to customers' property, delays, misrouting of cargo and documentation errors, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair the Group's reputation. There can be no assurance that the Group's insurance coverage will be sufficient to cover the loss arising from any or all such events or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.

Should an incident occur in relation to which the Group has no insurance cover or inadequate insurance cover, the Group could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against the Group in excess of any related insurance cover that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Additional security requirements may increase the Group's operating costs and restrict its ability to conduct its ports business

In recent years, various international bodies and governmental agencies and authorities in the countries in which the Group operates have implemented numerous security measures that affect the Group's container terminal operations and the costs associated with such operations. The International Ship and Port Facility Security Code ("**ISPS Code**"), which was implemented in 2004, and, to the extent that the Group's terminals handle cargo destined for the United States, the global security initiatives emanating from the U.S. Safe Ports Act of 2006, specifically the Container Security Initiative ("**CSI**") and the Secure Freight Initiative ("**SFI**"), are examples of such security measures. The ISPS Code is a comprehensive set of measures designed to enhance the security of ships and port facilities and requires the Group and the Group's staff to, among other things, gather and assess information related to shippers and cargos, maintain communication protocols, restrict access to the Group's facilities as appropriate, provide the means to raise alarms, establish vessel and port security plans and ensure training and drills are conducted. The CSI and SFI programs are designed to improve U.S. port security by requiring the advance transmission of manifest documentation and technical images of pre-screened containers before they reach U.S. ports. Failure on the Group's part to comply with the security requirements applicable to the Group or obtain relevant security-related certifications may, among other things, prevent certain shipping line customers from using the Group's facilities and result in higher insurance premiums, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

In addition, new security measures or updated regulatory compliance requirements, which may be influenced by political or other considerations not aligned with the Group's interests, may be introduced at any time, including in connection with the EU Customs Security Program – Authorised Economic Operator initiative, the U.S. Customs – Trade Partnership Against Terrorism initiative and other government-to-industry initiatives, and ensuring the Group's compliance with such measures or requirements may involve considerable time and resources on the Group's part. The costs associated with existing and any additional or updated security measures will negatively affect the Group's operating income to the extent that it is unable to recover the full amount of such costs from its customers, who generally also have faced increased security-related costs, or, in certain cases, the owners of the ports in which the Group operates. Similarly, additional security measures that require the Group to increase the scope of its screening procedures may effectively reduce the capacity of, and increase congestion at, the Group's terminals, which may negatively affect the Group's business, prospects, results of operation and financial condition.

The Group relies on security procedures carried out at other port facilities and by its shipping line customers, which are outside of the Group's control

The Group inspects cargo that enters its terminals in accordance with the inspection procedures prescribed by, and under the authority of, the governmental body charged with oversight of the relevant port. The Group also relies on the security procedures carried out by its shipping line customers and the port facilities that such cargo has previously passed through to supplement the Group's own inspection to varying degrees. The Group attempts to mitigate security-related risks as much as possible (for instance, through cargo inspection and reliance on shipping line security procedures) and believes that it maintains standards for security at its terminals, including with respect to compliance with the ISPS Code and internationally-recognised efficient security management systems that meet or exceed those generally adopted by the container terminal industry. However, the Group cannot guarantee that none of the cargo that passes through its terminals will be impacted by breaches in security or acts of terrorism either directly against the Group or indirectly in other areas of the supply chain that will impact on the Group. A security breach or act of terrorism that occurs at one or more of the Group's facilities, or at a shipping line or other port facility that has handled cargo before the Group, could subject the Group to significant liability, including the risk of litigation and loss of goodwill. In addition, a major security breach or act of terrorism that occurs at one of the Group's facilities or one of its competitors' facilities may result in a temporary shutdown of the container terminal industry and/or the introduction of additional or more stringent security measures and other regulations affecting the container terminal industry, including the Group (see "*Risks relating to the Group – Additional security requirements may increase the Group's operating costs and restrict its ability to conduct its ports business*"). The costs associated with any such outcome could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

The Group is subject to a wide variety of regulations and may face substantial liability if it fails to comply with existing or future regulations applicable to its businesses

In each of the jurisdictions in which the Group operates and will operate, it has to comply with laws, regulations and administrative policies which relate to not only environmental regulations and safety standards but also employment (including pensions), anti-corruption, banking and tax. In particular, JAFZ must comply with safety standards stipulated by JAFZA as the competent authority with respect to the Free Zone.

The Group's terminal and Free Zone operations are subject to extensive international, national and local laws and regulations governing, among other things (as applicable), the fees that the Group is permitted to charge at certain ports, the loading, unloading and storage of hazardous materials, environmental protection and health and safety. The Group's ability to operate its businesses is contingent on the Group's ability to comply with these laws and regulations and to obtain, maintain and renew as necessary related approvals, permits and licenses from governmental agencies and authorities in the countries in which the Group operates. As the laws and regulations governing the Group's operations, and the legal interpretations of these laws and regulations, are not uniform across the countries in which the Group operates, it is exposed to the costs and administrative difficulties involved in keeping itself informed of new and evolving legislation and regulations that span many jurisdictions. Because of the complexities involved in ensuring compliance with different and sometimes inconsistent national and international regulatory regimes, there can be no assurance that the Group will remain in compliance with all of the regulatory and licensing requirements imposed on it by each relevant jurisdiction.

The Group's failure to comply with all applicable regulations and obtain and maintain requisite certifications, approvals, permits and licenses, whether intentional or unintentional, could lead to substantial penalties, including criminal or administrative penalties or other punitive measures, result in revocation of the Group's licenses and/or increased regulatory scrutiny (including, in the case of JAFZ, restrictions on providing leasing activities or other services), impair the Group's reputation, subject it to liability for damages, trigger a default under one or more of its financing agreements or invalidate or increase the cost of the insurance that it maintains for its ports business. Additionally, the Group's failure to comply with regulations that affect its staff, such as health and safety regulations, could affect its ability to attract and retain staff (see "*Risks relating to the Group – If the Group fails to retain and attract qualified and experienced employees, its business may be harmed*"). The Group could also incur civil liabilities such as abatement and compensation for loss in amounts in excess of, or that are not covered by, the Group's insurance (see also "*Risks relating to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business*"). For the most serious violations the Group could also be forced to suspend operations until it obtains such approvals, certifications, permits or licenses or otherwise bring its operations into compliance.

In addition, changes to existing regulations or tariffs or the introduction of new regulations or licensing requirements (which may be retrospective) are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any such regulations, tariffs or licensing requirements could materially and adversely affect the Group's business by reducing its revenue, increasing its operating costs or both and the Group may be unable to mitigate the impact of such changes. Further or future tariff reductions at one or more of the Group's terminals could have a negative effect on the Group's results of operations.

Finally, any expansion of the scope of the regulations governing the Group's environmental obligations, in particular, would likely involve substantial additional costs, including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of the Group's ability to address environmental incidents or external threats. If the Group is unable to control the costs involved in complying with these and other laws and regulations, or recover the full amount of such costs from its customers, the Group's business, prospects, results of operation and financial condition could be materially and adversely affected.

If the Group fails to retain and attract qualified and experienced employees, its business may be harmed

If the Group is unable to retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or fails to recruit skilled professional and technical staff in pace with its growth, its business and financial results may suffer. There is intense competition in the UAE for skilled personnel, especially at the senior management level, due to a disproportionately low number of available qualified and/or experienced individuals compared to current demand. Consequently, when talented employees leave, the Group may have difficulty, and incur additional costs, replacing them. The loss of any member of the Group's management team or any of the Group's terminal managers may result in: (i) a loss of organisational focus; (ii) poor execution of operations; and (iii) an inability to identify and execute potential strategic initiatives such as expansion of capacity. These adverse results could, among other things, reduce potential revenue, prevent the Group from diversifying its service lines and expose it to downturns in the markets in which the Group operates, all of which could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

Industrial action or adverse labour relations could disrupt the Group's business operations and have an adverse effect on the Group's operating results

The Group's operations depend on employees who may be party to national or local collective bargaining arrangements or benefit from local applicable law, regulation or custom regarding employee rights and benefits. If the Group is unable to negotiate acceptable labour agreements or maintain satisfactory employee relations, the results could include work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs) at one or more of the Group's facilities, any of which could have a material adverse effect on the Group's business, business, prospects, results of operation and financial condition.

Failure in the Group's information and technology systems could result in delays to its business operations

The Group's information and technology systems are designed to enable it to use its infrastructure resources as efficiently as possible and monitor and control all aspects of its operations. Although each of the Group's terminals, based on the nature of its business, is configured to keep its systems operational under abnormal conditions, including with respect to business processes and procedures, any failure or breakdown in these systems could interrupt its normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could dramatically impact the Group's ability to offer services to its customers, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition. Similarly, any significant delays or interruptions in the Group's loading or unloading of a customer's cargo could negatively impact its reputation as an efficient and reliable terminal operator.

Further, in common with other terminal operators based in the GCC and elsewhere in the world, the threat to the security of the Group's information and container-related data from cyber-attacks is real and continues to grow at pace. Activists, rogue states and cyber criminals are among those targeting computer systems around the world. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could adversely affect the Group's reputation, business, prospects, results of operation and financial condition.

The Group is also reliant on third party vendors to supply and maintain much of its information technology. In the event that one or more of the other third party vendors that the Group engages to provide support and upgrades with respect to components of the Group's information technology ceased operations or became otherwise unable or unwilling to meet the Group's needs, there can be no assurance that the Group would be able to replace any such vendor promptly or on commercially reasonable terms, if at all. Delay or failure in finding a suitable replacement could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

Risks relating to the regions in which the Group operates

The Group is subject to political and economic conditions in Dubai, as well as the UAE as a whole

For the year ended 31 December 2015, 73.4 per cent. of the Group's revenue, excluding SDIs, related to its operations located in the Middle East, Europe and Africa financial reporting segments, a significant portion of which related to operations in the UAE. Consequently, the Group's results of operations are and will continue to be affected in general by economic and political developments in or affecting Dubai and the UAE and, in particular, by the level of economic activity in Dubai, the UAE and the broader Middle East, Indian Subcontinent and Africa regions.

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. Since June 2014, international crude oil prices have declined dramatically, falling by approximately 75 per cent. from a high monthly average OPEC Reference Basket price per barrel of U.S.$108 in June 2014, to a monthly average price of U.S.$26.50 in January 2016. The prevailing low international prices for hydrocarbon products have had a significant adverse affect on the oil-revenue dependent GCC economies, resulting in reduced fiscal budgets and public spending plans for 2016, together with increased budgetary deficits across the GCC. Despite the UAE being viewed as being less vulnerable than some of its GCC neighbours due to the growth in its non-oil sector and the sizeable wealth of the Government of Abu Dhabi, fluctuations in energy prices have an important bearing on economic growth. For instance, in the UAE, the IMF expects the federal budget deficit for 2016 to be approximately 2.4 per cent. of GDP. The current economic environment, together with the anticipated reduction in governmental spending, may have an adverse impact on the level of economic activity in the UAE which could, in turn, have a negative impact on regional trade volumes (see also "*Risks relating to the Group – The Group's results of operations can be adversely impacted by declines in global trading volumes*").

While the UAE is seen as a relatively stable political environment with generally healthy international relations, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. In particular, since early 2011 there has been, and continues to be, political unrest in a range of countries in the Middle East and North Africa ("**MENA**") region, including Algeria, Bahrain, Egypt, Jordan, the Islamic Republic of Iran, Iraq, Libya, Oman, the Kingdom of Saudi Arabia, Syria, Tunisia and Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational fight against Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leadership and has given rise to increased political uncertainty across the region. Further, the UAE, along with other Arab states, is currently participating in the Saudi Arabian led military intervention in Yemen, which began in 2015 in response to requests for assistance from the Yemeni government. The UAE is also a member of another Saudi Arabian led military coalition formed in December 2015 to combat Islamic extremism and, in particular, Islamic State. These situations have caused significant disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices. Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability affecting the countries in the MENA region could adversely impact the UAE although to date there has been no significant impact on the UAE and, in particular, the port at Jebel Ali continues to be regarded as a safe haven for trade and shipping in the Middle East.

The Group's business may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and the Middle East. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Group would be able to sustain its current profit levels if adverse political events or circumstances were to occur. In particular, any blockage of, or other event affecting, the Strait of Hormuz or other political or military disruptions in the Arabian Gulf could prevent the Group's shipping line customers from reaching the ports at which the Group operates in the UAE, including through prohibitive increases in their insurance premiums. Any such occurrences could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

The economies of Dubai and the UAE, like those of many emerging markets, have been characterised by significant government involvement through direct ownership of enterprises. Whilst Dubai and the UAE have enjoyed significant economic growth and relative political stability following the global financial crisis, there can be no assurance that such growth or stability will continue. Moreover, while the Government's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained. A general downturn or instability in certain sectors of the UAE or the regional economy could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

Certificateholders should also note that the Group's business and financial performance could be materially and adversely affected by political, economic or related developments both within and outside the Middle East region because of inter-relationships within the global financial markets. The Group could be materially and adversely affected in the future by any deterioration of general economic conditions in the markets in which its customers operate, as well as by international trading market conditions and/or related factors.

The Group is subject to the risks of political, social and economic instability associated with countries and regions in which it operates or may seek to operate

The Group conducts its business in a number of countries and regions with developing economies, many of which do not have firmly established legal and regulatory systems and some of which from time to time have experienced economic or political instability. Some of these countries are also in the process of transitioning to a market economy and, as a result, are experiencing changes in their economies and their government policies that can affect the Group's investments in these countries. Governments in these jurisdictions and countries, as well as in more developed jurisdictions and countries, may be influenced by political or commercial considerations outside of the Group's control, and may act arbitrarily, selectively or unlawfully, including in a manner that benefits the Group's competitors.

Specific country risks that may have a material adverse effect on the Group's financial condition and results of operations include:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal, regulatory and tax regimes such as anticipated introduction of value added tax ("**VAT**") in the UAE (see "*Taxation – United Arab Emirates (excluding the Dubai International Financial Centre)*");
- arbitrary or inconsistent government action, including capricious application of tax laws and selective tax audits;
- difficulties and delays in obtaining requisite governmental licenses, permits or approvals;
- cancellation, nullification or unenforceability of contractual rights; and
- under-developed industrial and economic infrastructure, including railway and road systems that are unable to deal with the high volumes handled at a particular terminal.

In particular, the U.K. will hold a referendum on 23 June 2016 to determine if it should leave the European Union. The effect of an exit vote on the U.K., European and global economies are impossible to predict and, accordingly, it is difficult to forecast with any certainty the effect of the results of this referendum on the operations of the Group in Europe (including on its operations at DP World London Gateway (U.K.)).

In addition, to the extent that any of the Group's operations is located in a country or region that is designated a Hull, War, Strikes, Terrorism and Related Perils Listed Area by Lloyd's Joint War Committee, shipping lines must pay war risk premiums in respect of insurance that they obtain for vessels travelling in such areas. Two of the Group's container terminals are located in two countries that are currently designated Hull, War, Strikes, Terrorism and Related Perils Listed Areas, namely the Kingdom of Saudi Arabia and the Islamic Republic of Pakistan ("**Pakistan**"). Such a designation could negatively affect the decisions of the Group's shipping line customers to continue to call at these terminals.

Changes in investment policies or shifts in the prevailing political climate in any of the countries in which the Group operates could result in the introduction of increased government regulations with respect to, among other things:

- price controls;
- export, import and throughput controls;
- income and other taxes;
- environmental legislation;
- customs and immigration;
- foreign ownership restrictions;
- foreign exchange and currency controls;

- labour and welfare benefit policies; and
- land and water use.

As the political, economic and social environments in certain countries in which the Group has made, or may consider making, investments remain subject to continuing development, investments in such countries are characterised by a significant degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in such countries, or in countries that neighbour such countries, could have a material adverse effect on the investments that the Group has made or may make in the future, which in turn could have a material adverse effect on the Group's business, prospects, results of operation and financial condition. For additional risks relating to political and economic conditions in Dubai, the UAE and the Middle East, see "*Risks relating to the regions in which the Group operates – The Group is subject to political and economic conditions in Dubai, as well as the UAE as a whole*".

Government policies relating to the container terminal industry may be changed in countries in which the Group operates and will operate and any such changes in a country could have a material adverse effect on its financial condition and results of its operations in that country

Government policies relating to the container terminal industry may be changed in countries in which the Group operates. Any such changes may require the Group to change aspects of the way that the Group conducts business in the relevant country, which could have a material effect on the Group's financial condition, results of operations and prospects to the extent that current policies differ significantly from the policies ultimately promulgated by the relevant country. Any changes in government policies relating to the container terminal industry in countries that the Group is not currently operating in could prevent or restrict the Group's ability to operate in those countries in the future.

Anti-trust and competition laws in the countries in which the Group operates and will operate may limit its growth and subject it to anti-trust and other investigations

The anti-trust and competition laws and related regulatory policies in many of the countries in which the Group operates generally favour increased competition in the container terminal industry and may prohibit the Group from making further acquisitions or continuing to engage in particular practices to the extent that the Group holds a leading market share in such countries. In addition, violations of such laws and policies could potentially expose the Group to civil lawsuits or criminal prosecution, including fines and imprisonment. The Group cannot predict the effect such investigations will have on the Group's business. If as a result of any such investigation, the relevant anti-trust or competition authority imposes fines or other penalties on the Group or prohibits the Group from engaging in certain types of business in one or more of the regions in which the Group operates, the Group's financial performance and future growth could be materially and adversely affected.

Risks Related to the Certificates

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 each Series of Certificates is limited to the Trust Assets of that Series and the proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, or early dissolution pursuant to Conditions 10 (*Capital Distributions of the Trust)*, the sole rights of each of the Trustee, the Delegate and, through the Delegate, the Certificateholders of the relevant Series of Certificates to realise proceeds from the Trust Assets will be by way of enforcement and will be against the Company to perform its obligations under the Transaction Documents to which it is a party. The obligations of the Company under the Transaction Documents are unsecured and rank *pari passu* with the Company's other unsecured indebtedness. Certificateholders will otherwise have no recourse to any assets of the Delegate, the Company, the relevant Dealer, the Trustee (including its directors and service providers), and the Issuing and Paying Agent or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the relevant Trust Assets. The Company is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Trustee and the Delegate will have direct recourse against the Company to recover payments due to the Trustee from the Company pursuant to the Transaction Documents. In the absence of default by the Delegate, Certificateholders have no direct recourse to the Company and there can be no assurance that the proceeds of the realisation of, or enforcement with respect to, the Trust Assets (which, as described above, will be by way of enforcing each of the Company's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Certificates of the relevant Series. After enforcing the rights in respect of the Trust Assets (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have: (i) any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents, and the sole right of the Trustee, the Delegate and the Certificateholders against the Company shall be to enforce the obligation of the Company to perform its obligations under the Transaction Documents to which it is a party.

Since the Company is a holding company and substantially all of its operations are conducted through its subsidiaries, unconsolidated joint ventures and associates, its ability to make payments under the Transaction Documents, depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities

The Company currently conducts substantially all of its operations through its subsidiaries, unconsolidated joint ventures and associates, and such entities generate substantially all of the operating income and cash flow of the Company. Since the Company has no direct operations or significant assets other than the capital stock of these entities, it relies on free cash flow of its subsidiaries, cash dividends from its joint ventures and associates, investment income, financing proceeds and other permitted payments from its subsidiaries, joint ventures and associates to make payments on its debt (including its payment obligations under the relevant Transaction Documents), pay operating expenses and pay other obligations that may arise from time to time.

The ability of such subsidiaries, joint ventures and associates to make payments to the Company depends largely on the financial condition, ability to generate profits and ability to distribute such amounts, if any, of such entities. Because such subsidiaries, joint ventures and associates are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance funds to the Company and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or partners or the applicable laws and regulations of the various countries in which such entities operate. Similarly, because of the holding company structures of the Company, claims of the creditors of such subsidiaries, joint ventures and associates, including trade creditors, banks and other lenders, effectively have priority over any claims that the Company may have with respect to the assets of these entities. See "Risks related to the Certificates – Any claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will be structurally subordinated to claims of creditors of the subsidiaries of the Company".

No assurance can be given that such subsidiaries, joint ventures or associates will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends or lend or advance sufficient funds to the Company to enable it to meet its obligations, pay interest and pay expenses. The inability of one or more of these entities to pay dividends or lend or advance funds to the Company could have a material adverse effect on the business, prospects, results of operation and financial condition of the Company or the Group.

Any claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will be structurally subordinated to claims of creditors of the subsidiaries of the Company

In the event of a winding-up or insolvency of one of the subsidiaries of the Company, claims of secured and unsecured creditors of such subsidiary, including trade creditors, banks and other lenders, will have priority with respect to the assets and revenues of such subsidiary over any claims that the Company or the creditors of the Company may have with respect to such assets and revenues. Generally, all of the obligations of a subsidiary of the Company would have to be satisfied before any of the assets or revenues of such subsidiary would be available, upon liquidation or otherwise, to the Company or the creditors of the Company. Claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will therefore be structurally subordinated to the indebtedness of the subsidiaries of the Company, the amount of which is not subject to contractual limitations under the terms of the Certificates. See "*Risks Relating to the Group – The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates*".

The terms of the Certificates may be modified by a majority of Certificateholders without the consent of, or notice to, all Certificateholders

The Terms and 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 Certificateholders who voted in a manner contrary to the majority.

The Master Declaration of Trust and the Conditions also provide that, if in the opinion of the Delegate it is not materially prejudicial to the interests of the Certificateholders, the Delegate may, without the consent of Certificateholders, agree to: (i) any modification of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust and any other Transaction Document that is, in the opinion of the Delegate, of a formal, minor or technical nature or is made to correct a manifest error; (ii) waive or authorise any breach or proposed breach of, any of the provisions of the Certificates; or (iii) determine without the consent of the Certificateholders that any Dissolution Event or Potential Dissolution Event shall not be treated as such, as described in Condition 18 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*).

The transferability of the Certificates may be limited under applicable securities and tax laws, which may adversely affect the value of the Certificates

The Certificates have not been registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. The Certificates may not be offered, sold or otherwise transferred in the United States or to or for the account or benefit of a U.S. person other than to persons that are QIBs that are also QPs. In addition, each purchaser of a Certificate will be required to represent that it is not a "benefit plan investor" as described under "*ERISA Considerations*. Each purchaser of the Certificates will also be deemed, by its acceptance of such Certificates, to have made certain representations and agreements intended to restrict transfers of the Certificates as described under "*Subscription and Sale and Transfer and Selling Restrictions*". It is the obligation of each purchaser of the Certificates to ensure that its offers and sales of the Certificates comply with all applicable securities laws.

In addition, if at any time the Trustee or the Company determines that any owner of Certificates, or any account on behalf of which an owner of Certificates purchased its Certificates, is a person that is required to be a QIB that is also a QP and does not meet those requirements, or is a "benefit plan investor", the Trustee or the Company may require that such owner's Certificates be sold or transferred to a person designated by or acceptable to the Trustee and the Company.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Prospective investors should consult their legal advisers to determine whether and to what extent: (1) the Certificates are legal investments for such prospective investors; (2) the Certificates can be used as collateral for various types of borrowing; and (3) other restrictions apply to their purchase or pledge of any Certificates. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk based capital or similar rules.

The Trustee is a "covered fund" for purposes of the Volcker Rule, which could negatively affect the liquidity and the value of the Certificates

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing regulations (the" **Volcker Rule"**), relevant "banking entities" (as defined under the Volcker Rule) are generally prohibited from, among other things, acquiring or retaining any equity, partnership, or other "ownership interest" in, or in "sponsoring", any "hedge fund" or "private equity fund", together "covered funds" (each as defined under the Volcker Rule). An "ownership interest" in a covered fund is broadly defined. In addition, in certain circumstances, the Volcker Rule restricts banking entities from entering into certain credit related transactions with covered funds.

A "hedge fund" and a "private equity fund" are defined widely, and include any issuer which would be required to register as an investment company under the Investment Company Act but for section 3(c)(1) or 3(c)(7) of that Act. As the Trustee is exempt from registration under the Investment Company Act in reliance on the exemption provided by section 3(c)(7) thereof, the Trustee will be a "covered fund" and acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" in a "covered fund" (as those terms are used in the Volcker Rule). In the absence of an available exemption, it is expected that the provisions of the Volcker Rule will severely limit the ability of U.S. banking entities (including controlled affiliates of U.S. banking institutions outside the United States) to hold an ownership interest in the Trustee. The marketability and liquidity of the Certificates may be significantly impaired if there is no available exemption.

Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests (for purposes of the Volcker Rule) of the Trustee should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Trustee, the Company, the Arrangers or the Dealers makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Certificates, now or at any time in the future.

The European Monetary Union may cause Certificates denominated in certain currencies to be re-denominated in euro

If Certificates are issued under the Programme which are denominated in the currency of a country which, at the time of issue, is not a member of the European Monetary Union which has adopted the euro as its sole currency and, before the relevant Certificates are redeemed, the euro becomes the sole currency of that country, a number of consequences may follow, including, but not limited to, any or all of the following: (i) all amounts payable in respect of the relevant Certificates may become payable in euro; and (ii) applicable law may allow or require such Certificates to be re-denominated into euro and additional measures to be taken in respect of such Certificates. The introduction of the euro in such a country could be accompanied by a volatile interest rate and/or economic environment which could adversely affect investors in the Certificates. Any of these or any other consequences could materially and adversely affect the holders of the relevant Certificates.

Certificates where denominations involve integral multiples: Definitive Certificates

In relation to any issue of Certificates which have denominations consisting of a minimum Specified Denomination (as specified in the applicable Final Terms (or, in the case of non-PD Certificates, the applicable Pricing Supplement)) plus one or more higher integral multiples of another smaller amount, it is possible that such Certificates may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination.

In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system, would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Certificateholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Certificateholder may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a principal amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a Definitive Certificate.

If Definitive Certificates are issued, holders should be aware that Definitive Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

There is no assurance that the Certificates will be compliant with the principles of Islamic finance

The *Shari'a* Advisory Board of Citi Islamic Investment Bank E.C., the Executive *Shariah* Committee of HSBC Saudi Arabia Limited, the *Shari'a* Supervision Board of Dubai Islamic Bank and Dar Al Sharia and the *Shari'a* Supervisory Board of First Gulf Bank P.J.S.C have each issued a *fatwa* in respect of the Certificates and the related structure and mechanism described in the Transaction Documents and their compliance with *Shari'a* principles. However, a *fatwa* is only an expression of the view of the relevant *Shari'a* advisory board based on its experience in the subject and is not a binding opinion. There can be no assurance as to the *Shari'a* permissibility of the structure (including in respect of the contents of containers at the Company's port facilities) or the issue and the trading of the Certificates and neither the Trustee, the Company, the Delegate nor the Dealers makes any representation as to the same. Investors are reminded that, as with any *Shari'a* views, differences in opinion are possible. Investors are advised to obtain their own independent *Shari'a* advice as to whether the structure meets their individual standards of compliance and make their own determination as to the future tradeability of the Certificates on any secondary market. Questions as to the *Shari'a* permissibility of the structure or the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

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 Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"). The Company has also agreed to submit to the jurisdiction of the courts of England, at the option of the Delegate. 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 the Company, 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.

Investors in the Certificates must rely on DTC, Euroclear and Clearstream, Luxembourg procedures to exercise certain rights under the Certificates

The Certificates of each Series will be represented on issue by one or more Global Certificates that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (see further, "*Form of the Certificates*"). Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Each of Euroclear, Clearstream, Luxembourg and DTC and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it. While the Certificates are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Certificates are represented by Global Certificates, the Trustee will discharge its payment obligations under the Certificates by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Certificates. Neither the Trustee nor the Company has any responsibility or liability for the records relating to, or payments made in respect of, ownership interests in any Global Certificate.

Holders of ownership interests in a 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.

A secondary market may not develop for any Certificates and there may be limited liquidity for Certificateholders

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. The liquidity of any market for the Certificates that may develop depends on a number of factors, including:

- the method of calculating the dissolution and periodic distribution amounts in respect of the Certificates of the relevant Series;
- the time remaining to the maturity of the Certificates of the relevant Series;
- the outstanding amount of the Certificates of the relevant Series;
- the redemption features of the Certificates of the relevant Series; and
- the level, direction and volatility of market interest rates generally.

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. A lack of liquidity may have a material and adverse effect on the market value of Certificates.

The Certificates may be subject to exchange rate risk and exchange controls

The Trustee will pay Periodic Distribution Amounts, Partial Dissolution Amounts and Dissolution Amounts on the Certificates in the Specified Currency. 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 the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 which could adversely affect an applicable exchange rate. The Trustee does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. However, fluctuations between currencies in the past are not necessarily indicative of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency 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 well as the availability of a specified foreign currency at the time of any payment of any Periodic Distribution Amount, Partial Dissolution Amounts or Dissolution Amounts on a Certificate. As a result, investors may receive less amounts under the Certificates than expected, or no such amounts. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

Credit ratings assigned to the Company and/or the Certificates are subject to ongoing evaluation and there can be no assurance that the ratings currently assigned to the Company and/or the Certificates will not be placed on credit watch or downgraded

As at the date of this Base Prospectus, the Company has been assigned a rating of Baa3 (stable outlook) by Moody's and BBB- (positive outlook) by Fitch. Each of Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. One or more independent credit rating agencies may also assign credit ratings to the Certificates. Any ratings of either the Company or the Certificates may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Base Prospectus and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in the Company's credit ratings or the ratings of the Certificates generally will affect the market value of the Certificates. Any adverse change in the applicable credit rating could adversely affect the trading price of the Certificates.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-European Union credit rating agencies, unless the relevant credit ratings are endorsed by a European Union-registered credit rating agency or the relevant non-European Union rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list. Limited information with respect to ratings will be disclosed in the applicable Final Terms (or Pricing Supplement, as applicable). A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

A change of law may materially adversely affect the Certificates

The Transaction Documents and the Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of any Certificates nor whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of the Company to comply with its obligations under the Transaction Documents.

Investments in emerging markets are subject to greater risk than investments in more developed markets

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, but not limited to, in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

Lack of continued return following failure to make payment of the exercise price

In relation to each Series, the Company will sell Throughput Services to the Trustee which when multiplied by the Minimum Sale Price for that Series will equal an amount equal to the aggregate of (i) the face amount of the Certificates as at the relevant Issue Date; and (ii) the aggregate of all Periodic Distribution Amounts that would be payable in respect of that Series during the period from (and including) the relevant Issue Date to (and including) the Scheduled Dissolution Date (the "**Required Certificate Amount**"). In addition, and to allow the Trustee to claim profit amounts from the Company where, in relation to a Series, the Company fails to pay (x) the Final Dissolution Amount or (y) the Change of Control Exercise Price or Optional Dissolution (Put Option) Exercise Price, as applicable (or any part thereof) on its due date the Company will, on the relevant Issue Date, also sell Throughput Services to the Trustee which when multiplied by the Minimum Sale Price will equal an amount equal to fifteen per cent. of the face value of the Required Certificate Amount (the "**Payment Default Exercise Price**"). The Payment Default Exercise Price enables profit to accrue after the Certificates become due and payable upon either the Scheduled Dissolution Date or the Change of Control Full Put Date, or Optional Dissolution Put Date, as applicable, up to the date on which the aggregate of such further accrued profit is equal to the Payment Default Exercise Price (being the "**Capacity End Date**"). In relation to each Series, the Trustee shall not be entitled to claim any amounts in respect of the Certificates in excess of the aggregate of the Required Certificate Amount and the Payment Default Exercise Price and accordingly, no profit shall accrue to Certificateholders after the Capacity End Date.

The Certificates may be subject to early dissolution

In certain circumstances the Certificates may be subject to early dissolution. In the event that the Trustee or the Company would be obliged to increase the amounts payable in respect of any Series of Certificates due to certain changes affecting taxation in the Cayman Islands, the UAE, the Emirate of Dubai, the DIFC or any political subdivision or authority therein or thereof having the power to tax as provided or referred to in Condition 11 (*Taxation*), the Trustee may redeem all but not some only of the outstanding Certificates of such Series in accordance with Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*).

If so provided in the applicable Final Terms (or, in the case of non-PD Certificates, the applicable Pricing Supplement), a Series may be redeemed early at the option of the Company. In the case of Certificates with an additional optional dissolution feature, the Company may choose to redeem such Certificates when its cost of borrowing is lower than the profit rate on the Certificates. At those times, an investor generally would 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. In addition, such an optional dissolution feature could limit the market value of Certificates prior to or during any period when the Company may elect to redeem Certificates as the market value of those Certificates generally would not rise substantially above the Dissolution Amount, or Partial Dissolution Amount (as applicable), at which they can be redeemed.

Risks Relating to Enforcement

Investors may experience some difficulty in enforcing arbitration awards and foreign judgments against the Company

The payments under the Certificates are dependent upon the Company making payments to the Trustee in accordance with the Transaction Documents. If the Company fails to do so, it may be necessary for investors to bring an action against the Company to enforce its obligations and/or to claim damages, as appropriate. Such action may be costly and time consuming. The Company is incorporated in and under the laws issued by the DIFC and its headquarters are located in Dubai and a substantial portion of the assets of the Company are located in the UAE and a number of other jurisdictions outside the U.K. and the United States. As a result, prospective investors may have difficulty effecting service of process in the U.K. or the United States upon the Company in connection with any lawsuits related to the Certificates, including actions arising under the laws of the England and Wales or the federal securities laws of the United States.

Each of the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Dealer Agreement, the Master Purchase of Services Agreement, each Supplemental Purchase of Services Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, each Sale Agreement entered into in connection with the Purchase Undertaking or the Sale Undertaking, each Transfer Agreement entered into in connection with the Sale Undertaking and the Certificates are governed by English law (the "**English Law Documents**") and (subject to the exercise of an option to litigate given to certain parties (other than the Company)) the parties to the English Law Documents have agreed to refer any dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA (the "**LCIA Rules**"). The seat of such arbitration shall be London, England. Pursuant to an option to litigate given to certain parties, the Company has agreed to submit to the jurisdiction of the courts of England in respect of any dispute arising out of or in connection with the English Law Documents, subject to the right of the Agents, the Trustee, the Delegate, the Certificateholders and any Arranger or Dealer, as the case may be, to elect to bring proceedings in any other court or courts of competent jurisdiction.

On 13 December 2009, the Ruler of Dubai passed a decree establishing a tribunal (the "**Tribunal**") to decide any disputes related to Dubai World and/or its direct and indirect subsidiaries (each a "**Dubai World Company**"), including the Company, and their respective creditors. The decree, titled Decree No. 57 of 2009 Establishing a Tribunal to decide the Disputes Related to the Settlement of the Financial Position of Dubai World and its Subsidiaries ("**Decree 57**"), established an insolvency protection framework for each Dubai World Company by applying the insolvency regime of the DIFC, subject to certain modifications, to each Dubai World Company. Decree 57 gives the Tribunal established under it the power to impose an automatic moratorium on all secured and unsecured creditors in respect of any Dubai World Company which submits a voluntary arrangement notification to the Tribunal or to order the liquidation of any such Dubai World Company to the extent that such voluntary arrangement is not sanctioned by the Tribunal. Accordingly, should Certificateholders, or the Delegate acting on their behalf, assert a claim in respect of the Certificates against the Company, the Company could seek to stay such claim by submitting a voluntary arrangement notification to the Tribunal. Decree 57 also provides that courts in Dubai, including the courts of the DIFC (the "**DIFC Courts**"), shall not hear or decide any demand, claim or other matter which is within the jurisdiction of the Tribunal by virtue of Decree 57. In addition, the Tribunal issued a practice direction on 30 March 2010 stating that it will be the policy of the Tribunal to respect and enforce arbitration agreements made between a Dubai World Company and its creditors and that where disputes have already arisen, the Tribunal expects the parties to continue with pending arbitration proceedings in accordance with their contractual obligations.

As at the date of this Base Prospectus, the Company is aware of one claim which was initiated against it and in respect of which the Tribunal had accepted jurisdiction although this claim was subsequently settled out of court. As long as Decree 57 remains in force, the Tribunal shall have jurisdiction with respect to "*any demand, claim or other matter*" regarding the Company in accordance with Article 9 of Decree 57. It is not certain how Decree 57 will affect the conduct of any future claims involving the Company and its creditors which are brought before the Tribunal, including claims which are the subject of arbitration, or how the Tribunal will conduct any future claims brought before it for enforcement.

Article 4 of Decree 57 sets out the general framework in which the Tribunal operates and states that the Tribunal shall decide claims submitted to it pursuant to, *inter alia*, DIFC Court Law No. 10 of 2004 (as amended) (the "**DIFC Court Law**"). Article 30 of the DIFC Court Law directs the DIFC Courts, when exercising their powers and functions, to apply Dubai Law No. 12 of 2004 (as amended) (*Law of the Judicial Authority at the DIFC*) (the "**Judicial Authority Law**"), DIFC law or any legislation made under it, the Rules of the DIFC Court and any law agreed by the parties. Therefore, in the event that the Tribunal accepts jurisdiction over a claim, it should seek to apply the governing law chosen by the parties in determining disputes in accordance with the Judicial Authority Law, DIFC Law No. 10 of 2005 (as amended and restated) (*Law relating to the application of DIFC Laws*) (*Amended and Restated*) (the "**Application Law**") and DIFC Law No. 3 of 2004 (*Law on Application of Civil and Commercial Laws in the DIFC*), except in certain circumstances described in such laws (including in case of any regulatory content or a conflict with public morals and public policy in the UAE).

If the Tribunal were to cease to exist in the future, the DIFC Courts should be able to enforce a foreign judgment or arbitral award obtained in actions against the Company (as set out in the paragraphs below).

Pursuant to Article 13 of the Application Law, the parties' express submission to both arbitration and to the jurisdiction of the English courts should be effective, subject to the DIFC Court's interpretation of Article 5A(1) and 5A(2) of the Judicial Authority Law. In particular, Article 5A(1)(e) of the Judicial Authority Law provides the DIFC Courts with jurisdiction to ratify foreign arbitral awards. However, notwithstanding Article 13 of the Application Law, it is not free from doubt that the DIFC Courts would not seek to re-examine the merits of a case.

In addition, Article 24 of the DIFC Court Law provides that, pursuant to Article 7 of the Judicial Authority Law, the DIFC Court of First Instance has jurisdiction to ratify any judgment, order or award of any recognised: (i) foreign court; (ii) Dubai or UAE court; (iii) DIFC or foreign (including the UAE) arbitral award or any award recognised by the DIFC Court Law; or (iv) orders for the purposes of any subsequent application for enforcement in the Dubai courts in the manner prescribed in DIFC law. Article 42(1) of the DIFC Court Law provides that judgments, orders or awards issued or ratified by the DIFC Courts may be enforced within the DIFC in the manner prescribed in the DIFC Rules of Court and Article 42(2) of the DIFC Court Law provides that judgments, orders or awards issued or ratified by the DIFC Courts may be enforced outside the DIFC in accordance with the Judicial Authority Law. Although there is no clear guidance on what is a "recognised foreign court", an English court judgment has been ratified recently within the DIFC against the contract counterparty. In addition, Article 24(2) of the DIFC Court Law provides that where the UAE has entered into an applicable treaty for the mutual enforcement of judgments, orders or awards, the DIFC Court of First Instance will comply with the terms of such a treaty. Although the UAE has not yet entered into such a bilateral enforcement treaty with England, on 23 January 2013, the Chief Justice of the DIFC Courts and the Judge in Charge of the U.K. Commercial Court of the Queen's Bench Division, England and Wales (the "**Commercial Court**") entered into a Memorandum of Guidance (the "**Memorandum of Guidance**") setting out their understanding of the procedures for the enforcement of the DIFC Courts' money judgments in the Commercial Court and *vice versa*.. The Memorandum of Guidance is expressed to have no binding legal effect and does not constitute a bilateral enforcement treaty or legislation (and therefore is not binding on the judges of either party and does not supersede any existing laws, judicial decisions or court rules) but it may provide useful insight into the position that is likely to be adopted by the DIFC Courts when enforcing monetary judgments issued by the Commercial Court. It remains to be seen how the DIFC Courts will in practice apply the Memorandum of Guidance. The UAE has not yet entered into a similar memorandum or any bilateral enforcement treaty with the United States.

However, the UAE is a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") and the DIFC Court of First Instance should therefore recognise a foreign arbitral award if it complies with the requirements of the New York Convention without re-examining the merits of the case. The DIFC Law No. 1 of 2008 (the "**Arbitration Law**") provides that an arbitral award, irrespective of the State or jurisdiction in which it was made, shall be recognised as binding within the DIFC and, upon application in writing to the DIFC Courts shall be enforced. However, Article 44 of the Arbitration Law provides a number of grounds upon which the recognition or enforcement of an arbitral award may be refused by the DIFC Courts for procedural irregularities and fundamental failings in the arbitral process, including where the DIFC Courts finds that the subject-matter of the dispute would not have been capable of settlement by arbitration under the laws of the DIFC or the enforcement of the award would be contrary to the public policy of the UAE. How the New York Convention provisions would be interpreted and applied by the DIFC Courts in practice and whether the DIFC Courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention), remains largely untested.

Accordingly, the grounds upon which DIFC Courts may decline to enforce the any judgment, order or award of the U.S. or the English courts or any awards by LCIA, as the case may be, against the Company are still unclear. Further, some remedies available under the laws of England and Wales and the laws of U.S. jurisdictions (including some remedies available under the U.S. federal securities laws) may not be upheld in the DIFC Courts on the basis that such remedies may amount to a penalty.

The Company's waiver of immunity may not be effective under the laws of the DIFC

Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) grants to the Government of Dubai and its affiliates immunity in respect of its assets in the following terms: "*No debt or obligation owing from the Ruler or the Government may be recovered by seizing, attachment, selling by public auction or taking possession in any legal action of the Ruler's or the Government's properties and assets whether or not a final judgment is issued in respect of such debt or obligation.*" Since the Company is indirectly majority-owned by the Government of Dubai, it may be able to claim sovereign immunity. In addition, Article 247 of Federal Law No.11 of 1992 regarding the Law of Civil Procedures (as amended) provides that public or private assets owned by the UAE or any of the Emirates may not be confiscated. There is a risk that the assets of the Company may fall within the ambit of government assets and as such cannot be attached or executed upon.

Although the Company has irrevocably waived its right in relation to sovereign immunity, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Transaction Documents to which it is a party and the Certificates are valid and binding under the laws of the DIFC and the UAE.

Risks Relating to the DIFC

The Company is incorporated in the DIFC, which was established in 2004, and the legal framework applicable remains largely untested

The legal and regulatory regimes applicable to the Company and other companies domiciled in the DIFC, including the relevant companies laws, remain largely untested. Consequently, it is not clear how some of these laws and regulations will be interpreted and implemented by the DIFC courts and bodies in practice. These uncertainties could affect the ability of the Delegate to enforce Certificateholders' rights or the Company's ability to defend itself against claims by others, including regulators, judicial authorities and third parties who may challenge the Company's compliance with applicable laws, decrees and regulations. For a discussion of limitations on the enforceability of judgments against the Company and the impact of Decree 57, see "*Risk Factors – Risks Related to the Certificates – Risks Relating to Enforcement*".

Risks Relating to Tax

Taxation risks on payments

Payments made by the Company to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to withholding or deduction for or on account of taxation.

The Service Agency Agreement and the Purchase Undertaking each require the Company to pay additional amounts in the event that any withholding or deduction is required by applicable law to be made in respect of payments made by it to the Trustee under those documents which are intended to fund Periodic Distribution Amounts, Partial Dissolution Amounts and Dissolution Amounts. Condition 11 (*Taxation*) provides that, subject to certain exceptions, the Trustee is required to pay additional amounts in respect of any such withholdings or deductions imposed by the Cayman Islands and/or the UAE, Dubai or the DIFC in certain circumstances. In the event that the Trustee fails to gross-up for any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, the Company has, pursuant to the Master 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 11 (*Taxation*) in respect of any withholding or deduction in respect of any tax as set out in that Condition.

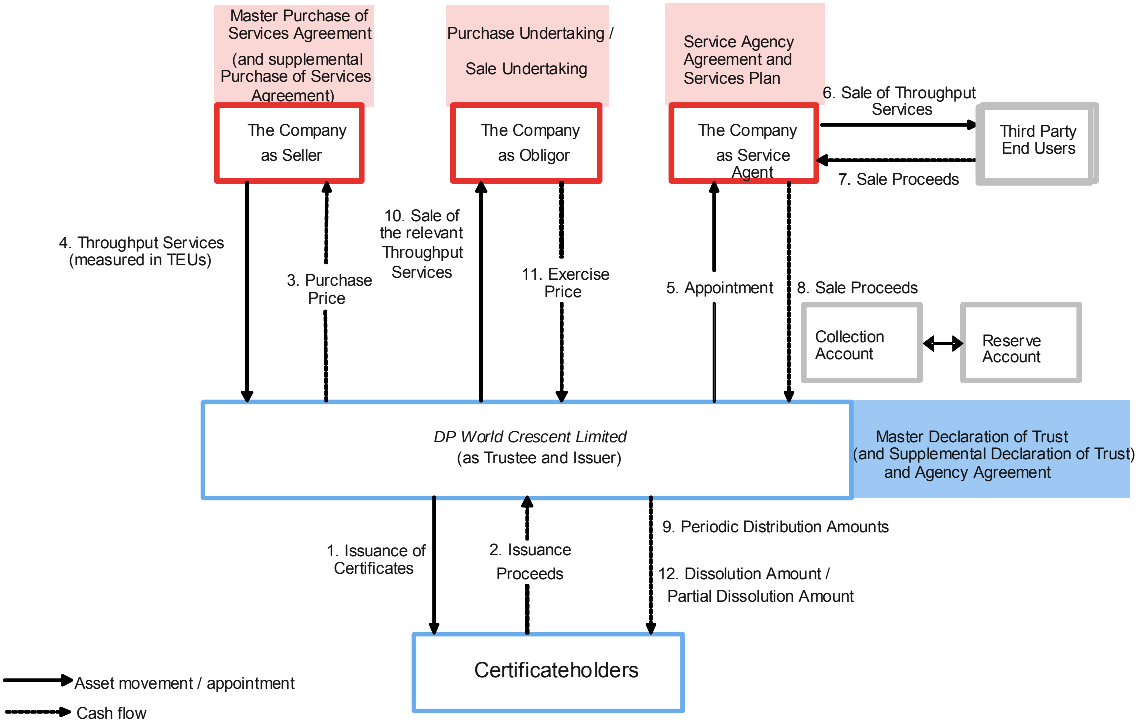
The circumstances described above may entitle the Company and the Trustee to redeem the Certificates pursuant to Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*). See "*Risks Relating to the Structure of a Particular Series of Certificates – The Certificates may be subject to early dissolution*" for a description of the consequences thereof.

Payments on certain Certificates may be subject to U.S. withholding tax under FATCA

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime including a withholding tax with respect to certain payments made after 31 December 2018 (at the earliest) by non-U.S. entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with each of the United Arab Emirates and the Cayman Islands (the "**IGAs**"). Under the IGAs, as currently drafted, the Trustee does not expect payments made on or with respect to the Certificates to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Certificates in the future. Prospective investors should consult their own tax advisers regarding the potential impact of FATCA.

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 Base Prospectus. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base 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 Base Prospectus carefully, especially the risks of investing in Certificates issued under the Programme discussed under "Risk Factors".



Payments by the Certificateholders and the Trustee

On the issue date of a Series (the "**Issue Date**"), the Certificateholders will pay the issue price in respect of the Certificates of that Series to the Trustee.

On the Issue Date of each Series, the Trustee will, pursuant to the terms of a master purchase of services agreement between the Trustee and the Company (the "**Master Purchase of Services Agreement**") and a supplemental purchase of services agreement between the Trustee and the Company (each, a "**Supplemental Purchase of Services Agreement**"), use the proceeds of the issue of the relevant Series of Certificates to purchase, on behalf of the Certificateholders, from the Company: (i) certain Throughput Services (as defined in the Conditions) (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Allotted Throughput Services**") which are made available to the Trustee with effect from the first day of each period identified in the relevant Supplemental Purchase of Services Agreement until the last day of each such period (each such period a "**Distribution Period**"); (ii) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Additional Throughput Services**") which are made available to the Trustee with effect from the first day of the last Distribution Period identified in the relevant Supplemental Purchase of Services Agreement until the last day of such Distribution Period; and; (iii) if applicable to a Series, certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Further Throughput Services**") which are made available to the Trustee with effect from the first day of each further period occurring after the relevant Scheduled Dissolution Date (each such further period being a "**Further Period**") identified in the relevant Supplemental Purchase of Services

Agreement until the last day of such Further Period, in each case, out of the Company's available capacity and from the Relevant Ports identified in the relevant Supplemental Purchase of Services Agreement.

Periodic Distribution Payments and Scheduled Dissolution

Pursuant to the terms of a service agency agreement between the Trustee and the Company (as service agent, in such capacity, the "**Service Agent**"), the Trustee will, in relation to each Series of Certificates, appoint the Company as its Service Agent to provide certain services (the "**Services**") including, but not limited to:

(a) selling the relevant Allotted Throughput Services in the number specified for each relevant Distribution Period in the relevant services plan relating to that Series (the "**Services Plan**") for a price at least equal to the minimum sale price specified in the relevant Services Plan (the "**Minimum Sale Price**") which shall be calculated by applying the relevant Profit Rate to the acquisition cost per TEU (as specified in the relevant Supplemental Purchase of Services Agreement); and

(b) notifying the Trustee in writing, in each case by no later than the date falling five (5) Business Days prior to the end of the Distribution Period to which such Allotted Throughput Services relate, of (i) the number of Allotted Throughput Services that were not sold during the relevant Distribution Period (such unsold Allotted Throughput Services being the "**Surplus Allotted Throughput Services**") and (ii) any shortfall between (A) the sum of: (1) the aggregate amounts received by the Service Agent (in any capacity) in whatever currency in respect of or otherwise in connection with the sale of the relevant Allotted Throughput Services; and (2) the amounts standing to the credit of the Collection Account (if any); and (B) the aggregate of the Minimum Sale Price for such Allotted Throughput Services, being referred to as the "**Sales Shortfall**").

The Service Agent shall credit an amount equal to the proceeds of the sale of the Allotted Throughput Services (the "**Sales Proceeds**") into a collection account (the "**Collection Account**"). If at any time the amount credited to the Collection Account exceeds the amount of the Periodic Distribution Amount payable on the immediately following Periodic Distribution Date, or, in the case of the final Profit Period, the Final Dissolution Amount payable on the Scheduled Dissolution Date, then, the Service Agent shall be entitled to debit such excess from the Collection Account and credit it to a reserve account (the "**Reserve Account**").

The Service Agent agrees, in relation to each Series, that if in respect of any Distribution Period under that Series any Allotted Throughput Services are sold for less than the relevant Minimum Sale Price and there is a Sales Shortfall, the Service Agent will pay to the Trustee out of the Reserve Account for that Series (or, if the amounts standing to the credit of the Reserve Account are not sufficient after re-crediting any amounts previously deducted as required pursuant to the terms of the Service Agency Agreement, the Service Agent will pay to the Trustee by way of indemnity on an after tax basis) the Sales Shortfall.

Under the terms of the Purchase Undertaking, in relation to each Series, the Company irrevocably undertakes to purchase from the Trustee any Surplus Allotted Throughput Services for any Distribution Period on the Business Day immediately preceding the last day of that Distribution Period for an amount in the Specified Currency of that Series equal to the product of (a) the relevant Surplus Allotted Throughput Services and (b) the Minimum Sale Price for that Series (the "**Sale Exercise Price**").

On the Scheduled Dissolution Date or the Business Day prior to each Periodic Distribution Date of the relevant Series, the Service Agent will procure the payment to the Trustee (by way of a payment into the transaction account (the "**Transaction Account**") established for the Certificates of the relevant Series (and as described further in the Conditions)) of the Periodic Distribution Amounts payable by the Trustee under the Certificates for that Profit Period or in the case of the final Profit Period, the Final Dissolution Amount payable on the relevant Scheduled Dissolution Date, and such amounts will be applied by the Trustee for that purpose on the immediately following Periodic Distribution Date or the Scheduled Dissolution Date, as the case may be. Such amounts are expected to be funded by the Sales Proceeds for that Profit Period, payment of any Further Exercise Price (if applicable and as defined below), payment by the Service Agent of any Sales Shortfall and/or payment of any Sale Exercise Price by the Company, as described above.

Early Dissolution Payments

Pursuant to the terms of the Purchase Undertaking, the Company will irrevocably grant to the Trustee and/or the Delegate (as applicable), *inter alia*, the following rights in respect of each Series:

(a) following the occurrence of a Dissolution Event, to require the Company to purchase the aggregate Allotted Throughput Services held by the Trustee or by the Company on its behalf in respect of a Series that have not been sold to end customers pursuant to the provisions of the Service Agency Agreement or to the Company pursuant to the other Transaction Documents (the "**Outstanding Throughput Services**"), Additional Throughput Services and, if applicable, Further Throughput Services from the Trustee for a price equal to the product of (a) the aggregate of the Outstanding Throughput Services, Additional Throughput Services and, if applicable, Further Throughput Services (in each case measured in TEUs) (determined as at the Dissolution Event Redemption Date) and (b) the Minimum Sale Price for that Series (the "**Exercise Price**"), which shall be credited to the Collection Account for immediate payment to the Transaction Account of an amount in cash sufficient to pay the outstanding face amount of the Certificates plus all due but unpaid Periodic Distribution Amounts;

(b) following the exercise of the Change of Control Put Option, to require the Company to purchase such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Change of Control Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service) (the "**Change of Control Throughput Services**") from the Trustee for a price equal to an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Change of Control Put Option plus all due but unpaid Periodic Distribution Amounts relating to such Certificates (the "**Change of Control Exercise Price**"), which shall be paid into the Transaction Account; and

(c) following the exercise of the Optional Dissolution Right (Put Option), to require the Company to purchase such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Put Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service) (the "**Optional Dissolution (Put Option) Throughput Services**") from the Trustee for a price equal to an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional Dissolution Right (Put Option) plus all due but unpaid Periodic Distribution Amounts relating to such Certificates (the "**Optional Dissolution (Put Option) Exercise Price**"), which shall be paid into the Transaction Account.

Pursuant to the terms of a sale undertaking granted by the Trustee in favour of the Company (the "**Sale Undertaking**"), the Trustee will irrevocably grant to the Company, *inter alia*, the following rights in respect of each Series:

(a) following the occurrence of a Tax Event, to require the Trustee to sell the Outstanding Throughput Services and, if applicable, the Further Throughput Services for the Exercise Price, which shall be paid into Transaction Account; and

(b) following the exercise of the Optional Dissolution Right (Call Option), to require the Trustee to sell such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Call Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service) (the "**Optional Dissolution (Call Option) Throughput Services**") from the Trustee for a price equal to an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional Dissolution Right (Call Option) plus all due but unpaid Periodic Distribution Amounts relating to such Certificates (the "**Optional Dissolution (Call Option) Exercise Price**"), which shall be paid into the Transaction Account.

Cancellation of Certificates held by the Company and/or any of its subsidiaries

The Company and/or any of its Subsidiaries may at any time purchase Certificates in the open market or otherwise. Should the Company wish to cancel any Certificates, the Company may exercise its rights under the Sale Undertaking to require the Trustee to transfer to the Company such number of Outstanding Throughput Services and, if applicable, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the aggregate face amount of the relevant Certificates tendered for cancellation by the Company or its Subsidiaries (the "**Cancellation Certificates**") plus all due but unpaid Periodic Distribution Amounts relating to such Cancellation Certificates by the Minimum Sale Price (rounded down, if necessary, to the nearest Outstanding Throughput Service) in consideration for the cancellation of the Cancelled Certificates in accordance with the Conditions.

FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. The Certificates will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

Global Certificates

Form of Certificates

The Certificates of each Series offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, will initially be represented by beneficial interests in a global certificate in registered form (an "**Unrestricted Global Certificate**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Series of Certificates, beneficial interests in a Unrestricted Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Form, Denomination and Title)* and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Unrestricted Global Certificate will bear a legend regarding such restrictions on transfer.

The Certificates of each Series offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to QIBs who are also QPs, in each case acting for their own account or for the account of one or more QIBs who are also QPs. The Certificates of each Series sold to QIBs who are also QPs in reliance on Rule 144A will initially be represented by a global certificate in registered form (a "**Restricted Global Certificate**", the Restricted Global Certificate and the Unrestricted Global Certificate, each a "**Global Certificate**"). By the acquisition of a beneficial interest in such certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB that is also a QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Restricted Global Certificate.

No beneficial interest in an Unrestricted Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in a Restricted Global Certificate unless: (i) the transfer is to a person that is both a QIB and a QP, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor provides the Registrar with a written certification to the effect that the transferor reasonably believes that the transferee is a QIB that is also a QP, that the transfer is being made in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. No beneficial interest in the Restricted Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in an Unrestricted Global Certificate unless the transfer is to a non-U.S. person in an offshore transaction in reliance on Regulation S and the transferor provides the Registrar with a written certification to the effect that the transfer is being made to a person who is a non-U.S. person in accordance with Regulation S.

Global Certificates will either: (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC; or (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms (or, in the case of non-PD Certificate, the applicable Pricing Supplement). Persons holding beneficial interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

Payments

Each payment in respect of the Global Certificates will be made to the person shown as the holder in the relevant Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificates are being held is open for business. None of the Trustee, the Company, the Delegate, the Issuing and Paying Agent, any Paying Agent or any Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Exchange for Definitive Certificates

Interests in a Global Certificates will be exchangeable (free of charge), in whole but not in part, for definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) a Dissolution Event (as defined in Condition 14 (*Dissolutions Events*) has occurred and is continuing; (ii) in the case of Certificates registered in the name of a nominee for DTC, either DTC has notified the Trustee that it is unwilling or unable to continue to act as depository for the Certificates or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in either case, no alternative clearing system is available; (iii) in the case of Certificates registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available; or (iv) the Trustee has or will become subject to adverse tax consequences which would not be suffered were the Certificates represented by the Global Certificates in definitive form and a certificate to that effect signed by two Directors of the Trustee is given to the Delegate. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Certificates) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) and (iii) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten (10) days after the date of receipt of the first relevant notice by the Registrar. Definitive Certificates issued in exchange for a beneficial interest in the Restricted Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

Delivery

Upon the transfer, exchange, or replacement of a definitive Certificate bearing the legend referred to under "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions* ", or upon specific request for removal of the legend on a definitive Certificate, the Trustee will deliver only definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Trustee and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Trustee, that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. The same transfer restrictions outlined herein and in "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*" are applicable to any definitive Certificates.

Meetings

The holder of Certificates represented by a Global Certificate shall (unless such Global Certificate represents only one Certificate) be treated as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders. All Certifiacteholders are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Certificates comprising such Certificateholder's holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Certificate represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the aggregate face amount of the relevant Global Certificate in the relevant register of the Certificateholders, whereupon the face amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Put options

If the Optional Dissolution Right (Put Option) or the Change of Control Put Option is specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Optional Dissolution Right (Put Option) or the Change of Control Put Option, as the case may be, may be exercised by the holder of the Global Certificate giving notice to the relevant

Registrar or the relevant 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 10(d)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders - Optional Dissolution Right (Put Option)*) or Condition 10(d)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders - Change of Control Put Option*), as the case may be.

Notices

So long as any Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Certificateholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Certificateholders of that Series. Any such notice shall be deemed to have been given to the Certificateholders on the third day after the day on which such notice is delivered to the relevant clearing system as aforesaid. The Trustee shall also ensure that notices are duly published in a manner that complies with any relevant rules of any stock exchange or other relevant authority on which the Certificates are for the time being, or by which they have for the time being been, admitted to trading.

Transfer of Interests

Interests in a Global Certificates may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Certificate. No beneficial owner of an interest in a Global Certificates will be able to transfer such interest, except in accordance with the applicable procedures of DTC and/or Euroclear and/or Clearstream, Luxembourg, in each case to the extent applicable.

The Certificates are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

General

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (or, in the case of non-PD Certificate, the applicable Pricing Supplement) or as may otherwise be approved by the Trustee, the Company and the Issuing and Paying Agent.

No Certificateholder shall be entitled to proceed directly against, or provide instructions to the Delegate to proceed against the Trustee or the Company under any Transaction Document to which either of them is party unless the Delegate, having become bound so to proceed, fails so to do within a reasonable period and such failure is continuing. In addition, holders of interests in such Global Certificate credited to their accounts with DTC may require DTC to deliver definitive Certificate in registered form in exchange for their interest in such Global Certificate in accordance with DTC's standard operating procedures. 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 and the sole right of the Delegate and the Certificateholders against the Trustee and the Company shall be to enforce their respective obligations under the Transaction Documents.

The Trustee may agree with any Dealer that relevant Certificates may be issued in a form not contemplated by the Terms and Conditions of the Certificates in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

APPLICABLE FINAL TERMS

Final Terms dated [●]

DP World Crescent Limited
Issue of [Aggregate face amount of Series] [Title of Certificates]

under the U.S.$3,000,000,000
Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates set forth in the base prospectus dated 9 May 2016 (the "**Base Prospectus**") [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU and any implementing measures in a relevant Member State) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Trustee, the Company and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement(s) to it dated [●]] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (http://www.londonstockexchange.com/exchange/ news/market-news/market-news-home.html) and on the Dubai Financial Service Authority's website (https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents) and during normal business hours from the registered office of the Trustee at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and from the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

1.	(i)	Trustee	DP World Crescent Limited
	(ii)	Obligor	DP World Limited
2.	Series Number:		[●]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate face amount of the Series of Certificates:		[●]
5.	Issue Price:		[●] per cent. of the aggregate face amount
6.	(i)	Specified Denominations:	[●] [and integral multiples of [●] in excess thereof]
	(ii)	Calculation Amount:	[●]
7.	(i)	Issue Date:	[●]
8.	Scheduled Dissolution Date:		[●]
9.	Dissolution Basis:		Dissolution at par
10.	Put/Call Options:		[Optional Dissolution Right (Call Option)]
			[Optional Dissolution Right (Put Option)]
			[Change of Control Put Option]
			[Not Applicable]

11.	(i)	Status of the Certificates:	Senior
	(ii)	[Date [Board] approval for issuance of Certificates obtained:	[●] in the case of the Trustee [●] in the case of the Company

PROVISIONS RELATING TO PERIODIC DISTRIBUTION

12.	Periodic Distribution Provisions		
	(i)	Profit Rate:	[●] per cent. per annum payable in arrear on each Periodic Distribution Date
	(ii)	Periodic Distribution Date(s):	[●] in each year [up to and including the Scheduled Dissolution Date]
	(iii)	Fixed Amount[(s)]:	[[●] per Calculation Amount] [Not Applicable]
	(iv)	Broken Amount(s):	[[●] per Calculation Amount payable on the Periodic Distribution Date falling in/on [●]]/[Not Applicable]
	(v)	Day Count Fraction:	[Actual/Actual (ICMA) 30/360]
	(vi)	Determination Dates:	[[●] in each year] [Not Applicable]

PROVISIONS RELATING TO DISSOLUTION

13.	Optional Dissolution Right (Call Option)			[Applicable/Not Applicable]
	(i)	Optional Dissolution Amount of each Certificate:		[Partial Dissolution Amount]/[[●] per Calculation Amount]
	(ii)	If redeemable in part:		
		(a)	Minimum Dissolution Amount:	[[●] per Calculation Amount]/[Not Applicable]
		(b)	Maximum Dissolution Amount:	[[●] per Calculation Amount]/[Not Applicable]
	(iii)	Notice Period (if other than as set out in the Conditions):		[●]/[Not Applicable]
14.	Optional Dissolution Right (Put Option)			[Applicable/Not Applicable]
	(i)	Optional Dissolution Amount of each Certificate:		[Partial Dissolution Amount]/[[●] per Calculation Amount]
	(ii)	Notice Period (if other than as set out in the Conditions):		[●]/[Not Applicable]
15.	Change of Control Put Option:			[Applicable/Not Applicable]
	(i)	Change of Control Amount:		[Partial Dissolution Amount]/[[●] per Calculation Amount]
16.	Final Dissolution Amount of each Certificate:			[Final Dissolution Amount]/[[●] per Calculation Amount]

17.	Tax Redemption Amount of each Certificate (following early dissolution for tax reasons):	[Final Dissolution Amount/[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

18.	Form of Certificates:	Registered Certificates: [Unrestricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Unrestricted Global Certificate] [Restricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Restricted Global Certificate] [Reg. S Compliance Category 2] [Rule 144A]
19.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[●]]

SIGNED on behalf of DP World Crescent Limited:

By: ....
Duly authorised

SIGNED on behalf of DP World Limited:

By: ....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING**

(i)	Listing and Admission to trading:	[Application [will be/has been] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the London Stock Exchange's regulated market and to the official list of the U.K. Listing Authority with effect from [the Issue Date/[●]]] Application [will be/has been] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on NASDAQ Dubai and to the official list of securities maintained by the Dubai Financial Services Authority with effect from [the Issue Date/[●]]]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. **RATINGS**

Ratings:	[[The Certificates to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Certificates of this type issued under the Programme generally]: [Standard & Poor's: [●]] [Moody's: [●]] [Fitch: [●]] [Other: [●]]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Trustee and the Company are aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Company and its affiliates in the ordinary course of business for which they may receive fees.]

4. **YIELD** — [●] per cent. per annum on a [quarterly/[semi-] annual] basis]

5. **OPERATION INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	CUSIP:	[●]
(iv)	CINS:	[●]
(v)	Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[●]/[Not Applicable]
(vi)	Delivery:	Delivery [against/free of] payment

(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(vii)	Name and address of Registrars:	[●]

6. **THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. The Trustee and the Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●] no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

No base prospectus is required to be produced in accordance with Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU and any implementing measures in a relevant Member State) (the "**Prospectus Directive**") for the issue of Certificates described below and, accordingly, the Certificates issued as described below are not required to, and do not comply with, the Prospectus Directive. The U.K. Listing Authority has neither approved nor reviewed the information contained in this Pricing Supplement.

DP World Crescent Limited
Issue of [Aggregate face amount of Series] [Title of Certificates]

under the U.S.$3,000,000,000
Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates set forth in the base prospectus dated 9 May 2016 (the "**Base Prospectus**") [and the supplement(s) to it dated [●]]. This document constitutes the Pricing Supplement relating to the issue of Certificates described herein and must be read in conjunction with the Base Prospectus [as so supplemented]. In order to get the full information on the Trustee, the Company and the Certificates described herein, this Pricing Supplement must be read in conjunction with the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at the market news section of the London Stock Exchange website (http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and on the Dubai Financial Service Authority's website (https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents) and during normal business hours from the registered office of the Trustee at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and from the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

[*Include whichever of the following apply or specify as "**Not Applicable**" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement*.]

1.	(i) Trustee	DP World Crescent Limited
	(ii) Obligor	DP World Limited
2.	Series Number:	[●]
3.	Specified Currency or Currencies:	[●]
4.	Aggregate face amount of the Series of Certificates:	[●]
5.	Issue Price:	[●] per cent. of the aggregate face amount
6.	(i) Specified Denominations:	[●] [and integral multiples of [●] in excess thereof]
	(ii) Calculation Amount:	[●]
7.	(i) Issue Date:	[●]
8.	Scheduled Dissolution Date:	[●]
9.	Dissolution Basis:	Dissolution at par

10.	Put/Call Options:			[Optional Dissolution Right (Call Option)] [Optional Dissolution Right (Put Option)] [Change of Control Put Option] [Not Applicable]
11.	(i)	Status of the Certificates:		Senior
	(ii)	[Date [Board] approval for issuance of Certificates obtained:		[●] in the case of the Trustee [●] in the case of the Company

PROVISIONS RELATING TO PERIODIC DISTRIBUTION

12.	Periodic Distribution Provisions			
	(i)	Profit Rate:		[●] per cent. per annum payable in arrear on each Periodic Distribution Date
	(ii)	Periodic Distribution Date(s):		[●] in each year [up to and including the Scheduled Dissolution Date]
	(iii)	Fixed Amount[(s)]:		[●] per Calculation Amount
	(iv)	Broken Amount(s):		[[●] per Calculation Amount payable on the Periodic Distribution Date falling in/on [●]]/[Not Applicable]
	(v)	Day Count Fraction:		[Actual/Actual (ICMA)] [(*specify other*)]
	(vi)	Determination Dates:		[[●] in each year]/[Not Applicable]
	(vii)	Other terms relating to the method of calculating interest for Fixed Periodic Distribution Certificates:		[Not Applicable/give details]

PROVISIONS RELATING TO DISSOLUTION

13.	Optional Dissolution Right (Call Option)			[Applicable/Not Applicable]
	(i)	Optional Dissolution Amount (Call Option) of each Certificate:		[Final Dissolution Amount]/[[●] per Calculation Amount]
	(ii)	If redeemable in part:		
		(a)	Minimum Dissolution Amount:	[●] per Calculation Amount
		(b)	Maximum Dissolution Amount:	[[●] per Calculation Amount]/[Not Applicable]
	(iii)	Notice Period (if other than as set out in the Conditions):		[●]/[Not Applicable]

14.	Optional Dissolution Right (Put Option)	[Applicable/Not Applicable]
	(i) Optional Dissolution Amount (Put Option) of each Certificate:	[Partial Dissolution Amount]/[[●] per Calculation Amount]
	(ii) Notice Period (if other than as set out in the Conditions):	[●]/[Not Applicable]
15.	Change of Control Put Option:	[Applicable/Not Applicable]
	(i) Change of Control Amount:	[Partial Dissolution Amount]/[[●] per Calculation Amount]
16.	Final Dissolution Amount of each Certificate:	[Final Dissolution Amount]/[[●] per Calculation Amount]
17.	Tax Redemption Amount of each Certificate (following early dissolution for tax reasons):	[Final Dissolution Amount/[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

18.	Form of Certificates:	Registered Certificates: [Unrestricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Unrestricted Global Certificate] [Restricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Restricted Global Certificate] [Reg. S Compliance Category 2] [Rule 144A]
19.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[●]]
20.	Other terms or specified conditions:	[Not Applicable/give details]

SIGNED on behalf of DP World Crescent Limited:

By: ....
Duly authorised

SIGNED on behalf of DP World Limited:

By: ....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and Admission to trading:	[The Certificates to be issued are unlisted]/[●]*
(ii)	Estimate of total expenses related to admission to trading:	[●]/[Not Applicable]

2. **RATINGS**

Ratings: [[The Certificates to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Certificates of this type issued under the Programme generally]:

[Standard & Poor's: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers]/[Dealers], so far as the Trustee and the Company are aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Managers]/[Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Company and its affiliates in the ordinary course of business for which they may receive fees.]

4. **[YIELD (*Fixed Periodic Distribution Certificates only*)**

Indication of yield: [●] per cent. per annum on a [quarterly]/[semi-annual] basis

5. **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	CUSIP:	[●]
(iv)	CINS:	[●]
(v)	Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[●]/[Not Applicable]
(vi)	Delivery:	Delivery [against/free of] payment

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* The Pricing Supplement should be used for Certificates admitted to trading on NASDAQ Dubai and to the official list of securities maintained by the Dubai Financial Services Authority but not admitted to trading on the London Stock Exchange's regulated market and to the official list of the U.K. Listing Authority.

(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(vii)	Name and address of Registrars:	[●]

6. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/give names]
(iii)	Stabilising Managers(s) (if any):	[Not Applicable/give names]
(iv)	If non-syndicated, names of Dealer:	[Not Applicable/give names]
(v)	Additional Selling Restrictions:	[Not Applicable/give details]

7. **THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. The Trustee and the Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●] no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates which will be incorporated by reference into each Global Certificate and Definitive Certificate, in the case of Definitive Certificates only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Trustee and the Company at the time of issue but, if not so permitted and agreed, each Definitive Certificate will have endorsed thereon or attached thereto such terms and conditions. The applicable Final Terms (or the relevant provisions thereof) or, in the case of Non-PD Certificates, the applicable Pricing Supplement (or the relevant provisions thereof,) will be endorsed upon, or attached to, each Global Certificate and Definitive Certificate. Reference should be made to "Applicable Final Terms" or "Form of Pricing Supplement" for a description of the content of the Final Terms and the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Certificates.

*In the case of a Series of Certificates which will not be admitted to listing, trading on a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) in the European Economic Area and/or quotation by any competent authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer ("**Non-PD Certificates**") and, accordingly, no base prospectus will be required to be produced in accordance with Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**"), a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Series of Non-PD Certificates.*

DP World Crescent Limited (in its capacity as issuer and as trustee, the "**Trustee**") has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Certificates**" and each a "**Certificate**") in a maximum aggregate face amount of U.S.$3,000,000,000 (or its equivalent in other currencies) as may be increased in accordance with the terms of the Dealer Agreement (as defined below).

Certificates issued under the Programme are issued in series (each series of Certificates being a "**Series**"). The final terms for a Certificate (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms (or, in the case of Non-PD Certificates, Part A of the applicable Pricing Supplement) attached to the relevant Supplemental Declaration of Trust (as defined below) and incorporated or endorsed on a Certificate which supplement these terms and conditions (the "**Conditions**"). References to the "**applicable Final Terms**" or "**applicable Pricing Supplement**", as the case may be, are to the final terms (or the relevant provisions thereof) attached to the relevant Supplemental Declaration of Trust and incorporated or endorsed on each Certificate.

The Certificates of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Certificates of each Series and, in these Conditions, the expressions "**Certificates**", "**Certificateholders**" and related expressions shall be construed accordingly.

In these Conditions, references to "**Certificates**" shall be references to the Certificates (whether in global form as a Restricted Global Certificate (as defined herein) and/or an Unrestricted Global Certificate (as defined herein), as the context may require (each a "**Global Certificate**") or in definitive form as definitive Certificates (each a "**Definitive Certificate**")) which are the subject of the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

Each Certificate will represent an undivided ownership interest in the relevant Trust Assets (as defined below) held on trust by the Trustee (the "**Trust**") for the holders of such Certificates pursuant to: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 9 May 2016 and entered into by the Trustee, DP World Limited (the "**Company**") and Deutsche Trustee Company Limited in its capacity as delegate (the "**Delegate**"); and (ii) a supplemental declaration of trust in respect of the relevant Series to be entered into by the same parties (the "**Supplemental Declaration of Trust**", and together with the Master Declaration of Trust, the "**Declaration of Trust**").

These Conditions include summaries of, and are subject to, the detailed provisions of the relevant Declaration of Trust and the other Transaction Documents (as defined below). Payments relating to the Certificates will be made pursuant to an agency agreement dated 9 May 2016 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Delegate, the Company, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named therein. The issuing and paying agent, the paying agents, the registrars and the transfer agents for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Euro Registrar**" and the "**U.S. Registrar**" (together, the "**Registrars**" and each a "**Registrar**"), the "**Transfer Agents**" (which expression shall include the Registrars) (and together referred to in these Conditions as the "**Agents**"). References to the Agents or any of them shall include their successors.

References herein to "**Issuing and Paying Agent**" and "**Registrar**" shall be deemed to be respectively to the Issuing and Paying Agent and the Registrars so appointed and references to any Paying Agent shall be to the Issuing and Paying Agent. The relevant Issuing and Paying Agent and the Registrars will be specified in the applicable Final Terms or Pricing Supplement, as applicable.

The Certificateholders of a Series are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents as each may be amended and restated and/or supplemented from time to time, copies of which are available for inspection during usual business hours at the principal office of the Trustee (presently at Codan Trust Company (Cayman) Limited, P.O. Box 2681, Cricket Square, Hutchins Drive, Grand Cayman, KY1-1111, Cayman Islands) and at the specified offices of the Paying Agents:

(a) a master purchase of services agreement between the Trustee (in its capacity as purchaser) and the Company (in its capacity as seller) dated on or about the date of this Base Prospectus (the "**Master Purchase of Services Agreement**");

(b) in respect of each Series, a supplemental purchase of services agreement between the Trustee (in its capacity as purchaser) and the Company (in its capacity as seller) entered into on the relevant Issue Date (the "**Supplemental Purchase of Services Agreement**" and together with the Master Purchase of Services Agreement, the "**Purchase of Services Agreement**");

(c) a service agency agreement between the Trustee (in its capacity as Trustee) and the Company (in its capacity as distributor) dated on or about the date of this Base Prospectus (the "**Service Agency Agreement**") and, in respect of each Series, the relevant Services Plan (as defined in the Service Agency Agreement);

(d) a purchase undertaking granted by the Company in favour of the Trustee and the Delegate dated on or about the date of this Base Prospectus (the "**Purchase Undertaking**") including the form of the Sale Agreement (as defined herein);

(e) a sale undertaking granted by the Trustee in favour of the Company dated on or about the date of this Base Prospectus (the "**Sale Undertaking**") including the form of the Sale Agreement (as defined herein);

(g) the Master Declaration of Trust;

(h) in respect of each Series, the relevant Supplemental Declaration of Trust;

(i) the Agency Agreement; and

(j) in respect of each Series, the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

Each Certificateholder, by its acquisition and holding of Certificates, shall be deemed, in respect of each Series, to authorise and direct the Trustee on behalf of the Certificateholders: (a) to apply the proceeds of the issuance to purchase from the Company, pursuant to the terms of the relevant Purchase of Services Agreement, all of the Company's interests, rights, benefits and entitlements in, to and under the Throughput Services identified in the relevant Purchase of Services Agreement; (b) to supply to the Company such assets, pursuant to the terms of the Service Agency Agreement and relevant Services Plan for the relevant Series; and (c) to enter into each other Transaction Document to which it is a party, subject to the terms and conditions of the relevant Declaration of Trust and these Conditions.

1. **INTERPRETATION**

In these Conditions the following expressions have the following meanings:

"**Accountholder**" means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC, as the case may be, as entitled to a particular face amount of the Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the 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);

"**Broken Amount**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Calculation Amount**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Capacity End Date**" means, in respect of a Series, in the event of a failure by the Company to pay the Relevant Amount to the Transaction Account on the Dissolution Event Redemption Date pursuant to the terms of the Service Agency Agreement, the date upon which no more Throughput Services remain for distribution and sale under the Service Agency Agreement;

"**Certificates Exercise Price**" means, as the context may require, the Exercise Price, the Sale Exercise Price, the Change of Control Exercise Price, the Optional Dissolution (Put Option) Exercise Price or the Further Exercise Price payable following due exercise of the Purchase Undertaking or the Exercise Price or Optional Dissolution (Call Option) Exercise Price payable following due exercise of the Sale Undertaking and, in each case, the amount as specified in the relevant Exercise Notice delivered pursuant to the Purchase Undertaking or Sale Undertaking (as applicable);

"**Certificateholder**" means a person in whose name a Certificate is registered in the relevant Register (or in the case of joint holders, the first named thereof) save that, for so long as the Certificates of any Series are represented by a Global Certificate, each Accountholder shall be deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg in the case of the Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, for the purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Trustee, solely in the registered holder of such Global Certificates in accordance with and subject to the terms of the relevant Declaration of Trust and such Global Certificates, and the expressions "**holder**", "**Certificateholder**" and "**holder of Certificates**" and related expressions shall (where appropriate) be construed accordingly;

"**Change of Control Amount**" means, in respect of each Certificate of a Series, unless otherwise specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Partial Dissolution Amount;

a "**Change of Control Event**" has the meaning given to it in Condition 10(d)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option)*;

"**Change of Control Full Put Date**" has the meaning given to it in Condition 10(d)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

"**Change of Control Put Option**" means the put option described in Condition 10(d)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

"**Change of Control Put Option Date**" has the meaning given to it in Condition 10(d)(ii) (*Capital Distributions of the Trust* **-** *Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

"**Change of Control Put Period**" has the meaning given to it in Condition 10(d)(ii) (*Capital Distribution of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

"**Clearstream, Luxembourg**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"**Corporate Services Agreement**" means the corporate services agreement dated 14 April 2016 entered into between the Trustee and the Trustee Administrator;

"**Day Count Fraction**" has the meaning given to it in Condition 8(b) (*Periodic Distribution Provisions – Calculations*);

"**Dealer Agreement**" means the dealer agreement between the Trustee, the Company and the Dealers named therein dated the date of the Master Declaration of Trust;

"**Delegation**" has the meaning given to it in Condition 19 (*The Delegate*);

"**Determination Date**" means the date(s) specified as such in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) or, if none is so specified, the Periodic Distribution Date(s);

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"**Dispute**" has the meaning given to it in Condition 21 (*Governing Law and Jurisdiction*);

"**Dissolution Amount**" means the Final Dissolution Amount and the Tax Redemption Amount;

"**Dissolution Date**" means, in respect of each Series, as the case may be:

(a) the Scheduled Dissolution Date;

(b) the Tax Redemption Date;

(c) the Optional Dissolution Call Date;

(d) the Optional Dissolution Put Date;

(e) Change of Control Full Put Date;

(f) the date on which all of the Certificates outstanding are cancelled following the purchase of such Certificates by or on behalf of the Company and or any of its Subsidiaries pursuant to Condition 13(a) (*Purchase and Cancellation of Certificates – Purchases*); and

(g) the Dissolution Event Redemption Date;

"**Dissolution Event**" has the meaning given to it in Condition 14 (*Dissolution Events*);

"**Dissolution Event Redemption Date**" has the meaning given to it in Condition 14 (*Dissolution Events*);

"**Dissolution Request**" has the meaning given to it in Condition 14 (*Dissolution Events*);

"**DTC**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"**Euroclear**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"**Exercise Notice**" means (as the context requires) an exercise notice delivered or to be delivered in connection with the Purchase Undertaking or Sale Undertaking;

"**Extraordinary Resolution**" has the meaning given to it in schedule 3 (*Provisions for Meetings of Certificateholders*) to the Master Declaration of Trust;

"**Final Dissolution Amount**" means, in respect of redemption of all Certificates outstanding of a Series, in respect of each such Certificate being redeemed, unless otherwise specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the sum of:

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

(b) any accrued but unpaid Periodic Distribution Amounts for such Certificate to but excluding the relevant Dissolution Date;

"**Fixed Amount**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**FSMA**" means the Financial Services and Markets Act 2000, as amended;

"**Issue Date**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Issue Price**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Liability**" means, in respect of any person, any actual loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever and including any value added tax or similar tax charged or chargeable in respect of any sums referred to in this definition and legal or other fees and expenses on a full indemnity basis and references to "**Liabilities**" shall mean all of these;

"**DP World Event**" has the meaning given to it in Condition 14 (*Dissolution Events*);

"**Optional Dissolution Amount**" means, in respect of each Certificate of a Series, unless otherwise specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Partial Dissolution Amount;

"**Optional Dissolution Call Date**" means, in respect of each Series, the date specified in the notice delivered by the Company to the Trustee in accordance with Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) in connection with the exercise of the Optional Dissolution Right (Call) Option in whole;

"**Optional Dissolution Partial Call Date**" means, in respect of each Series, the date specified in the notice delivered by the Company to the Trustee in accordance with Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*) in connection with the exercise of the Optional Dissolution Right (Call) Option in part;

"**Optional Dissolution Partial Put Date**" means, in respect of each Series, the date specified in the notice delivered to the Trustee in accordance with Condition 10(d)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*) in connection with the exercise of the Optional Dissolution Right (Put Option) in part;

"**Optional Dissolution Put Date**" has the meaning given to it in Condition 10(d)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right (Put Option)*);

"**Optional Dissolution Right (Call Option)**" means the right specified in Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*);

"**Optional Dissolution Right (Put Option)**" means the right specified in Condition 10(d)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Optional Dissolution Right* (*Put Option*));

"**Outstanding Amount**" means, in relation to a particular Series and at any given time, the aggregate face amount of the Certificates outstanding at that time;

"**Partial Dissolution Date**" means, in the case of each Series, as the case may be:

(a) Optional Dissolution Partial Call Date;

(b) Optional Dissolution Partial Put Date; and

(c) Change of Control Put Option Date;

"**Partial Dissolution Amount**" means, in respect of redemption of some but not all Certificates outstanding of a Series, in respect of each such Certificate being redeemed, unless otherwise specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the sum of:

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

(b) any accrued but unpaid Periodic Distribution Amounts for such Certificate to but excluding the relevant Partial Dissolution Date;

"**Payment Business Day**" means:

(a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(b) in the case of euro, a day on which the TARGET system is operating (a "**TARGET Business Day**").

"**Periodic Distribution Amount**" has the meaning given to it in Condition 8(a) (*Periodic Distribution Provisions – Periodic Distribution Amount*);

"**Periodic Distribution Date**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**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;

"**Proceedings**" has the meaning given to it in Condition 21 (*Governing Law and Jurisdiction*);

"**QIBs**" means qualified institutional buyers as defined in Rule 144A under the Securities Act;

"**QP**" means a qualified purchaser within the meaning of the United States Investment Company Act 1940, as amended;

"**Profit Rate**" means, in relation to a particular Series, the profit rate specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Record Date**" has the meaning given to it in Condition 9(a)(iii)(*Payment – Payments in respect of Certificates*);

"**Register**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"**Regulation S**" means Regulation S as defined in the Securities Act;

"**Relevant Date**" has the meaning given to it in Condition 11 (*Taxation*);

"**Relevant Jurisdiction**" has the meaning given to it in Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Relevant Powers**" has the meaning given to it in Condition 19 (*The Delegate*);

"**Reserved Matter**" has the meaning given to it in schedule 3 (*Provisions for Meetings of Certificateholders*) of the Master Declaration of Trust;

"**Restricted Global Certificate**" means the Certificates of each Series sold to QIBs who are also QPs in reliance on Rule 144A in registered form;

"**Return Accumulation Period**" means the period beginning on (and including) a Periodic Distribution Date (or, in the case of the first Return Accumulation Period, the Issue Date) to (but excluding) the next (or, in the case of the first Return Accumulation Period, the first) Periodic Distribution Date;

"**Rules**" has the meaning given to it in Condition 21 (*Governing Law and Jurisdiction*);

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Sale Agreement**" means any sale agreement entered into in connection with the Purchase Undertaking or, as the case may be, any sale or transfer agreement entered into in connection with the Sale Undertaking;

"**Scheduled Dissolution Date**" means, in respect of each Series, the date specified as such in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Security Interest**" has the meaning given to it in Condition 5 (*Negative Pledge*);

"**Service Agent**" means the Company in its capacity as distributor under the Service Agency Agreement;

"**Specified Currency**" means the currency specified as such in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) or, if none is specified, the currency in which the Certificates are denominated;

"**Specified Denomination(s)**" has the meaning given to it in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement);

"**Subsidiary**" has the meaning given to it in Condition 5 (*Negative Pledge*);

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"**Tax Event**" has the meaning given to it in Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Taxes**" has the meaning given to it in Condition 11 (*Taxation*);

"**Tax Redemption Amount**" means, in respect of each Certificate of a Series, unless otherwise specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Final Dissolution Amount;

"**Tax Redemption Date**" means the date specified as such in the Exercise Notice delivered by the Company to the Trustee in accordance with in Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**TEUs**" has the meaning given to it in the Master Purchase of Services Agreement;

"**Terms of Business**" means the terms and conditions of business applied by the Company from time to time to container handling generally and in accordance with its customary operating procedures;

"**Throughput Services**" means certain throughput rights and services for container handling at various terminals owned or operated by the Company in the United Arab Emirates comprising the following:

(a) lifting containers on and off vessels; and

(b) storing containers in the relevant Group terminals; and

(c) facilitating the delivery and receipt of containers,

in each case, subject to and in accordance with the Company's Terms of Business (such rights and services being measured in TEUs);

"**Transaction Account**" means, in respect of each Series, an account in the name of the Trustee into which amounts due and payable to the Trustee under the relevant Transaction Document are payable;

"**Transaction Documents**" means, in relation to each Series, the Master Purchase of Services Agreement; the relevant Supplemental Purchase of Services Agreement; the Service Agency Agreement and the relevant Services Plan; the Purchase Undertaking; the Sale Undertaking; the Master Declaration of Trust; the relevant Supplemental Declaration of Trust; the Agency Agreement; any Sale Agreement;

"**Trust Assets**" has the meaning given to it in Condition 6(a) (*Trust – Trust Assets*);

"**Trustee Administrator**" means Codan International Limited; and

"**Unrestricted Global Certificate**" means the Certificates of each Series offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, in registered form.

2. **FORM, DENOMINATION AND TITLE**

(a) **Form and Denomination**

The Certificates are issued in registered form in the Specified Denomination(s) as specified in the applicable Final Terms (or Pricing Supplement, as applicable), **provided that** the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Certificates) and in case of any Certificates (including Certificates denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations.

A Definitive Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded on the relevant Definitive Certificate and in the relevant register of Certificateholders which the Trustee will cause to be kept by the relevant Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

*In respect of each Series, upon issue, Certificates will be represented by one or more Global Certificates in registered form, which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") in respect of an Unrestricted Global Certificate and/or The Depository Trust Company ("**DTC**") in respect of a Restricted Global Certificate. Certificates which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream Luxembourg and DTC, as the case may be.*

References to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

(b) **Title**

Title to the Certificates passes only by registration in the Register. Subject to the terms of any relevant Global Certificate and/or the definition of "**Certificateholders**", the registered holder of any Definitive Certificate will (except as otherwise required by law) be treated as the absolute owner of the Definitive Certificates represented by the Definitive Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Definitive Certificate. The registered holder of a Definitive Certificate will be recognised by the Trustee as entitled to his Definitive Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Definitive Certificate.

*For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream Luxembourg in the case of Unrestricted Global Certificates or DTC in the case of Restricted Global Certificates 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 face amount of such Certificates (in which regard any certificate or other document issued by a clearing system as to the 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 by the Trustee, the Delegate, the Company and the Agents as the holder of such face amount of such Certificates for all purposes other than with respect to payment in respect of such Certificates, for which purpose the registered holder of the Global Certificate shall be treated by the Trustee, the Delegate, the Company and any Agent as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder**" in relation to any Certificates and related expressions shall be construed accordingly.*

In determining whether a particular person is entitled to a particular face amount of Certificates as aforesaid, each of the Trustee and the Delegate may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Each holder must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for its share of each payment made to the registered holder of the Global Certificate.

3. TRANSFERS OF CERTIFICATES

(a) **Transfers**

Subject to Condition 3(d) (*Transfers of Certificates – Closed Periods*), Condition 3(e) (*Transfers of Certificates – Regulations*), and the provisions of the Agency Agreement, a Definitive Certificate may be transferred in whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Definitive Certificate, with the form of transfer on the back, duly completed and signed, at the specified office of the Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

Transfers of interests in a Global Certificate will be effected by Euroclear or Clearstream, Luxembourg in the case of an Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, and, in turn, by other *participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Certificates only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, or DTC as the case may be, and in accordance with the terms and conditions specified in the Master Declaration of Trust and the Agency Agreement.*

Compulsory Sale

If at any time a holder of an interest in a Restricted Global Certificate is a U.S. person within the meaning of Regulation S that is not a QIB and a QP, the Trustee may: (a) compel such holder to sell its interest in such Restricted Global Certificate to a person who is: (i) a U.S. person who is a QIB and a QP that is, in each case, otherwise qualified to purchase the Certificates represented hereby in a transaction exempt from registration under the Securities Act; or (ii) not a U.S person within the meaning of Regulation S; or (b) compel the holder to sell its interest in the Restricted Global Certificates to the Trustee or an affiliate of the Trustee or transfer its interest in such Restricted Global Certificates to a person designated by or acceptable to the Trustee at a price equal to the lesser of (x) the purchase price paid by the holder, (y) 100 per cent. of the principal amount of the holder's interest in the Restricted Global Certificate and (z) the fair market value of such interest in the Restricted Global Certificate. The Trustee has the right to refuse to honour a transfer of an interest in the Restricted Global Certificates to a U.S. person who is not a QIB and a QP.

(b) **Delivery of New Certificates**

Each new Definitive Certificate to be issued upon any transfer of Certificates will, within three (3) business days of receipt by the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Definitive Certificate to the address specified in the form of transfer. For the purposes of this Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*), "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Certificates in respect of which a Definitive Certificate is issued are to be transferred, a new Definitive Certificate in respect of the Certificates not so transferred will, within five (5) business days of receipt by the Transfer Agent of the original Definitive Certificate, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

Except in the limited circumstances described in each Global Certificate, owners of interests in a Global Certificate will not be entitled to receive physical delivery of Certificates.

(c) **Formalities Free of Charge**

Registration of any transfer of Certificates will be effected without charge on behalf of the Trustee by the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity as the Trustee, Registrar or Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(d) **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of fifteen (15) days ending on (and including) the due date for any payment of the Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement)) or any other date on which payment of the face amount or payment of any profit in respect of a Certificate falls due as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

(e) **Regulations**

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the relevant Registrar to any Certificateholder who requests in writing a copy of such regulations.

Unless otherwise requested by him, each Certificateholder shall be entitled to receive, in accordance with Condition 2(b) (*Form, Denomination and Title – Title*), only one Definitive Certificate in respect of his or her entire holding of Certificates. In the case of a transfer of a portion of the face amount of a Definitive Certificate, a new Definitive Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*).

4. **STATUS AND LIMITED RECOURSE**

(a) **Status**

Each Certificate will represent an undivided ownership interest in the relevant Trust Assets (pursuant to the relevant Declaration of Trust) and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Certificate will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

The payment obligations of the Company (in any capacity) under the Transaction Documents shall, save for such exceptions as may be provided for by applicable legislation and subject to the negative pledge provisions in Condition 5, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Company present and future.

(b) **Limited Recourse**

The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of each Series. The Certificates do not represent an interest in or obligation of any of the Trustee (other than in respect of the relevant Trust Assets), the Delegate, the Company (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party) or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that they will have no recourse to any assets of the Trustee (and/or its directors, officers, administrators or shareholders) or the Company (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party) or the Delegate or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted in accordance with the Transaction Documents, following which all obligations of the Trustee, the Delegate, the Company and their respective affiliates shall be extinguished.

The Company is obliged to make payments under the relevant Transaction Documents to which it is a party directly to the Trustee for and on behalf of the Certificateholders. The Trustee and the Delegate (acting in the name of the Trustee, for and on behalf of the Certificateholders) have direct recourse against the Company to recover payments due but unpaid to the Trustee from the Company pursuant to such Transaction Documents. Neither the Trustee nor the Delegate shall be liable for the late, partial or non-recovery of any such payments from the Company save in the case its wilful default or actual fraud.

The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 15 (*Enforcement and Exercise of Rights*), Certificateholders will not have any claim against the Trustee (and/or its directors, officers or shareholders), the Company (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates, or against any of their respective assets (other than the relevant Trust Assets) in respect of such shortfall and any unsatisfied claims of the Certificateholders shall be extinguished. In particular, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee (and/or its directors), the Company (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

(c) **Agreement of Certificateholders**

By purchasing Certificates, each Certificateholder is deemed to have agreed 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 any of the Trustee, the Delegate (acting in the name of the Trustee, for and on behalf of the Certificateholders) or any of their respective agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets;

(ii) no recourse shall be had for the payment of any amount owing hereunder or under any relevant 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 (and/or its directors, officers, administrators or shareholders), the Company (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, the Company, any Agents and their respective agents or affiliates shall be extinguished;

(iii) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, no Certificateholder will institute against, nor join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;

(iv) no recourse under any obligation, covenant or agreement contained in any Transaction Document shall be had against any shareholder, member, officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Conditions to 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

(v) no Certificateholder shall 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.

5. NEGATIVE PLEDGE

The Company undertakes in the Purchase Undertaking that so long as any Certificate remains outstanding (as defined in the Master Declaration of Trust), the Company will not, and will ensure that none of its Subsidiaries will, create or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "**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 any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without at the same time or prior thereto according to its payment Obligations to the Trustee under the Transaction Documents to which it is a party the same security as is created or subsisting to secure any such Relevant Indebtedness, Relevant Sukuk Obligation, guarantee or indemnity or such other security as either: (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (ii) shall be approved by an Extraordinary Resolution (as defined in the Master Declaration of Trust) of the Certificateholders.

In these Conditions:

"**Excluded Subsidiary**" means any Subsidiary of the Company:

(i) which is a single purpose company whose principal assets and business are constituted by the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets); and

(ii) whose indebtedness for borrowed money in respect of the financing of such ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets) is subject to no recourse (other than any Permitted Recourse) to the Company or any of its Subsidiaries (other than another Excluded Subsidiary) in respect of the repayment thereof;

"**Permitted Recourse**" means recourse to the Company or any of its Subsidiaries in respect of any financing or refinancing of all or part of the costs of the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets), so long as the terms of such recourse are restricted such that:

(i) it shall be released following completion of the development or construction of the relevant asset (or group of related assets) to the satisfaction of the holders of such indebtedness; or

(ii) it is limited to:

(1) an agreed cash amount, and may only be enforced in the event that the development or construction of such project or asset (or group of related assets) cannot be completed or is subject to cost overruns or delays; or

(2) the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such project or asset (or group of related assets); or

(3) shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary; or

(4) an agreement by the Company or any of its Subsidiaries not to dispose of any or all of such shares, securities or other instruments as are referred to in sub-paragraph (3); or

(5) an agreement by the Company or any of its Subsidiaries to subordinate its rights in respect of such shares, securities or other instruments for the benefit of the holders of indebtedness incurred by an Excluded Subsidiary; or

(6) recourse in respect of any policy of insurance (or similar instrument, but for the avoidance of doubt not including any financial guarantee) which may be granted by the Company or any of its Subsidiaries (other than an Excluded Subsidiary) for the benefit of an Excluded Subsidiary;

"**Permitted Security Interest**" means:

(i) any Security Interest existing on the date on which agreement is reached to issue the first Series of the Certificates;

(ii) any Security Interest securing Relevant Indebtedness or Relevant Sukuk Obligation of a person and/or its subsidiaries existing at the time that such person is merged into, or consolidated with, the Company or any of its Subsidiaries, **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 Company or any of its Subsidiaries;

(iii) any Security Interest existing on any property or assets prior to the acquisition thereof by the Company or any of its Subsidiaries and not created in contemplation of such acquisition;

(iv) any renewal of or substitution for any Security Interest permitted by any of paragraphs (i) to (iii) (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); or

(v) any Security Interest in respect of any Relevant Indebtedness or Relevant Sukuk Obligation not otherwise permitted under any other paragraph of this definition, **provided that** the aggregate outstanding amount secured thereby shall not at any time exceed an amount equal to 10 per cent. of Total Assets of the Company;

"**Project Financing Indebtedness**" means any indebtedness incurred in connection with the financing or refinancing (including any such financing or refinancing which is intended to be in compliance with the principles of *Shari'a*) of all or part of the costs of the ownership, acquisition, leasing, construction, development (including any subsequent development) or operation of any project or asset (or group of related assets), **provided that** the principal source of payment or repayment of such indebtedness is: (i) the project or asset (or group of related assets) so financed or refinanced and/or the revenues or cashflows derived from such project or asset; or (ii) the assets and undertaking of an Excluded Subsidiary and/or shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary and **provided further that** the person or persons to whom any such indebtedness is or may be owed by the relevant obligor has no recourse (other than Permitted Recourse) to the Company or any Subsidiary;

"**Relevant Indebtedness**" means any indebtedness (other than: (i) Project Financing Indebtedness; and (ii) Securitisation Indebtedness) which is in the form of, or represented or evidenced by, bonds, certificates, debentures, loan stock or other securities which for the time being are, or are intended to be, or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Relevant Sukuk Obligation**" means any present or future 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, 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;

"**Securitisation**" means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, **provided that**: (i) any Security Interest given by the Company or any Subsidiary in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) 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 (iii) there is no other recourse to the Company or any Subsidiary in respect of any default by any person under the securitisation;

"**Securitisation Indebtedness**" means any indebtedness incurred in connection with any Securitisation;

"**Subsidiary**" means, at any particular time, any company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the Company. For a company to be "**controlled**" by the Company means that the Company (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls, or has the power to control, the affairs and policies of that company; and

"**Total Assets**" means at any time: (i) in relation to the Company, the consolidated total assets of the Company, calculated by reference to the then latest audited consolidated financial statements of the Company; (ii) in relation to any Subsidiary, the total assets (consolidated in the case of a Subsidiary which itself has subsidiaries) of such Subsidiary calculated by reference to the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary, **provided that** for this purpose, in calculating the amount of the total assets of any Subsidiary of the Company, any receivables due from the Company or any other Subsidiary shall be excluded and **provided further that** if at any time the relevant financial statements do not include a line item for "total assets", the relevant amount shall be that which the Company determines (after consultation with its external auditors) to be the amount of the relevant total assets (consolidated or, as the case may be, unconsolidated) in accordance with the accounting principles used in preparation of the then latest consolidated financial statements.

6. **THE TRUST**

(a) **Trust Assets:** Pursuant to the relevant Declaration of Trust for each Series, the Trustee has declared that it will 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 Certificateholder. The term "**Trust Assets**" means for each Series:

(A) the cash proceeds of the issue of a Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

(B) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to the relevant Purchase of Services Agreement and which remain to be sold pursuant to the Service Agency Agreement (and the relevant Services Plan for such Series) and, if applicable, the Purchase Undertaking or the Sale Undertaking (as the case may be);

(B) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); and

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

and all proceeds of the foregoing.

See "Structure Diagram and Cash Flows" and "Summary of Principal Transaction Documents" in the Base Prospectus for detail on the Transaction Documents.

(b) **Application of Proceeds from Trust Assets**

On each Periodic Distribution Date, Partial Dissolution Date, Dissolution Date or any earlier date specified for the dissolution of the Trust of the relevant Series in accordance with Condition 10 (*Capital Distributions of the Trust*), as applicable, the Issuing and Paying Agent shall apply the monies standing to the credit of the relevant Transaction Account in the following order of priority:

(A) *first*, (to the extent not previously paid) to pay the Delegate all amounts owing or payable to it under the Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other appointee in respect of the Trust by the Delegate in accordance with the relevant Declaration of Trust;

(B) *second*, (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 owing to it under the Transaction Documents in its capacity as Trustee; (ii) the Trustee Administrator in respect of all amounts owing to it under the Transaction Documents and the Corporate Services Agreement in its capacity as Trustee Administrator; and (iii) each Agent in respect of all amounts owing to such Agent on account of its properly incurred 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;

(C) *third*, for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;

(D) *fourth*, only if such payment is made on a Partial Dissolution Date for application in or towards payment of the relevant Partial Dissolution Amount;

(E) *fifth*, only if such payment is made on a Dissolution Date, for application in or towards payment of the relevant Dissolution Amount; and

(F) *sixth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Company in its capacity as Service Agent under the Service Agency Agreement as an Incentive Payment (as defined in the Services Agency Agreement) for its performance.

7. COVENANTS

The Trustee covenants that, among other things, for so long as any Certificate is outstanding (as defined in the Master Declaration of Trust), it shall not:

(i) incur any indebtedness in respect of borrowed money whatsoever, 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) grant or permit to be outstanding any lien, pledge, charge or other security interest over any of its present or future indebtedness for borrowed money or upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) (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 the relevant Transaction Documents;

(iv) subject to Condition 18 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*) and the Master Declaration of Trust, amend or agree to any amendment of 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 Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than the relevant Trust in respect of a Series or in respect of any parties other than the Certificateholders of the relevant Series;

(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 of any Series for any purpose other than as stated in the Transaction Documents;

(ix) prior to the date which is one year and one day after the date on which the relevant Trust is dissolved, 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 Transaction Documents to which it is a party and the Corporate Services Agreement or as expressly permitted or required thereunder or engage in any business or activity other than:

   (A) as provided for or permitted in the Transaction Documents;

   (B) the ownership, management and disposal of the relevant Trust Assets in respect of a Series as provided in the Transaction Documents; and

   (C) such other matters which are incidental thereto.

8. PERIODIC DISTRIBUTION PROVISIONS

(a) Periodic Distribution Amount

Each Certificate bears profit on its outstanding face amount from the Issue Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date. The amount of profit payable shall be determined in accordance with Condition 8(b) (*Periodic Distribution Provisions – Calculations*). Each such amount of profit is referred to in these Conditions as a "**Periodic Distribution Amount**" Periodic Distribution Amounts shall be distributed to Certificateholders, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 6(b) (*The Trust* **-** *Application of Proceeds from Trust Assets*) and Condition 9 (*Payment*).

(b) Calculations

If, in respect of a Series, no Fixed Amount or Broken Amount is specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Periodic Distribution Amount payable per Calculation Amount in respect of any Certificate for any Return Accumulation Period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such Return Accumulation Period, unless a Periodic Distribution Amount (or a formula for its calculation) is applicable to such Return Accumulation Period, in which case the profit payable per Calculation Amount in respect of such Certificate for such Return Accumulation Period shall equal such Periodic Distribution Amount (or be calculated in accordance with such formula).

"**Day Count Fraction**" means, in respect of the calculation of any Periodic Distribution Amount on any Certificate for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Return Accumulation Period, the "**Calculation Period**"):

(i) if "**30/360**" is specified in the applicable Final Terms (or Pricing Supplement, as applicable), the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(ii) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement):

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

(c) **Payment in Arrear**

Subject to Condition 8(d) (*Periodic Distribution Provisions - Cessation of Profit Entitlement*), Conditions 10(b) – (e) (*Capital Distributions of the Trust*) and Condition 14 (*Dissolution Events*) below, each Periodic Distribution Amount will be paid in respect of the relevant Certificates in arrear on each Periodic Distribution Date specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

(d) **Cessation of Profit Entitlement**

(i) No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless, subject to Condition 8(d)(ii) below, default is made in the payment of the relevant Dissolution Amount, as a result of (x) the failure by the Company to pay the relevant Certificates Exercise Price in accordance with the terms of the Purchase Undertaking or the Sale Undertaking and (y) no Sale Agreement having been executed following the exercise of the Purchase Undertaking or the Sale Undertaking, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition and as further detailed in the Transaction Documents to, but excluding, the Relevant Date.

(ii) If the Capacity End Date occurs, no Periodic Distribution Amounts shall accrue to Certificateholders under the Conditions in respect of the period from the Capacity End Date to the Relevant Date.

9. PAYMENT

(a) **Payments in respect of Certificates**

Payment of each Periodic Distribution Amount, the relevant Partial Dissolution Amount, and the relevant Dissolution Amount, as applicable, will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Certificateholder. Payments of the Partial Dissolution Amount and the Dissolution Amount, as applicable, will only be made against surrender of the relevant Certificate at the specified office of the relevant Paying Agent. The Dissolution Amount and Partial Dissolution Amount, as applicable, and each Periodic Distribution Amount will be paid to the relevant holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of these Conditions:

(i) a Certificateholder's "**registered account**" means an account denominated in the Specified Currency maintained by or on behalf of it with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date;

(ii) a Certificateholder's "**registered address**" means its address appearing on the Register at that time; and

(iii) "**Record Date**" means, in the case of the payment of a Periodic Distribution Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of any Dissolution Amount or Partial Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date or Partial Dissolution Date, as the case may be, or other due date for payment of such amount.

(b) **Payments subject to Applicable Laws**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Condition 9 (*Payment*) and Condition 11 (*Taxation*). No commission or expenses shall be charged to the Certificateholders in respect of such payments.

(c) **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the relevant Paying Agent.

Certificateholders will not be entitled to any additional Periodic Distribution Amount, Partial Dissolution Amount, Dissolution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, or if the relevant Certificateholder is late in surrendering his Certificate (if required to do so).

If any Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount actually paid.

(d) **Agents**

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided in the Master Declaration of Trust and the Agency Agreement) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders or any other party to the Transaction Documents.

The names of the initial Agents and their initial specified offices are set out in this Condition 9(d). The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents **provided that** the Trustee shall at all times maintain: (i) an Issuing and Paying Agent; (ii) a Registrar; (iii) a Transfer Agent; (v) Paying Agents; and (vi) such other agents as may be required by any other stock exchange on which the Certificates may be listed in each case, as approved by the Trustee.

Notice of any such change or any change of any Specified Office shall be given to the Trustee, the Delegate and the Certificateholders in accordance with the provisions of the Agency Agreement.

The name and specified office of the Issuing and Paying Agent, the Paying Agent and the Transfer Agent:

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

The name and specified office of the U.S. Registrar, Transfer Agent and Paying Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
Mail Stop: NYC60-1630
New York, New York 10005
United States of America

The name and specified office of the Euro Registrar, Transfer Agent and Paying Agent:

Deutsche Bank Luxembourg S.A.
2 boulevard Konrad Adenauer
L-1115
Luxembourg

10. **CAPITAL DISTRIBUTIONS OF THE TRUST**

(a) **Dissolution on the relevant Scheduled Dissolution Date**

Unless the Certificates are previously redeemed or purchased and cancelled as provided in this Condition 10, the Trustee will redeem each Certificate on the Scheduled Dissolution Date specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) at its Final Dissolution Amount.

Upon redemption of the Certificates in accordance with this Condition 10(a) and payment in full of the Final Dissolution Amount, the Trust will be dissolved on the relevant Scheduled Dissolution Date, the Certificates shall cease to represent undivided ownership interests in the Trust Assets, no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) **Early Dissolution for Tax Reasons**

The Certificates shall be redeemed by the Trustee in whole, but not in part, and the Trust of the relevant Series shall be dissolved on a Tax Redemption Date by the Trustee giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable), at the Tax Redemption Amount, if a Tax Event occurs, where "**Tax Event**" means:

(i) (A) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Series of Certificates (as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement)); and (B) such obligation cannot be avoided by the Trustee, taking reasonable measures available to it; or

(ii) (A) the Trustee has received notice from the Company that it has or will become obliged to pay additional amounts pursuant to the terms of the Service Agency Agreement or any other Transaction Document to which it is a party as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Series of Certificates; and (B) such obligation cannot be avoided by the Company taking reasonable measures available to it,

provided however, **that** no such notice of dissolution shall be given by the Trustee to Certificateholders unless an Exercise Notice has been received by the Trustee from the Company under the Sale Undertaking and further **provided that** no such notice of dissolution shall be given by the Trustee to Certificateholders earlier than 90 days prior to the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due or (in the case of (ii) above) the Company would be obliged to pay such additional amounts if a payment to the Trustee under the Service Agency Agreement or any other Transaction Document to which it is a party was then due.

Prior to the delivery by the Trustee of any notice of dissolution to Certificateholders pursuant to this Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), the Company shall deliver to the Trustee and to the Delegate a Certificate signed by two duly authorised officers of the Company, which shall be binding on the Trustee and the Certificateholders, stating that the Trustee is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent in (i)(A) and (B) or (ii)(A) and (B), as the case may be, have occurred and the Trustee or the Delegate shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the relevant conditions precedent in which event they shall be conclusive and binding on the Certificateholders.

For the purpose of these Conditions, a "**Relevant Jurisdiction**" means each of the Cayman Islands (in the case of any payment made by the Trustee) and the United Arab Emirates, the Emirate of Dubai and the Dubai International Financial Centre (in the case of any payment made by the Company).

(c) **Dissolution at the Option of the Trustee**

If the Optional Dissolution Right (Call Option) is specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) as being applicable, the Company may exercise its right granted under clause 2.1.2 (*Grant of Rights*) of the Sale Undertaking in accordance with clause 3.1.2 (*Exercise of Rights*) thereof to redeem the Certificates, in whole or in part, and deliver an Exercise Notice to the Trustee specifying the Optional Dissolution Call Date or Optional Dissolution Partial Call Date, as applicable, such notice to be delivered in the prescribed form set out in the Sale Undertaking and not less than 15 nor more than 30 days' prior to the Optional Dissolution Call Date or Optional Dissolution Partial Call Date stated therein, as applicable.

Following receipt by the Trustee of a duly completed Exercise Notice in the prescribed form pursuant to this Condition 10(c), the Trustee shall, on giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), to the Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall oblige the Trustee to redeem the relevant Certificates) redeem the relevant Certificates: (i) in the case of a redemption in whole, at the Final Dissolution Amount on the Optional Dissolution Call Date; and (ii) in the case of a redemption in part, at the Optional Dissolution Amount on the Optional Dissolution Partial Call Date, as applicable. Any such redemption or exercise of the Optional Dissolution Right (Call Option) in part must be in respect of Certificates of a face amount at least equal to the Minimum Dissolution Amount and no greater than the Maximum Dissolution Amount, in each case if so specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

Upon redemption of all of the Certificates outstanding of the relevant Series in accordance with this Condition 10(c) and payment in full of the Final Dissolution Amount, the Trust will be dissolved, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect of the Certificates and the Trustee shall have no further obligations in respect of the Certificates.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) in respect of any single Series of Certificates.

(d) **Dissolution at the Option of the Certificateholders**

(i) **Optional Dissolution Right (Put Option)**

If the Optional Dissolution Right (Put Option) is specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Trustee shall, at the option of the holder of any Certificate, upon such holder of such Certificate giving a Put Notice in accordance with Condition 10(d)(iii) giving not less than 15 nor more than 30 days' notice, or such other notice period as may be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) (the "**Optional Put Period**") to the Trustee, redeem such

Certificate on the Optional Dissolution Partial Put Date at its Optional Dissolution Amount.

Notwithstanding the previous paragraph, if the holder of every Certificate outstanding in a Series delivers a Put Notice within the Optional Put Period in accordance with Condition 10(d)(iii) (unless prior to the giving of the relevant Put Notice the Trustee has given notice of redemption under Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*)), the Trustee will redeem the Certificates at the Final Dissolution Amount on the Periodic Distribution Date immediately following the expiry of the Optional Put Period (the "**Optional Dissolution Put Date**").

Upon redemption of all of the Certificates of the relevant Series in accordance with this Condition 10(d)(i) and payment in full of the Final Dissolution Amount payable the Trust will be dissolved, the Certificates shall cease to represent undivided ownership 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.

For *Shari'a* reasons, the Optional Dissolution Right (Call Option) and the Optional Dissolution Right (Put Option) cannot both be specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) in respect of any single Series of Certificates.

(ii) **Change of Control Put Option**

If Change of Control Put Option is specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) and if a Change of Control Event occurs, the Trustee will, upon the holder of any Certificate giving a Put Notice in accordance with Condition 10(d)(iii) within the Change of Control Put Period redeem such Certificate on the Change of Control Put Option Date at the Change of Control Amount.

Notwithstanding the previous paragraph, if the holder of every Certificate outstanding in a Series delivers a Put Notice within the Change of Control Put Period in accordance with Condition 10(d)(iii) (unless prior to the giving of the relevant Put Notice the Trustee has given notice of redemption under Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or Condition 10(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Trustee*)), the Trustee will redeem the Certificates at the Final Dissolution Amount on the Periodic Distribution Date immediately following the expiry of the Change of Control Put Period (the "**Change of Control Full Put Date**").

Immediately upon the Company becoming aware that a Change of Control Event has occurred, it shall give notice to the Trustee. The Trustee shall, upon receipt of such notice from the Company, and, at any time following the occurrence of a Change of Control Event, the Trustee, if so requested by the holders of at least one-fifth in face amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution, shall, give notice to the Certificateholders (a "**Change of Control Notice**") in accordance with Condition 17 (*Notices*) specifying the nature of the Change of Control Event.

Upon redemption of all of the Certificates of the relevant Series in accordance with this Condition 10(d)(ii) and payment in full of the Final Dissolution Amount, the Trust will be dissolved, the Certificates shall cease to represent undivided ownership 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.

Neither the Trustee nor the Delegate is under any obligation to ascertain whether a Change of Control Event or any event which could lead to the occurrence of or could constitute a Change of Control Event has occurred and, until it shall have actual knowledge or notice to the contrary, the Trustee may assume that no Change of Control Event or other such event has occurred.

For the purpose of this paragraph (ii):

a "**Change of Control Event**" will occur if at any time the Government of Dubai ceases to own, directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, directly or indirectly, the Company. For the purpose of this Condition, the Government of Dubai will be deemed to "**control**" the Company if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has 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 Company or otherwise controls, or has the power to control, the affairs and policies of the Company;

"**Change of Control Put Option Date**" means, in respect of any Change of Control Put Period, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with Condition 10(d)(iii); and

"**Change of Control Put Period**" means, in relation to any Change of Control Event, the period from and including the date on which a Change of Control Notice is given to and including the date falling 60 days after the date on which any such notice is given.

(iii) To exercise any option pursuant to sub-paragraph (i) or (ii), the holder of this Certificate must, if this Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg or DTC, deposit this Certificate with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Put Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the relevant period. No Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

(e) **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event the Certificates may be redeemed at the Final Dissolution Amount on the Dissolution Event Redemption Date and the Trust will be dissolved by the Trustee, as more particularly specified in Condition 14 (*Dissolution Events*).

Upon redemption of all of the Certificates outstanding of the relevant Series in accordance with this Condition 10(e) and payment in full of the Final Dissolution Amount, the Trust will be dissolved, the Certificates shall cease to represent undivided ownership 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.

(f) **No Other Dissolution**

The Trustee shall not be entitled to redeem the Certificates, and the Trustee shall not be entitled to dissolve the Trust otherwise than as provided in this Condition 10 (*Capital Distributions of the Trust*), Condition 13(c) (*Purchase and Cancellation of Certificates – Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series*) and Condition 14 (*Dissolution Events*).

(g) **Cancellations**

All Certificates which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

(h) **Effect of payment in full of Final Dissolution Amount**

Upon payment in full of the Final Dissolution Amount, together with accrued and unpaid Periodic Distribution Amounts, and the termination of the Trust, the Certificates shall cease to represent an undivided ownership interest in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11. TAXATION

All payments by or on behalf of the Trustee in respect of the Certificates 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 Relevant Jurisdiction ("**Taxes**") (which expression shall take the same meaning for the purposes of this Condition 11 as it takes for the purposes of Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or any political subdivision or any authority therein or 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 with respect to any Certificate:

(a) ***Presentation in relevant Tax Jurisdiction***

presented for payment in a Relevant Jurisdiction; or

(b) ***Other connection***

to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Certificate by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Certificate; or

(c) ***Presentation/surrender more than 30 days after the Relevant Date***

presented or (if applicable) surrendered (or (if applicable) in respect of which the relevant Certificate is presented or (if applicable) surrendered) for payment more than 30 days after the Relevant Date (defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting or, as the case may be, surrendering it for payment on such thirtieth day; or

Notwithstanding anything to the contrary in these Conditions, the Trustee, the Company, any paying agent and any other person shall be permitted to withhold and deduct, and shall not be required to pay any additional amounts with respect to, any withholding or deduction imposed on or with respect to any Certificate pursuant to Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**"), any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Trustee, the Company, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

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 or, as the case may be, surrender 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.

The Service Agency Agreement, the Purchase Undertaking and the form of Sale Agreement to be entered into pursuant to the Sale Undertaking each provide that payments thereunder by the Company shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by the Company of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

12. PRESCRIPTION

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

13. PURCHASE AND CANCELLATION OF CERTIFICATES

(a) Purchases

The Company and any Subsidiary may at any time purchase Certificates in the open market or otherwise at any price. Certificates so purchased, while held by or on behalf of the Company or any Subsidiary, shall not entitle the holder to vote at any meeting of the Certificateholders and shall not be deemed to be outstanding for the purposes of calculating the quorum at any meeting of Certificateholders or for the purposes of Conditions 13(b) (*Purchase and Cancellation of Certificates – Cancellation of Certificates held by the Company and/or any of its Subsidiaries*).

(b) Cancellation of Certificates held by the Company and/or any of its Subsidiaries

All Certificates purchased by or on behalf of the Company or any Subsidiary may be surrendered for cancellation by surrendering the Certificate to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee, and, in each case, if so surrendered, shall, together with all Certificates redeemed by the Company, be cancelled forthwith. The Sale Undertaking may be exercised by the Company in respect of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under Throughput Services with an aggregate value no greater than the aggregate face amount of the Certificates so delivered to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee and, upon such cancellation, the Trustee will transfer those Throughput Services to the Company. 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.

(c) Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series

In the event that the Company and/or any of its Subsidiaries purchase all the outstanding Certificates in a Series and all such Certificates are subsequently cancelled by or on behalf of the Trustee, the relevant Trust will be dissolved and the Certificates shall cease to represent an undivided ownership interest in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

14. DISSOLUTION EVENTS

Upon the occurrence of any of the following events (each a "**Dissolution Event**"):

(i) ***Non-payment***: default is made in the payment of any Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount due in respect of the Certificates or any of them and the default continues for a period of seven days in the case of any Dissolution Amount or Partial Dissolution Amount and 14 days in the case of any Periodic Distribution Amount;

(ii) ***Breach of other obligations***: the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under these Conditions or the Transaction Documents to which it is a party and such default is not capable of remedy (in the opinion of the Delegate) or (if capable of remedy (in the opinion of the Delegate)) is not remedied within thirty (30) days after written notice of such default shall have been given to the Trustee by the Delegate; or

(iii) ***DP World Event***: a DP World Event occurs; or

(iv) ***Repudiation***: the Trustee repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or

(v) ***Illegality***: at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

(vi) ***Insolvency:*** either: (a) the Trustee becomes insolvent or is unable to pay its financial obligations as they fall due; (b) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); (c) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (d) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business, 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 of the Certificateholders; or

(vii) ***Winding-up***: an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or

(viii) ***Analogous event***: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraph (vi) and (vii) above,

provided that, in the case of paragraphs (ii) and (v) the Delegate shall have certified in writing to the Trustee that in its opinion such event is materially prejudicial to the interests of the Certificateholders, the Delegate shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, and having been notified in writing of or otherwise determining that (such determination by the Delegate to be in its absolute discretion) such Dissolution Event has occurred, give notice in writing of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 17 (*Notices*) with a request to such holders to indicate if they wish the Trust to be dissolved. Following the issuance of such notice the Delegate may, or if so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Series outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (a "**Dissolution Request**"), shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee and the Company of the Dissolution Request and, upon receipt of such notice, the Trustee or the Delegate, in the name of the Trustee, shall exercise its rights under the Purchase Undertaking and the Trustee or the Delegate, in the name of the Trustee, shall distribute to the Certificateholders the proceeds of the resultant sale and liquidation credited to the relevant Transaction Account in accordance with the Service Agency Agreement and the Certificates shall be redeemed at the Final Dissolution Amount on the date specified in such notice (the "**Dissolution Event Redemption Date**") and the Trust shall be dissolved on the day after the last outstanding Certificate has been redeemed.

For the purposes of this Condition 14 (*Dissolution Events*), a "**DP World Event**" will occur if one or more of the following events occurs:

(i) *Non-payment*: in respect of a Series of Certificates, the Company (acting in any capacity) fails to pay:

(a) an amount payable by it pursuant to any Transaction Document to which it is a party which corresponds to all or a part of a Periodic Distribution Amount payable by the Trustee on a Periodic Distribution Date and the failure continues for a period of 14 days; or

(b) an amount payable by it pursuant to any Transaction Document to which it is a party which corresponds to all or a part of a Dissolution Amount or Partial Dissolution Amount payable by the Trustee on a Dissolution Date or Partial Dissolution Date (as the case may be) and the failure continues for a period of seven days; or

(ii) *Breach of other obligations*: the Company does not perform or comply with any one or more of its other obligations under the Transaction Documents to which it is a party which default is not capable of remedy (in the opinion of the Delegate) or, if capable of remedy (in the opinion of the Delegate), is not remedied within 30 days after written notice of such default shall have been given to the Company by the Delegate; or

(iii) *Cross-acceleration:* (a) any other present or future indebtedness of the Company or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described); or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or (c) the Company or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, save in each case where the liability in respect of the relevant indebtedness, guarantee or indemnity is being contested by the Company or such Material Subsidiary, as the case may be, in good faith and by all appropriate means and **provided that** the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds U.S.$50,000,000 or its equivalent (as determined by the Delegate on the basis of the middle spot rate for the relevant currency against the U.S. dollar as determined by any leading bank on the day on which this paragraph falls to be applied); or

(iv) *Enforcement proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or (in the opinion of Delegate) a material part of the property, assets or revenues of the Company or any of its Material Subsidiaries and is not discharged, withdrawn or stayed within 60 days; or

(v) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Material Subsidiaries in respect of all or (in the opinion of the Delegate) a material part of the property, assets or revenues of the Company or such Material Subsidiary, as the case may be, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person); or

(vi) *Insolvency*: the Company or any of its Material Subsidiaries is (or is deemed by a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Delegate) a material part of its debts, 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 in respect of or affecting all or any part of the debts of the Company or any of its Material Subsidiaries; or

(vii) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution of the Company or any of its Material Subsidiaries or the Company or any of its Material Subsidiaries ceases or threatens to cease, or is required to cease, to carry on all or (in the opinion of the Delegate) 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 (i) on terms approved by the Delegate or by an Extraordinary Resolution of the Certificateholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in another Subsidiary; or

(viii) *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: (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations in respect of the Certificates and under the Transaction Documents to which it is a party to which it is a party; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in the courts of the United Arab Emirates or the Emirate of Dubai, is not taken, fulfilled or done; or

(ix) *Illegality*: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Transaction Documents to which it is a party; or

(x) *Analogous event*: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that (other than in the case of paragraphs (i) and (ii), paragraph (vi) and paragraph (vii) (to the extent it relates to the winding up or dissolution of the Company)) the Delegate shall have certified that in its opinion such event is materially prejudicial to the interests of the Certificateholders.

In this Condition, the following expression shall have the following meaning:

"**EBITDA**" means, in respect of any period, profit in respect of such period, plus; (i) finance costs (net of interest income); (ii) income tax (if any); and (iii) depreciation and amortisation, in each case in respect of such period and at any time; (a) in relation to the Company, shall be calculated by reference to the relevant amounts shown in the then latest audited consolidated financial statements of the Company; and (b) in relation to any Subsidiary, shall be calculated by reference to the relevant amounts (consolidated in the case of a Subsidiary which itself has subsidiaries) shown in the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary; and

"**Material Subsidiary**" means any Subsidiary:

(i) 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 not less than 10 per cent. of the consolidated EBITDA of the Company, or, as the case may be, the consolidated Total Assets of the Company, as the case may be; and/or

(ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon; (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, **provided that** on or after the date on which the relevant audited financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i),

provided that if any acquisition or disposal has occurred after the end of the financial period to which the then latest audited consolidated financial statements of the Company relate, in applying each of the above tests the reference in the relevant defined terms to the latest audited consolidated financial statements shall be deemed to be a reference to such audited consolidated financial statements as if the relevant acquisition or disposal had been reflected in such audited consolidated financial statements by reference (where applicable) to any relevant Subsidiary's then latest relevant financial statements (consolidated in the case of a Subsidiary which itself has subsidiaries), adjusted as set out in the immediately following paragraph.

A report by two duly authorised officers of the Company, that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Company, the Trustee, the Delegate and the Certificateholders.

15. **ENFORCEMENT AND EXERCISE OF RIGHTS**

(i) Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Certificates has not been paid in full, the Trustee or the Delegate (subject to the Delegate being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefit of the Certificateholders) take one or more of the following steps:

(A) enforce the provisions of the Purchase Undertaking, the Service Agency Agreement and any other Transaction Documents in accordance with their terms; and/or

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

(ii) Following the enforcement, realisation of the Certificates and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Certificates to the Certificateholders in accordance with these Conditions and the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the obligations of the Trustee in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished. Following which, neither the Trustee nor the Delegate shall be liable for any such sums and, accordingly, Certificateholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including the Company) to recover any such sum or asset in respect of the relevant Certificates or the Trust Assets. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding up of the Trustee.

(iii) No Certificateholder shall be entitled to proceed directly against the Trustee or the Company or to provide instructions to the Trustee to proceed directly against the Company in each case under any Transaction Document to which either of them is a party unless: (a) the Delegate fails to do so within a reasonable time becoming so bound and such failure its continuing; and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against any of the Trustee or the Company as the case may be) holds at least one-fifth of the then outstanding aggregate face amount of the Series. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and/or the Company shall be to enforce their respective obligations under the Transaction Documents.

(iv) Subject to paragraph (ii), neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action against, in the case of the Delegate only, the Trustee and/or, in the case of the Trustee or the Delegate, the Company under any Transaction Document to which either of the Trustee or the Company is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least one-fifth of the then outstanding aggregate face amount of the Certificates of the relevant Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and **provided that** neither the Trustee nor the Delegate shall be held liable for the consequences of exercising or not exercising its discretion or taking or not taking any such action and may do so without having regard to the effect of such action or the failure to take action on individual Certificateholders.

16. **REPLACEMENT OF CERTIFICATES**

If any Definitive 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 Certificate) and otherwise as the Trustee may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

17. **NOTICES**

Notices to the holders of Certificates shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Any such notice will be deemed to have been given on the first date of such publication. Notices to Certificateholders shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the "*Financial Times*"). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. The Trustee shall also ensure that notices are duly published in a manner that complies with any other relevant rules of any stock exchange or other relevant authority on which the Certificates are for the time being or by which they have for the time being admitted to trading. any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Until such time as any Definitive Certificates are issued, there may, so long as the Global Certificate representing the Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Certificates. Any such notice shall be deemed to have been given to the holders of the Certificates on the third day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

18. **MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

(a) ***Meetings of Certificateholders***

The Master 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 Master Declaration of Trust. Such a meeting may be convened by Certificateholders holding not less than 10 per cent. in aggregate face amount of the Certificates of a Series 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 aggregate face amount of the Certificates of a Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the outstanding face amount of the

Certificates held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*; (i) to amend the relevant Scheduled Dissolution Date, any Partial Dissolution Date or any Periodic Distribution Date or Periodic Distribution Amounts on the Certificates; (ii) to reduce or cancel any amount payable in respect of the Certificates; (iii) to reduce the rate or rates of profit in respect of the Certificates or to vary the method or basis of calculating the rate or rates of profit or the basis for calculating any Periodic Distribution Amounts in respect of the Certificates; (iv) if a Minimum and/or a Maximum Dissolution Amount is specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), to reduce any such Minimum and/or Maximum Amount; (v) to vary any method of, or basis for, calculating the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount or the Change of Control Amount; (vi) to vary the currency or currencies of payment or denomination of the Certificates, (vii) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass the Extraordinary Resolution; or (viii) to change the governing law of the Certificates, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate 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 Master Declaration of Trust provides that a resolution may be in writing signed by or on behalf of the Certificateholders holding not less than 90 per cent. in aggregate face amount of the Certificates outstanding (a "**Written Resolution**"). Such Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders. Further, the Master Declaration of Trust provides that, 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 Company or the Delegate (as the case may be) may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Issuing and Paying Agent or another specified agent and/or the Delegate in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the holders of not less that 90 per cent. in aggregate face amount of the Certificates then outstanding (an "**Electronic Consent**"). Any Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution and 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 and Waiver**

The Master Declaration of Trust, any Supplemental Declaration of Trust and any other Transaction Document may only be amended by the Trustee with the consent of the Delegate and the Delegate may, without the consent of the Certificateholders; (i) agree to any modification of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust and any other Transaction Document that is, in the opinion of the Delegate of a formal, minor or technical nature or made to correct a manifest error or (ii) agree to any other modification (other than in respect of a Reserved Matter or any provision of the Master Declaration of Trust referred to in the definition of a Reserved Matter), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Master Declaration of Trust, any Supplemental Declaration of Trust or any other Transaction Document; and (iii) determine that any Dissolution Event or Potential Dissolution Event (as defined in the Master Declaration of Trust) shall not be treated as such if in the case of (ii) and (iii), in the opinion of the Delegate it is not materially prejudicial to the interests of the Certificateholders. Any such modification, authorisation or waiver shall be binding on the Certificateholders and such modification shall be notified by the Trustee to the Certificateholders in accordance with Condition 17 (*Notices*) as soon as practicable.

(c) **Entitlement of the Delegate**

In connection with the exercise by it of any of its powers, trusts, authorities and discretions under the Master Declaration of Trust (including, without limitation, any modification), the Delegate shall have regard to the general interests of the Certificateholders as a class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Certificateholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, the Delegate, the Company or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders (except, in the case of the Trustee and the Company, to the extent already provided for in Condition 11 (*Taxation*)).

19. **THE DELEGATE**

The Trustee has in the Master Declaration of Trust irrevocably and unconditionally appointed the Delegate to be its attorney and in its name and on its behalf and as its act and deeds:

(i) to execute, deliver and perfect all documents;

(ii) to exercise all of the present and future duties, 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 Transaction Documents) and discretions vested in the Trustee by the relevant Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or Potential Dissolution Event, to exercise all of the rights of the Trustee under the Purchase Undertaking, the Service Agency Agreement and the relevant Transaction Documents; and

(iii) make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the relevant Declaration of Trust,

(together the "**Delegation**" of the "**Relevant Powers**"),

provided that,

(a) no obligations, duties, Liabilities or covenants of the Trustee pursuant to the relevant Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of this delegation;

(b) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the relevant Trust Assets; and

(c) such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to hold any of the relevant Trust Assets, to dissolve any of the trusts constituted by the relevant Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate.

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 relevant Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master 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.

The Master 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 relevant Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 15 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Company 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 Company but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the relevant Declaration of Trust.

The Delegate may rely on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Company 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 Master 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 Company 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.

Nothing shall, in any case where 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 Master 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 Master 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 wilful default or actual fraud of which either of them may be guilty in relation to their duties under the relevant Declaration of Trust.

20. 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.

21. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust (including these Conditions), the Agency Agreement and the Certificates, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, English law.

(b) Arbitration

Without limiting the rights of the Delegate under Condition 21(c) (*Governing Law and Jurisdiction - Jurisdiction*), any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Master Declaration of Trust (including these Conditions) and/or the Certificates (including any dispute regarding 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 London Court of International Arbitration ("**LCIA**") Rules (the "**Rules**"), which rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 21(b). For these purposes:

(1) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute 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;

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

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

(c) **Jurisdiction**

Notwithstanding Condition 21(b) (*Governing Law and Jurisdiction – Arbitration)*, the Delegate (or, but only where permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Company require that a dispute be heard by the courts of England.

If the Delegate (or any Certificateholder) gives such notice, the Dispute to which such notice refers shall be determined in accordance with this Condition 21(c) and, subject as provided below, any arbitration commenced under Condition 21(b) (*Governing Law and Jurisdiction – Arbitration)* in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration (as defined in the Rules) in respect of any Dispute, the Delegate (or the relevant Certificateholder) must also within 28 days of service of a Request for Arbitration give notice to the LCIA Court and to any Tribunal (each 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 Court, 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:

(1) 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;

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

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

If notice is delivered to the Trustee and the Company in accordance with this Condition 21(c), the courts of England are to have jurisdiction to settle any such dispute and accordingly any legal action or proceedings arising out of or in connection with any Certificates ("**Proceedings**") may be brought in such courts.

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum.

This Condition 21(c) is for the benefit of the Delegate, for and on behalf of the Certificateholders, only. As a result, and notwithstanding the remainder of this Condition 21(c), the Delegate may bring Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

(d) **Service of Process**

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

(e) **Waiver**

The Company has in the Master Declaration of Trust irrevocably agreed that, should any Proceedings be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to those Proceedings (including without limitation, immunity from the jurisdiction of any court or tribunal, suit, service of process, injunctive or other interim relief, any order for specific performance, any order for recovery of land, any attachment (whether in aid of execution, before judgment or otherwise) of its assets, any process for execution of any award or judgment or other legal process) shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and its assets (irrespective of its use or intended use) are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Transaction Documents to which it is a party. Notwithstanding the foregoing, the Company makes no representation as to whether Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) and/or Article 247 of Federal Law No. 11 of 1992 regarding the Law of Civil Procedures will apply to its assets, revenue or property.

(f) **Consent**

Each of the Trustee and the Company has in the Master Declaration of Trust irrevocably and generally consented in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.

USE OF PROCEEDS

The proceeds of each Series of Certificates issued under the Programme will be paid by the Trustee to the Company as consideration for the purchase by the Trustee of the relevant Throughput Services specified in the Supplemental Purchase of Services Agreement in respect of such Series. The net proceeds of each Series of Certificates issued under the Programme will be applied by the Company for general corporate purposes, including the refinancing of any indebtedness.

DESCRIPTION OF THE TRUSTEE

Registered Office

The registered office of the Trustee is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the telephone number of the registered office is +1 345 949 1040.

Date of Incorporation and legal form

The Trustee, an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 14 April 2016 under the Companies Law (2013 Revision), as amended, of the Cayman Islands, with company registration number 310423.

The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 shares of U.S.$1.00 each, of which 100 shares are fully paid up and issued. All of the issued shares of the Trustee (the "**Shares**") are or will be held by Codan Trust Company (Cayman) Limited as share trustee (the "**Share Trustee**") in its capacity as trustee of a purpose trust, including charitable purposes, formed pursuant to the terms of a declaration of trust (the "**Share Declaration of Trust**") dated 14 April 2016 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust). Prior to the Termination Date, the trust is a purpose trust, but the Share Trustee has the power to benefit Charities (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. 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.

Purpose and Business Activity

The objects for which the Trustee has been incorporated (as set out in its Memorandum of Association) are unrestricted and the Trustee has full power and authority to carry out any objects not prohibited by the laws of the Cayman Islands. The Trustee has been established to raise capital for the Company by the issue of the Certificates.

The Trustee has been incorporated to act as a special purpose vehicle in connection with the issuance of the Certificates, and consequently it does not have any employees or own any physical assets.

The Trustee does not engage in, and has not, since its incorporation, engaged in, any activities other than those incidental to: (i) its registration and maintenance as an exempted company in the Cayman Islands; (ii) the authorisation of the establishment of the Programme and issue of any Certificates under the Programme; (iii) the ownership of such interests and other assets referred to herein; (iv) the other matters contemplated in this Base Prospectus; (v) the authorisation and execution of the other documents referred to in this Base Prospectus to which it is or will be a party; and (vi) other matters which are incidental or ancillary to those activities.

The Trustee's ongoing activities will principally comprise: (i) the issue of Certificates under the Programme; (ii) the entering into of any documents related to the establishment of the Programme and any issue of Certificates under the Programme; and (ii) the exercise of related rights and powers, the performance of obligations and other activities referred to in this Base Prospectus or reasonably incidental to those activities.

The Trustee does not have subsidiaries or employees.

Since the date of its incorporation, the Trustee has not carried out any operations and no financial statements of the Trustee have been prepared. The Trustee is a special purpose vehicle and is not required by Cayman Islands law, and does not intend, to publish audited financial statements or accounts.

Directors of the Trustee

The directors of the Trustee and their respective business addresses and principal activities are as follows:

Name and Occupation

Name	Principal Occupation
Mr. Yuvraj Narayan..............................	Group Chief Financial Officer, DP World Limited
Mr. Dennis S. Ryan	Head of Corporate Services, Codan International Limited and Counsel at Conyers Dill & Pearman Limited

The business address of Mr. Yuvraj Narayan is c/o DP World Head Office, 5th Floor, LOB 17, Jebel Ali Free Zone, P.O. Box 17000, Dubai, United Arab Emirates.

The business address of Mr. Dennis S. Ryan is c/o Codan International Limited, Office 201, Gate Village 4, Level 2, Dubai International Financial Centre, P.O. Box 506528, Dubai, United Arab Emirates.

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, save that: (i) Mr. Ryan is also Counsel at Conyers Dill & Pearman Limited, which acts as Cayman Islands legal counsel to the Trustee in connection with the Programme; and (ii) Mr. Narayan is also the Group Chief Financial Officer at DP World Limited.

Corporate Administration

Codan International Limited, a service provider incorporated in the DIFC and an affiliate of the Share Trustee, acts as the secretary of the Trustee (in such capacity, the "**Trustee Administrator**"). Pursuant to the terms of a corporate services agreement dated 14 April 2016 entered into between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to provide or procure the provision of certain administrative functions to the Trustee, including registered office, director and alternate director, secretarial, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses and disbursements.

The terms of the Corporate Services Agreement provide that the Trustee Administrator may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any breach by the other party of its obligations under the Corporate Services Agreement. In addition, the Corporate Services Agreement provides that either party shall be entitled to terminate the Corporate Services Agreement by giving at least thirty days' notice in writing to the other party.

The Trustee Administrator's principal office is at Office 201, Gate Village 4, Level 2, Dubai International Financial Centre, P.O. Box 506528, Dubai, United Arab Emirates.

CAPITALISATION

The following table shows bank balances and cash, current financial indebtedness and the capitalisation of the Group (equal to total non-current financial indebtedness plus shareholders' equity) as at 31 December 2015 extracted without material adjustment from the DPW Financial Statements.

	As at 31 December 2015
	(Audited)
	(U.S. dollars in thousands)
Bank balances and cash	1,436,595
Current financial indebtedness:	
Current bank debt	140,647
Other current financial debt	2,400
Total current financial indebtedness	143,047
Non-current financial indebtedness:	
Non-current bank debt	2,265,151
Bonds issued	5,250,128
Other non-current financial indebtedness	11,952
Total non-current financial indebtedness	7,527,231
Equity:	
Shareholders' reserve	2,000,000
Retained earnings	4,722,382
Other equity	2,044,452
Non-controlling interests	367,764
Total equity	9,134,598
Total capitalisation	16,661,829

There has been no material change in the capitalisation of the Group since 31 December 2015.

SELECTED FINANCIAL INFORMATION OF THE GROUP

The selected consolidated financial data of the Group: (i) as of and for the year ended 31 December 2015 have been derived from the DPW 2015 Financial Statements; and (ii) as of and for the years ended 31 December 2014 and 2013 have been derived from the DPW 2014 Financial Statements, in each case appearing elsewhere in this Base Prospectus. See "Presentation of Certain Financial and Other Information".

The selected consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the DPW Financial Statements. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Consolidated statement of profit and loss

	Year ended 31 December								
	2013			2014			2015		
	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total
	(Audited) (U.S. dollars in thousands)								
Income Statement Data:									
Revenue	3,073,248	—	3,073,248	3,411,014	52,337	3,463,351	3,967,739	75,171	4,042,910
Cost of sales	(1,849,087)	—	(1,849,087)	(1,958,295)	(52,337)	(2,010,632)	(2,009,145)	(75,171)	(2,084,316)
Gross profit	1,224,161	—	1,224,161	1,452,719	—	1,452,719	1,958,594	—	1,958,594
General and administrative expenses	(311,243)	(101,433)	(412,676)	(385,878)	(19,400)	(405,278)	(590,284)	(653)	(590,937)
Other income	21,458	—	21,458	22,363	9,153	31,516	26,979	16,867	43,846
Profit on sale and termination of business	—	158,188	158,188	—	—	—	—	(610)	(610)
Share of profit/(loss) from equity accounted investees (net of tax)	84,366	(4,305)	80,061	77,961	(1,754)	76,207	52,702	—	52,702
Results from operating activities	1,018,742	52,450	1,071,192	1,167,165	(12,001)	1,155,164	1,447,991	15,604	1,463,595
Finance income	84,493	—	84,493	89,765	1,582	91,347	104,969	9,705	114,674
Finance costs	(369,439)	—	(369,439)	(372,841)	(4,122)	(376,963)	(492,087)	(23,352)	(515,439)
Net finance costs	(284,946)	—	(284,946)	(283,076)	(2,540)	(285,616)	(387,118)	(13,647)	(400,765)
Profit before tax	733,796	52,450	786,246	884,089	(14,541)	869,548	1,060,873	1,957	1,062,830
Income tax expense	(59,558)	(4,900)	(64,458)	(127,418)	40,000	(87,418)	(90,988)	—	(90,988)
Profit for the year	674,238	47,550	721,788	756,671	25,459	782,130	969,885	1,957	971,842
Profit attributable to:									
Owners of the Company	604,421	35,215	639,636	675,430	25,143	700,573	882,576	355	882,931
Non-controlling interest	69,817	12,335	82,152	81,241	316	81,557	87,309	1,602	88,911

(1) SDIs represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 12 (Separately disclosed items) to the DPW 2015 Financial Statements and Note 12 (Separately disclosed items) to the DPW 2014 Financial Statements.

	Year ended 31 December					
	2013		2014		2015	
	Revenue	Profit after tax	Revenue	Profit after tax	Revenue	Profit after tax
	(Audited) (U.S. dollars in thousands)					
Income Statement Data by Segment (before separately disclosed items):						
Middle East, Europe and Africa	2,123,848	858,398	2,386,049	983,721	2,911,399	1,276,278
Australia and Americas	594,183	120,340	628,312	148,617	642,137	120,936
Asia-Pacific and Indian Subcontinent	355,217	140,857	396,653	185,924	414,203	212,540
Head office	—	(445,357)	—	(561,591)	—	(639,869)
Total	**3,073,248**	**674,238**	**3,411,014**	**756,671**	**3,967,739**	**969,885**

Consolidated statement of financial position

	As at 31 December		
	2013	2014	2015
		(Audited)	
		(U.S. dollars in thousands)	
Consolidated Balance Sheet Data:			
Non-current assets	13,455,633	13,382,448	18,007,385
Current assets			
Bank balances and cash	2,572,470	3,723,073	1,436,595
Other current assets[(1)]	732,411	799,220	815,147
Total current assets	3,304,881	4,522,293	2,251,742
Total assets	16,760,514	17,904,741	20,259,127
Equity	9,021,541	9,026,660	9,134,598
Non-current liabilities			
Interest bearing loans and borrowings	4,776,690	5,603,658	7,527,231
Other non-current liabilities[(2)]	1,448,350	1,720,402	1,682,342
Total non-current liabilities	6,225,040	7,324,060	9,209,573
Current liabilities			
Accounts payable and accruals	1,033,784	1,130,021	1,614,580
Interest bearing loans and borrowings	258,327	251,330	143,047
Other current liabilities[(3)]	221,822	172,670	157,329
Total current liabilities	1,513,933	1,554,021	1,914,956
Total liabilities	7,738,973	8,878,081	11,124,529
Total equity and liabilities	**16,760,514**	**17,904,741**	**20,259,127**

(1) Other current assets includes inventories, and accounts receivable and prepayments.
(2) Other non-current liabilities includes deferred tax liabilities, employees' end of service benefits, pension and post employment benefits, and accounts payable and accruals.
(3) Other current liabilities includes income tax liabilities, bank overdrafts, and pension and post employment benefits.

Selected consolidated statement of cash flows

	Year ended 31 December		
	2013	2014	2015
		(Audited)	
		(U.S. dollars in thousands)	
Consolidated Cash Flow Data:			
Net cash from operating activities	1,211,733	1,354,215	1,780,747
Net cash used in investing activities	(210,801)	(700,799)	(4,024,572)
Net cash (used in)/from financing activities	(304,314)	527,854	(11,785)
Net increase/(decrease) in cash and cash equivalents	696,618	1,181,270	(2,255,610)
Effect of exchange rate fluctuation on cashflow	(7,288)	(29,260)	(30,868)
Cash and cash equivalents at 1 January	1,881,733	2,571,063	3,723,073
Cash and cash equivalents at 31 December	**2,571,063**	**3,723,073**	**1,436,595**

Selected other operating and financial data

	Year ended 31 December		
	2013	2014	2015
		(Audited)	
		(U.S. dollars in thousands)	
Calculation of EBITDA and Adjusted EBITDA:			
Profit after tax	721,788	782,130	971,842
Finance costs	369,439	372,841	492,087
Finance income	(84,493)	(89,765)	(104,969)
Tax expense	59,558	127,418	90,988
Depreciation and amortisation	395,499	420,985	480,125
EBITDA[(1)]	1,461,791	1,613,609	1,930,073
Separately disclosed items[(2)]	(47,550)	(25,459)	(1,957)
Adjusted EBITDA[(3)]	**1,414,241**	**1,588,150**	**1,928,116**

(1) EBITDA, a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax, depreciation and amortisation. EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

(2) See Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements and Note 12 (*Separately disclosed items*) to the DPW 2014 Financial Statements.

(3) Adjusted EBITDA is defined as EBITDA further adjusted to remove the impact of SDIs. Adjusted EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

	Year ended 31 December		
	2013	2014	2015
		(Audited)	
		(U.S. dollars in thousands)	
Adjusted EBITDA[(1)] **by Segment:**			
Middle East, Europe and Africa	1,095,171	1,259,866	1,611,506
Australia and Americas	195,235	217,250	189,619
Asia-Pacific and Indian Subcontinent	219,700	256,489	280,963
Head office	(95,865)	(145,455)	(153,972)
Total	**1,414,241**	**1,588,150**	**1,928,116**

(1) Adjusted EBITDA is defined as EBITDA further adjusted to remove the impact of SDIs. Adjusted EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*" and "*– Calculation of EBITDA and Adjusted EBITDA*" above.

	Year ended 31 December		
	2013	2014	2015
		(Audited, unless otherwise indicated)	
Other Financial and Operating Data: Revenue (before separately disclosed items, in thousands of U.S.$)			
Containerised/stevedoring revenue	1,396,510	1,502,990	1,506,735
Containerised/other revenue	1,026,792	1,166,079	1,239,744
Non containerised revenue	649,946	741,945	802,314
Service concession revenue	—	52,337	75,171
Lease rental and related services	—	—	418,946
Total revenue	3,073,248	3,463,351	4,042,910
Net Debt to Adjusted EBITDA[(1)]	1.74	1.34	3.23
Total throughput (in millions of TEU)			
Middle East, Europe and Africa	18,993	20,973	21,556
Australia and Americas	2,480	2,471	2,684
Asia-Pacific and Indian Subcontinent	4,604	4,897	4,870
Total throughput (unaudited)	**26,077**	**28,341**	**29,110**

(1) Net debt to Adjusted EBITDA is calculated by dividing total debt minus cash and cash equivalents by Adjusted EBITDA.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's financial condition and results of operations should be read in conjunction with the information in "Presentation of Certain Financial and Other Information" and "Selected Consolidated Financial Data" and the DPW Financial Statements, appearing elsewhere in this Base Prospectus.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

Overview

The Group is one of the largest container terminal operators in the world by capacity and throughput, as well as one of the most geographically diversified. As at 31 December 2015, the Group managed a portfolio of 77 terminals across six continents, with new developments underway in Asia, Africa and the Americas. The Group's portfolio has an average concession life of approximately 39 years. As at and for the year ended 31 December 2015, the Group's portfolio had a gross capacity of 79.6 million TEU and generated gross throughput of 61.7 million TEU; for the same period, the Group generated revenue from operations (which does not include revenue attributable to its joint ventures and associates) of U.S.$3,967.7 million (excluding SDIs) and an Adjusted EBITDA of U.S.$1,928.1 million.

Factors Affecting Financial Condition and Results of Operations

The following is a discussion of the most significant factors that have affected, or are expected to affect, the Group's financial condition and results of operations.

Volume of TEU

In 2015, the Group's terminals handled an aggregate of 61.7 million TEU and had utilisation rates of 78 per cent. of its gross capacity. The volume of the Group's TEU is primarily driven by: (i) the growth in trade as a result of global economic conditions; and (ii) growth in the Group's capacity.

Global economic conditions can affect the volume of TEU the Group handles and more specific regional economic changes can also affect the volume of TEU on a geographic segment basis. As a result, the Group's volume of TEU in its geographic segments has been affected at different times and to differing degrees by economic conditions. In 2013, the Group's gross volumes decreased, reflecting a global economy dominated by uncertainty that was offset partly by growth in emerging and developing economies. In 2014, the Group's gross volumes increased by 8.9 per cent. as global economic conditions improved. In 2015, although global volumes continued to increase, softer commodity prices hurt economies that were reliant on natural resources and geopolitical issues contributed to uncertainty in demand. As a result, the Group's gross volumes increased 3.0 per cent. in 2015.

The increases in 2014 and 2015 also reflected the substantial investment programme that the Group initiated in 2012, which helped drive stronger top and bottom line growth. For instance, as a result of this earlier investment, in 2014 the Group opened its new greenfield projects in Embraport (Brazil) and DP World London Gateway (U.K.) and added additional capacity with the launch of Terminal 3 at Jebel Ali as well as a new container berth in DP World Southampton (U.K.). Additionally, the investments made in existing ports like Jebel Ali allowed the berthing of larger ships, which had a positive impact on volume. For instance, while the number of vessels calling at Jebel Ali only increased by 3 per cent. in 2014 compared to the prior year, the number of 9,000+ TEU vessels increased by nearly 50 per cent., adding additional volume of almost 1.6 million TEU in Jebel Ali during 2014. In 2015, the Group added approximately 3.5 million TEU of new gross capacity. In 2015, the Group's acquisition of the Fairview Container Terminal (Canada), which has since been renamed DP World Prince Rupert, and the opening of the fully automated terminal in Rotterdam World Gateway (The Netherlands) accounted for 0.9 million and 0.3 million TEU, respectively, of this additional capacity. In addition, projects in Mumbai (India) and Yarimca (Turkey) became operational in 2015, and each contributed 0.8 million TEU of additional capacity.

The Group's portfolio of 77 terminals, including 8 new developments and major expansion projects that are currently underway has the potential to take its gross capacity to over 100 million TEU by 2020, subject to market demand. See "*Capital expenditures*" below.

Capacity and Ability to Handle Additional Volumes

The Group believes that it operates some of the most productive and efficient terminals in the world by using modern technology and processes, such as the Group's fully automated terminal in Rotterdam World Gateway (The Netherlands) that was opened in 2015 and the introduction in 2015 of real-time monitoring of global operations from the Group's corporate head office. The Group believes that the maintenance and enhancement of its operations is critically important, as this has a direct impact on the Group's results. In particular, by operating more efficiently as described below, the Group seeks to generate additional value out of its existing facilities by increasing capacity, which in turn permits increased throughput, making each crane move more profitable. Increased operating efficiency also reduces the Group's cost base as it is able to fully utilise its existing assets and does not need to invest additional capital in the deployment of new assets. At certain of its terminals, the Group is not able to expand its operations physically and efficiency improvements are the only means for the Group to increase its capacity and throughput. Conversely, at terminals that could be expanded physically, the Group may use efficiency improvements to incrementally increase capacity until demand reaches a point that justifies the capital expenditure costs associated with physical expansion. Finally, efficient operations help the Group maintain good customer relations and reduce customer defection, thereby maintaining the Group's competitive position.

Increases in operational efficiency can be achieved by, among other things:

- introducing new technologies to speed up processes and reduce labour costs;
- improving landside support to ensure that containers are quickly and efficiently transported to and from the Group's terminals;
- using external depot functions to increase the capacity for container storage;
- actively managing container storage times by incentivising customers to take delivery of containers that have arrived in port as quickly as possible;
- maintaining schedule integrity with respect to vessel calls;
- increasing the number of berthing windows by loading and unloading vessels more quickly; and
- implementing rationalised berth utilisation, which involves arranging the timing of the arrival and departure of different-sized ships to ensure that a maximum of berth length is used.

Origin and Destination and Transhipment Cargo Mix

For the year ended 31 December 2015, approximately 70 per cent. of the Group's gross throughput was O&D. From a revenue perspective, O&D throughput differs from transhipment throughput primarily in that O&D throughput is usually handled most cost-effectively by one port, normally closest to the point of consumption or production, which makes O&D throughput less likely to be lost to competitors and less price-sensitive than transhipment throughput. O&D throughput also provides terminal operators with an opportunity to earn additional revenue by charging for delivery or reception of the container from the shipper or consignee, as well as by providing ancillary services, such as container freight stations and container cleaning. The Group will endeavour to maintain a strong O&D component in each of its terminals or, where this is not possible, obtain volume commitments from shipping lines to make its terminals less susceptible to the loss of transhipment volumes and price deterioration. However, the development of sophisticated route networks by shipping lines, together with the limited number of terminals that can efficiently service the growing number of large container ships, increases the potential for, and attractiveness of, additional transhipment volume in certain locations. See "*Ports Operation Industry Overview – O&D versus Transhipment – Transhipment*".

Emerging Market Focus

The Group's revenue growth is dependent on the performance of emerging economies. For the year ended 31 December 2015, approximately 75 per cent. of gross throughput in the Group's portfolio of terminals came from countries that are considered to be Emerging or Frontier Markets (as defined by the MSCI Frontier and Emerging market indices). These economies are generally seen to be higher growth areas, growing by approximately 4.0 per cent. in 2015, with projected growth of 4.3 per cent. and 4.7 per cent. in 2016 and 2017, respectively (*source*: IMF World Economic Outlook Update, January 2016). In the past, the Group's results of operations have been affected by, and the Group expects that its financial results will continue to be affected by, key macroeconomic factors in these emerging economies. See "*Risk Factors—Risks relating to the Group—The Group's results of operations can be adversely impact by declines in global trading volumes.*"

Ability to Win Concessions

The Group believes it has a proven history of winning new concessions due to:

- its operating and technical credentials;
- its ability to offer an "integrated port management" model, which combines container handling facilities with economic free zones and infrastructure developments;
- its focus on key government issues such as security and sustainability; and
- its common user status and strong customer relationships.

Attractive concession opportunities will continue to arise globally and, as authorities granting concessions increase barriers to entry, the Group believes that its experience and qualifications will leave it well positioned to continue to win new concessions. In 2015, the Group won new concessions, such as DP World Prince Rupert (Canada) and DP World Stuttgart (Germany) and extended existing concessions, such as DP World Melbourne (Australia) and DP World Southampton (U.K.).

Currency Risk

The Group's functional currency is UAE dirhams and its reporting currency is the U.S. dollar. The functional and reporting currency of subsidiaries, affiliates and associates varies depending on their geographic location. Accordingly, the Group is exposed to risks related to the translation of assets and liabilities denominated in currencies other than, or not pegged to, the U.S. dollar. In addition to these translation risks, the Group is exposed to transaction risks as a result of differences in the currency mix of its operating expenses, on the one hand, and revenue, on the other hand. As a result, a depreciation or appreciation of a particular local currency against the U.S. dollar could have either a positive or negative impact on both the group's balance sheet and its profit margin and therefore the Group's profit for the year. For additional discussion of the impact of foreign currency transactions and translations on the Group's results of operations, see Note 6 (*Financial Risk Management*) to the DPW 2015 Financial Statements and "*Quantitative and Qualitative Disclosures about Market Risk – Currency risk*".

Tax regulation

Certain of the Group's container terminal operations (for instance, certain terminals located in China, India and Turkey) benefit from tax "holiday" or similar awards, which exempt the Group from paying tax on certain profits or allow it to pay a reduced rate of tax on certain profits (in most cases for a specified period of time and otherwise for a specific taxable amount). Such awards do not extend to the dividend distribution of such profits. In India, the Group also pays a significantly lower rate of customs duties on the Group's imports of capital goods as a result of the EPCG Scheme, which reduces the customs duties on imports of capital goods on the basis that certain prescribed levels of exports are achieved. As a result of these tax awards, the Group's overall tax charge is less than it would otherwise be in the absence of such awards. Some of the existing tax awards expire at various times between 2017 and 2018 and, upon their expiration, the Group will be required to pay tax on the Group's profits at the normal rate for the relevant country. In addition, if the Group fails to meet the prescribed level of exports in India under the EPCG Scheme, the Group will be liable to pay the full rate of customs duties on the Group's imports of capital goods.

Divestments

In 2013, the Group recorded a profit of U.S.$152.2 million on the monetisation of investments in the Asia Pacific and Indian Subcontinent region. This was the result of a sale of one joint venture and the reduction of the Group's equity stake in one subsidiary and one joint venture in Hong Kong. This created a one-off gain in 2013 and reduced the amount of profit attributable to the Asia Pacific and Indian Subcontinent region in 2014 compared to 2013. This is referred to as the "**Hong Kong divestment**" in this section.

Acquisitions

In March 2015, the Group acquired 100 per cent. ownership of EZW for a total cash consideration of U.S.$2,715.8 million and in August 2015, the Group acquired 100 per cent. ownership of DP World Prince Rupert (Canada) for a total consideration of U.S.$451.2 million. Since acquiring EZW and DP World Prince Rupert (Canada), the Group has been actively integrating them into the existing corporate, operational and financial structures of the Group in order to share best practices and identify and realize synergies where possible. Since the date of the acquisition of EZW to 31 December 2015, it has contributed profit of U.S.$231.4 million to the Group. If the acquisition of EZW had taken place as at 1 January 2015, revenue and profit for the year ended 31 December 2015 would have increased by U.S.$105.1 million and U.S.$57.9 million, respectively. See Note 35 (*Acquisitions*) to the DPW 2015 Financial Statements for more information.

Explanation of Key Income Statement Items

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerised stevedoring and other containerised revenue. Non-containerised revenue mainly includes logistics and handling of break bulk cargo. For further information regarding the services the Group provides, see "*Business – Ports Business*".

Cost of Sales

Cost of sales are comprised of costs incurred in connection with the operation, maintenance and security of the Group's facilities and other costs directly attributable to the various services provided by the Group, including related depreciation expense. Major components of cost of sales include labour, the amortisation cost of port concessions, concession fees, royalties payable to port authorities, marine cost of sales, warehousing expenses, transportation expenses, and yard and gate operations expenses.

General and Administrative Expenses

General and administrative expenses include staff costs, facilities rental, travel and entertainment, insurance, advertising, marketing, printing and stationery, communication costs, legal expenses, consultancy costs, IT charges, repair and maintenance costs and other sundry expenses, including related depreciation expense.

Other Income

Other income includes gain on sale of miscellaneous operating assets and other gain/loss on non-core activities.

Net Finance Costs

Net finance costs include finance expenses less finance income. Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated statement of profit or loss.

Finance income and expense also includes realised and unrealised exchange gains and losses on monetary assets and liabilities.

Share of Profit/(Loss) of Joint Ventures and Associates

Share of profit/(loss) of joint ventures and associates reflects the Group's share of profits or losses from entities that are associates or joint ventures. The results of operations of associates and joint ventures are not consolidated and, consequently, only the earnings impact of these entities based on the Group's shareholding is incorporated into the Group's results.

Separately Disclosed Items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance. For more information regarding SDIs, see Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements.

Recent Developments

For the three month period ended 31 March 2016, the Group's portfolio generated gross throughput of 15.5 million TEU. Gross container volumes and like-for-like container volumes grew by 3.7 per cent. and 2.4 per cent., respectively, compared to the same period in the previous year. This growth was primarily due to a strong performance from the Group's terminals located in Europe and India, which was partially offset by a decrease in lower-margin cargo in the Group's operations in the UAE.

In addition, on 25 April 2016, the Group was awarded two concession agreements by the Government of the Republic of Cyprus at the Limassol port. The takeover date of both concessions is currently envisaged to be 29 January 2017.

Historical Results of Operations

The discussion and analysis of: (i) the year ended 31 December 2015 compared to the year ended 31 December 2014; and (ii) the year ended 31 December 2014 compared to the year ended 31 December 2013, is based on the DPW Financial Statements.

Year Ended 31 December 2015 Compared to Year Ended 31 December 2014

The following table sets forth selected consolidated income statement data for the Company for the years indicated.

	Year ended 31 December					
	2014			2015		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(Audited)					
	(U.S. dollars in thousands)					
Revenue	3,411,014	52,337	3,463,351	3,967,739	75,171	4,042,910
Cost of sales	(1,958,295)	(52,337)	(2,010,632)	(2,009,145)	(75,171)	(2,084,316)
Gross profit	**1,452,719**	—	**1,452,719**	**1,958,594**	—	**1,958,594**
General and administrative expenses	(385,878)	(19,400)	(405,278)	(590,284)	(653)	(590,937)
Other income	22,363	9,153	31,516	26,979	16,867	43,846
Profit on sale and termination of business	—	—	—	—	(610)	(610)

	Year ended 31 December					
	2014			2015		
	Before separately disclosed items	**Separately disclosed items**	**Total**	**Before separately disclosed items**	**Separately disclosed items**	**Total**
	(Audited)					
	(U.S. dollars in thousands)					
Share of profit/(loss) from equity accounted investees (net of tax).......	77,961	(1,754)	76,207	52,702	—	52,702
Results from operating activities........................	**1,167,165**	**(12,001)**	**1,155,164**	**1,447,991**	**15,604**	**1,463,595**
Finance income	89,765	1,582	91,347	104,969	9,705	114,674
Finance costs.....................	(372,841)	(4,122)	(376,963)	(492,087)	(23,352)	(515,439)
Net finance costs..............	**(283,076)**	**(2,540)**	**(285,616)**	**(387,118)**	**(13,647)**	**(400,765)**
Profit before tax	**884,089**	**(14,541)**	**869,548**	**1,060,873**	**1,957**	**1,062,830**
Income tax expense............	(127,418)	40,000	(87,418)	(90,988)	—	(90,988)
Profit for the year............	**756,671**	**25,459**	**782,130**	**969,885**	**1,957**	**971,842**
Profit attributable to:						
Owners of the Company.....	675,430	25,143	700,573	882,576	355	882,931
Non-controlling interests....	81,241	316	81,557	87,309	1,602	88,911

Revenue

Revenue for the year ended 31 December 2015 was U.S.$4,042.9 million as compared to U.S$3,463.4 million for the year ended 31 December 2014, an increase of U.S.$579.5 million, or 16.7 per cent. The increase in revenue mainly reflected revenue received from lease rentals and related services as a result of the EZW Acquisition in March 2015. The year ended 31 December 2015 included an SDI of U.S.$75.2 million of revenue relating to service concession revenue. In accordance with IFRIC 12 *Service Concession Arrangements* ("**IFRIC 12**"), the fair value of revenue from construction services provided by the Company to develop a port in the Asia-Pacific and Indian Subcontinent segment was included as both revenue and cost of sales in the year ended 31 December 2015 and has been treated as SDI. Excluding such SDI, revenue for the year ended 31 December 2015 was U.S.$3,967.7 million as compared to U.S.$3,411.0 million for the year ended 31 December 2014, and an increase of U.S.$556.7 million or 16.3 per cent. Like-for-like revenue grew by 5.6 per cent., which was mainly driven by strong containerised other and non-containerised revenue growth.

As of 31 December 2015, the Group had 77 terminals, of which 44 operating terminals were consolidated for financial reporting purposes. Terminals that contributed to the Group's revenue as of 31 December 2015 experienced an increase in consolidated container volume over the previous year of 2.7 per cent.

Containerised Stevedoring Revenue

Containerised stevedoring revenue for the year ended 31 December 2015 was U.S.$1,506.7 million (representing 38.0 per cent. of the Group's total revenue, excluding SDIs for such period) as compared to U.S.$1,503.0 million for the year ended 31 December 2014 (representing 44.1 per cent. of the Group's total revenue, excluding SDIs, for such period), an increase of U.S.$3.7 million, or 0.2 per cent. The increase reflected a 2.7 per cent. increase in consolidated container volumes resulting mainly from the acquisition of DP World Prince Rupert (Canada) as well as volume growth at existing terminals. Containerised stevedoring revenue grew at a lower rate than volume mainly due to higher growth in markets with lower revenue per TEU and the impact of unfavourable exchange rates.

Containerised Other Revenue

Containerised other revenue for the year ended 31 December 2015 was U.S.$1,239.7 million (representing 31.2 per cent. of the Group's total revenue, excluding SDIs, for such period) as compared to U.S.$ 1,166.1 million for the year ended 31 December 2014 (representing 34.2 per cent. of the Group's total revenue, excluding SDIs, for such period), an increase of U.S.$73.6 million, or 6.3 per cent. The increase principally reflected the increase in container re-handling and storage revenue, reflecting the increase in containers held at the Group's terminals.

Non-containerised Revenue

Non-containerised revenue (excluding SDIs) for the year ended 31 December 2015 was U.S.$802.3 million (representing 20.2 per cent. of the Group's total revenue, excluding SDIs, for such period) as compared to U.S.$741.9 million for the year ended 31 December 2014 (representing 21.8 per cent. of the Group's total revenue for such period), an increase of U.S.$60.4 million, or 8.1 per cent. The bulk of this increase reflected the growth in Jebel Ali's non-containerised volumes.

Lease Rentals and Related Services

Lease Rentals and Related Services for the year ended 31 December 2015 was U.S.$418.9 million representing 10.6 per cent. of the Group's total revenue, excluding SDIs, for such period), which comprised principally of revenue generated by the JAFZ business acquired in 2015.

Revenue by Segment

The following table presents revenue information regarding the Group's three segments (excluding SDIs) for the years ended 31 December 2014 and 2015.

	Year ended 31 December	
	2014	**2015**
	(U.S. dollars in thousands)	
Revenue (excluding SDIs)		
Middle East, Europe and Africa	2,386,049	2,911,399
Australia and Americas	628,312	642,137
Asia-Pacific and Indian Subcontinent	396,653	414,203
Total revenue (excluding SDIs)	**3,411,014**	**3,967,739**

Middle East, Europe and Africa. Revenue (excluding SDIs) for the Middle East, Europe and Africa segment for the year ended 31 December 2015 was U.S.$2,911.4 million as compared to U.S.$2,386.0 million for the year ended 31 December 2014, an increase of U.S.$525.4 million, or 22.0 per cent. The increase principally reflected the impact of the EZW Acquisition as well as a rise in container volume of 2.8 per cent. Like-for-like revenue increased 5.9 per cent. mainly due to higher revenue growth in containerised other and non-containerised revenue.

As of 31 December 2015, the Group had 38 operating terminals in the segment, of which 27 were consolidated for financial reporting purposes. On average, terminals that contributed to revenue for the segment experienced an increase in container volume of 2.8 per cent. over the same period the previous year.

Although market conditions in the Middle East, Europe and Africa region softened in the second half of 2015 as trading conditions became more challenging, the UAE region delivered another record throughput year with 15.6 million TEU handled, while Europe outperformed a difficult market. UAE total containerised revenue for the year ended 31 December 2015 increased against the same period in 2014 by 1.8 per cent., whilst non-containerised revenue increased by 9.2 per cent. following a rise in general, break bulk and bulk cargo volumes.

Australia and Americas. Revenue (excluding SDIs) for the Australia and Americas segment for the year ended 31 December 2015 was U.S.$642.1 million as compared to U.S.$628.3 million for the year ended 31 December 2014, an increase of U.S.$13.8 million, or 2.2 per cent. The increase in revenue primarily resulted from an increase in containerised other revenue due to higher revenue generated from container rehandling and an increase in container volumes by 8.6 per cent., which principally reflected the acquisition of DP World Prince Rupert (Canada). Like-for-like revenue for the year ended 31 December 2015 increased 2.8 per cent. against a decrease in like-for-like container volume of 2.9 per cent over the same period the previous year. As of 31 December 2015, the Group had 13 operating terminals in the segment, of which 7 were consolidated for financial reporting purposes.

Asia-Pacific and Indian Subcontinent. Revenue (excluding SDIs) for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2015 was U.S.$414.2 million as compared to U.S.$396.7 million for the year ended 31 December 2014, an increase of U.S.$17.5 million, or 4.4 per cent. The increase in revenue was largely from an increase in non-containerised revenue and strong growth in containerised other revenue. Like-for-like revenue for the year ended 31 December 2015 increased 8.3 per cent. against a decrease in like-for-like container volume of 0.6 per cent over the same period the previous year, mainly as a result of higher growth in non-containerised revenue and containerised other revenue. As of 31 December 2015, the Group had 26 operating terminals in the segment, of which 10 were consolidated for financial reporting purposes.

Cost of Sales

Cost of sales for the year ended 31 December 2015 were U.S.$2,084.3 million as compared to U.S.$ 2,010.6 million for the year ended 31 December 2014, an increase of U.S.$73.7 million, or 3.7 per cent. The years ended 31 December 2015 and 2014 included SDIs of U.S.$75.2 million and U.S.$52.3 million, respectively, relating to service concession revenues. See Note 12 (*Separately disclosed items*) to the DPW 2015 Financial Statements for more information. Excluding such SDIs, cost of sales for the year ended 31 December 2015 were U.S.$2,009.1 million as compared to U.S.$1,958.3 million for the year ended 31 December 2014, an increase of U.S.$50.8 million, or 2.6 per cent. The increase was principally due to the acquisitions of EZW and DP World Prince Rupert (Canada) and increases in container volume as well as the ramp up costs associated with the newly opened terminals in 2015, such as the opening of Terminal 3 at Jebel Ali (UAE), Mumbai (India) and Yarimca (Turkey).

General and Administrative Expenses

General and administrative expenses for the year ended 31 December 2015 were U.S.$590.9 million as compared to U.S.$405.3 million for the year ended 31 December 2014, an increase of U.S.$185.6 million, or 45.8 per cent. The year ended 31 December 2014 included an SDI of U.S.$19.4 million relating to advisory, legal, accounting, valuation, professional consulting, general and administrative costs that were directly related to the EZW Acquisition. Excluding such SDIs, general and administrative expenses for the year ended 31 December 2015 were U.S.$590.3 million as compared to U.S.$ 385.9 million for the year ended 31 December 2014, an increase of U.S.$204.4 million, or 53.0 per cent. The increase was primarily due to inflation rates as well as the ramp up costs associated with the newly opened terminals in 2015, such as the opening of Terminal 3 at Jebel Ali (UAE), Mumbai (India) and Yarimca (Turkey) as well as costs associated with the acquisition of new businesses in 2015, such as EZW and DP World Prince Rupert (Canada).

Share of Profit from Equity-accounted Investees

Share of profit from equity-accounted investees for the year ended 31 December 2015 was U.S.$52.7 million as compared to U.S.$76.2 million for the year ended 31 December 2014, a decrease of U.S.$23.5 million, or 30.8 per cent. The year ended 31 December 2014 included an SDI loss of U.S.$1.8 million comprising U.S.$0.7 million from its share of an ineffective hedge in a joint venture in the Middle East, Europe and Africa region and U.S.$1.1 million from its share of restructuring costs in a joint venture in the Australia and Americas region. Excluding such SDIs, share of profit from equity-accounted investees for the year ended 31 December 2015 was U.S.$52.7 million as compared to U.S.$78.0 million for the year ended 31 December 2014, a decrease of U.S.25.3 million, or 32.4 per cent. The decrease was primarily due to the impact of adverse exchange rate movements in relation to Embraport (Brazil).

Net Finance Costs

Net finance costs for the year ended 31 December 2015 were U.S.$400.8 million as compared to U.S.$285.6 million for the year ended 31 December 2014, an increase of U.S.$115.2 million, or 40.3 per cent. The year ended 31 December 2015 included an SDI of U.S.$13.6 million related the Group's convertible bond. The year ended 31 December 2014 included an SDI of U.S.$2.5 million related to an interest rate swap where there was a mismatch between the receipts of the swap and the hedged item. Excluding such SDIs, net finance costs for the year ended 31 December 2015 were U.S.$387.1 million as compared to U.S.$ 283.1 million for the year ended 31 December 2014, an increase of U.S.$104.0 million, or 36.7 per cent, primarily as a result of an increase of U.S.$4,102.0 million in net debt as at 31 December 2015 as compared to 31 December 2014, which were due to acquisitions completed in 2015, and foreign exchange losses.

Income Tax

Income tax expense for the year ended 31 December 2015 was U.S.$91.0 million as compared to U.S.$ 87.4 million for the year ended 31 December 2014, an increase of U.S.$3.6 million, or 4.1 per cent. The year ended 31 December 2014 included an SDI of U.S.$40.0 million of net income tax credit resulting from the release of a tax provision in connection with the restructuring and sale of subsidiaries in the Australia and Americas region. The provision was released following the closure of a review by the relevant tax authorities. Excluding such SDIs, income tax for the year ended 31 December 2015 was U.S.$91.0 million as compared to U.S.$127.4 million for the year ended 31 December 2014, a decrease of U.S.$36.4 million, or 28.6 per cent. The decrease (excluding SDIs) was principally due to a tax credit resulting from enacted tax rate reductions in the U.K. and Pakistan which impacted the Group's deferred tax liabilities recognised on fair value intangibles.

Profit for the Year

Profit after tax for the year ended 31 December 2015 was U.S.$971.8 million as compared to U.S.$782.1 million for the year ended 31 December 2014, an increase of U.S.$189.7 million, or 24.3 per cent. The year ended 31 December 2015 included SDIs representing a profit of U.S.$2.0 million and the year ended 31 December 2014 included SDIs representing a profit of U.S.$25.5 million (see above for further information regarding such SDIs). Excluding such SDIs, profit after tax for the year ended 31 December 2015 was U.S.$969.9 million as compared to U.S.$756.7 million for the year ended December 2014, an increase of U.S.$213.2 million, or 28.2 per cent.

The following table presents profit information regarding the Group's geographical segments for the years ended 31 December 2014 and 2015.

	Year ended 31 December					
	2014			2015		
	Before separately disclosed items	**Separately disclosed items**	**Total**	**Before separately disclosed items**	**Separately disclosed items**	**Total**
	(Audited)					
	(U.S. dollars in thousands)					
Profit after tax						
Middle East, Europe and Africa	983,721	(7,902)	975,819	1,276,278	15,604	1,291,882
Australia and Americas	148,617	(4,099)	144,518	120,936	—	120,936
Asia-Pacific and Indian Subcontinent	185,924	—	185,924	212,540	—	212,540
Head office profit/(loss)	(561,591)	37,460	(524,131)	(639,869)	(13,647)	(653,516)
Total profit after tax	**756,671**	**25,459**	**782,130**	**969,885**	**1,957**	**971,842**

Middle East, Europe and Africa. Profit for the Middle East, Europe and Africa segment was U.S.$1,291.9 million for the year ended 31 December 2015 as compared to U.S.$975.8 million for the year ended 31 December 2014, an increase of U.S.$316.1 million, or 32.4 per cent. Excluding SDIs, profit after tax for the Middle East, Europe and Africa segment was U.S.$1,276.3 million for the year ended 31 December 2015 as compared to U.S.$983.7 million for the year ended 31 December 2014, an increase of U.S.$292.6 million, or 29.7 per cent. The increase in profit in the Middle East, Europe and Africa segment principally reflected the increased revenue in this segment as outlined above.

Australia and Americas. Profit for the Australia and Americas segment was U.S.$120.9 million for the year ended 31 December 2015 as compared to U.S.$144.5 million for the year ended 31 December 2014, a decrease of U.S.$23.6 million, or 16.3 per cent. Excluding SDIs, profit for the Australia and Americas segment was U.S.$120.9 million for the year ended 31 December 2015 as compared to U.S.$148.6 million for the year ended 31 December 2014, a decrease of U.S.$27.7 million, or 18.6 per cent. The decrease in profit in the Americas and Australia segment principally reflected the weak performance from Embraport (Brazil), which was driven by foreign exchange losses. This decrease was partially offset by the increase in volumes with the acquisition of DP World Prince Rupert (Canada) in August 2015.

Asia-Pacific and Indian Subcontinent. Profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2015 was U.S.$212.5 million as compared to a profit of U.S.$ 185.9 million for the year ended 31 December 2014, an increase of U.S.$26.6 million, or 14.3 per cent. The increase in profit in the Asia-Pacific and Indian Subcontinent segment principally reflected the addition of 0.8 million TEU of capacity in Mumbai (India), growth in non-containerised revenue as well as the focus of the Asia-Pacific and Indian Subcontinent portfolio on O&D cargo, which was less volatile than larger transhipment hubs in the region in 2015.

Head Office. Loss for the Head Office segment for the year ended 31 December 2015 was U.S.$653.5 million as compared to a loss of U.S.$524.1 million for the year ended 31 December 2014, an increase of U.S.$129.4 million, or 24.7 per cent. Excluding SDIs, loss for the Head Office segment for the year ended 31 December 2015 was U.S.$639.9 million as compared to a loss of U.S.$561.6 million for the year ended 31 December 2014, an increase of U.S.$78.3 million, or 13.9 per cent. This increase principally reflected higher corporate costs and provisions, as well as higher interest expenses relating to acquisitions completed in 2015.

Year Ended 31 December 2014 Compared to Year Ended 31 December 2013

The following table sets forth selected consolidated income statement data for the Company for the years indicated.

	Year ended 31 December					
	2013			**2014**		
	Before separately disclosed items	**Separately disclosed items**	**Total**	**Before separately disclosed items**	**Separately disclosed items**	**Total**
	(Audited)					
	(U.S. dollars in thousands)					
Revenue	3,073,248	—	3,073,248	3,411,014	52,337	3,463,351
Cost of sales	(1,849,087)	—	(1,849,087)	(1,958,295)	(52,337)	(2,010,632)
Gross profit	1,224,161	—	1,224,161	1,452,719	—	1,452,719
General and administrative expenses.........................	(311,243)	(101,433)	(412,676)	(385,878)	(19,400)	(405,278)
Other income	21,458	—	21,458	22,363	9,153	31,516
Profit on sale and termination of business ...	—	158,188	158,188	—	—	—
Share of profit/(loss) from equity accounted investees (net of tax).......	84,366	(4,305)	80,061	77,961	(1,754)	76,207
Results from operating activities........................	1,018,742	52,450	1,071,192	1,167,165	(12,001)	1,155,164
Finance income	84,493	—	84,493	89,765	1,582	91,347
Finance costs	(369,439)	—	(369,439)	(372,841)	(4,122)	(376,963)
Net finance costs..............	(284,946)	—	(284,946)	(283,076)	(2,540)	(285,616)
Profit before tax	733,796	52,450	786,246	884,089	(14,541)	869,548
Income tax expense............	(59,558)	(4,900)	(64,458)	(127,418)	40,000	(87,418)
Profit for the year.............	674,238	47,550	721,788	756,671	25,459	782,130
Profit attributable to:						
Owners of the Company.....	604,421	35,215	639,636	675,430	25,143	700,573
Non-controlling interests	69,817	12,335	82,152	81,241	316	81,557

Revenue

Revenue for the year ended 31 December 2014 was U.S.$3,463.4 million as compared to U.S.$3,073.2 million for the year ended 31 December 2013, an increase of U.S.$390.2 million, or 12.7 per cent. The year ended 31 December 2014 included an SDI of U.S.$52.3 million of revenue relating to service concession revenue. In accordance with IFRIC 12, the fair value of revenue from construction services provided by the Company to develop a port in the Asia-Pacific and Indian Subcontinent segment was included as both revenue and cost of sales in the year ended 31 December 2014 and has been treated as an SDI. Excluding such SDI, revenue for the year ended 31 December 2014 was U.S.$3,411.0 million as compared to U.S.$3,073.2 million for the year ended 31 December 2013, an increase of U.S.$337.8 million, or 11.0 per cent. The increase in revenue was mainly driven by an increase in container volume.

As of 31 December 2014, the Group had more than 65 terminals, of which 35 operating terminals were consolidated for financial reporting purposes. Terminals that contributed to the Group's revenue as of 31 December 2014 experienced an increase in consolidated container volume over the previous year of 9.5 per cent.

Containerised Stevedoring Revenue

Containerised stevedoring revenue for the year ended 31 December 2014 was U.S.$1,503.0 million (representing 44.1 per cent. of the Group's total revenue, excluding SDIs, for such period) as compared to U.S.$1,396.5 million for the year ended 31 December 2013 (representing 45.4 per cent. of the Group's total revenue for such period), an increase of U.S.$106.5 million, or 7.6 per cent. The increase reflected an 8.7 per cent. increase in consolidated container volumes resulting from the opening of new ports at DP World London Gateway (U.K.) and the launch of Terminal 3 at Jebel Ali (UAE) as well as volume growth at existing terminals.

Containerised Other Revenue

Containerised other revenue for the year ended 31 December 2014 was U.S.$1,166.1 million (representing 34.2 per cent. of the Group's total revenue, excluding SDIs, for such period) as compared to U.S.$1,026.8 million for the year ended 31 December 2013 (representing 33.4 per cent. of the Group's total revenue for such period), an increase of U.S.$139.3 million, or 13.6 per cent. The increase principally reflected increased storage revenues as the increase in consolidated container volumes resulted in more growth in storage.

Non-containerised Revenue

Non-containerised revenue (excluding SDIs) for the year ended 31 December 2014 was U.S.$741.9 million (representing 21.8 per cent. of the Group's total revenue, excluding SDIs, for such period) as compared to U.S.$649.9 million for the year ended 31 December 2013 (representing 21.1 per cent. of the Group's total revenue for such period), an increase of U.S.$92.0 million, or 14.2 per cent. The bulk of this increase reflected the growth in Jebel Ali's non-containerised volumes.

Revenue by Segment

The following table presents revenue information regarding the Group's three segments (excluding SDIs) for the years ended 31 December 2013 and 2014.

	Year ended 31 December	
	2013	**2014**
	(U.S. dollars in thousands)	
Revenue (excluding SDIs)		
Middle East, Europe and Africa	2,123,848	2,386,049
Australia and Americas	594,183	628,312
Asia-Pacific and Indian Subcontinent	355,217	396,653
Total revenue (excluding SDIs)	**3,073,248**	**3,411,014**

Middle East, Europe and Africa. Revenue (excluding SDIs) for the Middle East, Europe and Africa segment for the year ended 31 December 2014 was U.S.$2,386.0 million as compared to U.S.$2,123.8 million for the year ended 31 December 2013, an increase of U.S.$262.2 million, or 12.3 per cent. The increase reflected a rise in non-containerised revenue of 17.0 per cent. as well as a rise in container volume of 10.4 per cent. This rise in container volume resulted in a 11.2 per cent. increase in total containerised revenue, which was primarily due to higher volumes in the UAE region. As of 31 December 2014, the Group had 30 operating terminals in the segment, of which 22 were consolidated for financial reporting purposes. On average, terminals that contributed to revenue for the segment experienced a increase in container volume of 10.4 per cent. over the same period the previous year. The segment benefitted from contributions from the Group's newly opened terminal at DP World London Gateway (U.K.) and the additional capacity with the launch of Terminal 3 at Jebel Ali as well as a new container berth in DP World Southampton (U.K.). Excluding the new terminals, container volumes increased 9.3 per cent. and like-for-like revenue increased 10.3 per cent., primarily as a result of an increase in consolidated throughput.

UAE total containerised revenue for the year ended 31 December 2014 increased against the same period in 2013 by 10.2 per cent., whilst non-containerised revenue increased to 13.3 per cent. following a rise in general, break bulk and bulk cargo volumes.

Australia and Americas. Revenue (excluding SDIs) for the Australia and Americas segment for the year ended 31 December 2014 was U.S.$628.3 million as compared to U.S.$594.2 million for the year ended 31 December 2013, an increase of U.S.$34.1 million, or 5.7 per cent. The increase in revenue primarily resulted from an increase in this segment in revenue per TEU as throughput declined slightly in the period. The increase in revenue per TEU was largely a result of an increase in rates for the storage of containers. Like-for-like revenue increased 8.4 per cent. against a decline in like-for-like container volume of 0.4 per cent. As of 31 December 2014, the Group had 13 operating terminals in the segment, of which seven were consolidated for financial reporting purposes.

Asia-Pacific and Indian Subcontinent. Revenue (excluding SDIs) for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2014 was U.S.$396.7 million as compared to U.S.$355.2 million for the year ended 31 December 2013, an increase of U.S.$41.5 million, or 11.7 per cent. The increase in revenue was largely from our terminals in India and Pakistan for containerised and non- containerised other revenue. Like-for-like revenue increased 23.2 per cent. against a rise in like-for-like container volume of 16.5 per cent. As of 31 December 2014, the Group had 18 operating terminals in the segment, of which six were consolidated for financial reporting purposes.

Cost of Sales

Cost of sales for the year ended 31 December 2014 were U.S.$2,010.6 million as compared to U.S.$1,849.1 million for the year ended 31 December 2013, an increase of U.S.$161.5 million, or 8.7 per cent. The year ended 31 December 2014 included an SDI of U.S.$52.3 million. Excluding such SDI, cost of sales for the year ended 31 December 2014 were U.S.$1,958.3 million as compared to U.S.$1,849.1 million for the year ended 31 December 2013, an increase of U.S.$109.2 million, or 5.9 per cent. The increase was principally due to increases in container volume as well as the ramp up costs associated with the newly opened terminals in 2014.

General and Administrative Expenses

General and administrative expenses for the year ended 31 December 2014 were U.S.$405.3 million as compared to U.S.$412.7 million for the year ended 31 December 2013, a decrease of U.S.$7.4 million, or 1.8 per cent. The year ended 31 December 2014 included an SDI of U.S.$19.4 million relating to advisory, legal, accounting, valuation, professional consulting, general and administrative costs that were directly related to the EZW Acquisition. The year ended 31 December 2013 included an SDI of U.S.$101.4 million primarily relating to an impairment of assets in the Middle East, Europe and Africa region and in the Asia Pacific and Indian Subcontinent region. Excluding such SDIs, general and administrative expenses for the year ended 31 December 2014 were U.S.$385.9 million as compared to U.S.$311.2 million for the year ended 31 December 2013, an increase of U.S.$74.7 million, or 24.0 per cent. The increase was primarily due to inflation rates as well as the ramp up costs associated with the newly opened terminals in 2014.

Profit on sale and termination of business

Profit on sale and termination of business for the year ended 31 December 2014 was nil.

Profit on sale and termination of business for the year ended 31 December 2013 was U.S.$158.2 million primarily relating to a U.S.$152.2 million profit on the Hong Kong divestment in the Asia Pacific and Indian Subcontinent segment. See "*Factors Affecting Financial Condition and Results of Operations*" above.

Share of Profit from Equity-accounted Investees

Share of profit from equity-accounted investees for the year ended 31 December 2014 was U.S.$76.2 million as compared to U.S.$80.1 million for the year ended 31 December 2013, a decrease of U.S.$3.9 million, or 4.9 per cent. The year ended 31 December 2014 included an SDI loss of U.S.$1.8 million comprising U.S.$0.7 million from its share of an ineffective hedge in a joint venture in the Middle East, Europe and Africa region and U.S.$1.1 million from its share of restructuring costs in a joint venture in the Australia and Americas region. The year ended 31 December 2013 included an SDI loss of U.S.$4.3 million comprising U.S.$1.2 million from an ineffective hedge in an associate in the Middle East, Europe and Africa segment and U.S.$3.1 million from restructuring costs in the Australia and Americas segment. Excluding such SDIs, share of profit (loss) from equity-accounted investees for the year ended 31 December 2014 was U.S.$78.0 million as compared to U.S.$84.4 million for the year ended 31 December 2013, a decrease of U.S.$6.4 million, or 7.6 per cent. The decrease was primarily due to the lower stakes in certain entities in 2014 compared to 2013 as part of the Hong Kong divestment. See "*Factors Affecting Financial Condition and Results of Operations*" above.

Net Finance Costs

Net finance costs for the year ended 31 December 2014 were U.S.$285.6 million as compared to U.S.$284.9 million for the year ended 31 December 2013, an increase of U.S.$0.7 million, or 0.2 per cent. The year ended 31 December 2014 included an SDI of U.S.$2.5 million related to ineffective interest rate swaps. Excluding such SDIs, net finance costs for the year ended 31 December 2014 were U.S.$283.1 million as compared to U.S.$284.9 million for the year ended 31 December 2013, a decrease of U.S.$1.8 million, or 0.6 per cent, primarily as a result of an increase in interest expense from an increase in loans and borrowing in 2014 compared with 2013, which was largely offset by an increase in interest income from an increase in cash deposited with banks in 2014 compared with 2013.

Income Tax

Income tax expense for the year ended 31 December 2014 was U.S.$87.4 million as compared to U.S.$64.5 million for the year ended 31 December 2013, an increase of U.S.$22.9 million, or 35.5 per cent. The year ended 31 December 2014 included an SDI of U.S.$40.0 million of net income tax credit resulting from the release of a tax provision in connection with the restructuring and sale of subsidiaries in the Australia and Americas region. The provision was released following the closure of a review by the relevant tax authorities. The year ended 31 December 2013 included an SDI of U.S.$4.9 million of net income tax expense relates to the restructuring of subsidiaries in the Asia Pacific and Indian Subcontinent segment. Excluding such SDIs, income tax for the year ended 31 December 2014 was U.S.$127.4 million as compared to U.S.$59.6 million for the year ended 31 December 2013, an increase of U.S.$67.8 million, or 113.8 per cent. The increase was principally due to an increase in profit and a corporate tax credit due to a reduction in the U.K. corporate tax rate in 2013.

Profit for the Year

Profit after tax for the year ended 31 December 2014 was U.S.$782.1 million as compared to U.S.$721.8 million for the year ended 31 December 2013, an increase of U.S.$60.3 million, or 8.4 per cent. The year ended 31 December 2014 included SDIs representing a profit of U.S.$25.5 million and the year ended 31 December 2013 included SDIs representing a profit of U.S.$47.6 million (see above for further information regarding such SDIs). Excluding such SDIs, profit after tax for the year ended 31 December 2014 was U.S.$756.7 million as compared to U.S.$674.2 million for the year ended December 2013, an increase of U.S.$82.5 million, or 12.2 per cent.

The following table presents profit information regarding the Group's geographical segments for the years ended 31 December 2013 and 2014.

	Year ended 31 December					
	2013			2014		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(Audited) (U.S. dollars in thousands)					
Profit after tax						
Middle East, Europe and Africa	858,398	(76,394)	782,004	983,721	(7,902)	975,819
Australia and Americas	120,340	4,721	125,061	148,617	(4,099)	144,518
Asia-Pacific and Indian Subcontinent	140,857	127,123	267,980	185,924	—	185,924
Head office profit/(loss)	(445,357)	(7,900)	(453,257)	(561,591)	37,460	(524,131)
Total profit after tax	**674,238**	**47,550**	**721,788**	**756,671**	**25,459**	**782,130**

Middle East, Europe and Africa. Profit for the Middle East, Europe and Africa segment was U.S.$975.8 million for the year ended 31 December 2014 as compared to U.S.$782.0 million for the year ended 31 December 2013, an increase of U.S.$193.8 million, or 24.8 per cent. Excluding SDIs, profit after tax for the Middle East, Europe and Africa segment was U.S.$983.7 million for the year ended 31 December 2014 as compared to U.S.$858.4 million for the year ended 31 December 2013, an increase of U.S.$125.3 million, or 14.6 per cent. The increase in profit in the Middle East, Europe and Africa segment principally reflected the increased revenue in this segment as outlined above.

Australia and Americas. Profit for the Australia and Americas segment was U.S.$144.5 million for the year ended 31 December 2014 as compared to U.S.$125.1 million for the year ended 31 December 2013, an increase of U.S.$19.4 million, or 15.5 per cent. Excluding SDIs, profit for the Australia and Americas segment was U.S.$148.6 million for the year ended 31 December 2014 as compared to U.S.$120.3 million for the year ended 31 December 2013, an increase of U.S.$28.3 million, or 23.5 per cent. The increase in profit in the Americas and Australia segment is predominantly made up of an increase in revenue and strong growth in higher margin ancillary services like container storage.

Asia-Pacific and Indian Subcontinent. Profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2014 was U.S.$185.9 million as compared to a profit of U.S.$268.0 million for the year ended 31 December 2013, a decrease of U.S.$82.1 million, or 30.6 per cent. Excluding SDIs, profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2014 was U.S.$185.9 million as compared to a profit of U.S.$140.9 million for the year ended 31 December 2013, an increase of U.S.$45.0 million, or 31.9 per cent. The increase in profit in the Asia-Pacific and Indian Subcontinent segment (excluding SDIs) was partially a result of an 11.7 per cent. growth in revenue described above, offset partially by the decrease in profit associated with the Hong Kong divestment.

Head Office. Loss for the Head Office segment for the year ended 31 December 2014 was U.S.$524.1 million as compared to a loss of U.S.$453.3 million for the year ended 31 December 2013, an increase of U.S.$70.8 million, or 15.6 per cent. Excluding SDIs, loss for the Head Office segment for the year ended 31 December 2014 was U.S.$561.6 million as compared to a loss of U.S.$445.4 million for the year ended 31 December 2013, an increase of U.S.$116.2 million, or 26.1 per cent. This increase principally reflected an increase in staff and inflation.

Liquidity and Capital Resources

The Group expects to meet its ongoing capital requirements, including in respect of its 8 new developments and major expansion projects, through net cash, operating returns, as well as debt financing from banks or capital markets or the issuance of equity to the extent necessary. Where available, the Group intends to finance terminal development and expansion projects through non-recourse debt of the relevant terminal operating company. See "*Risk Factors – Risks Related to the Certificates – Since the Company is a holding company and substantially all of its operations are conducted through its subsidiaries, unconsolidated joint ventures and associates, its ability to make payments under the*

Transaction Documents, depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities" and "Risk Factors – Risks Relating to the Group – The Group's businesses require substantial capital investment, and the Group may not have sufficient capital to make, or may be restricted by covenants in its financing agreements from making, future capital expenditures and other investments as it deems necessary or desirable".

Cash Flows

The following table sets forth certain information about the consolidated cash flows of the Company for the periods indicated.

	Year ended 31 December		
	2013	**2014**	**2015**
	(U.S. dollars in thousands)		
Net cash from/(used in) operating activities	1,211,733	1,354,215	1,780,747
Net cash from/(used in) investing activities	(210,801)	(700,799)	(4,024,572)
Net cash from/(used in) financing activities	(304,314)	527,854	(11,785)
Net increase (decrease) in cash and cash equivalents	696,618	1,181,270	(2,255,610)
Net foreign exchange translation difference	(7,288)	(29,260)	(30,868)
Cash and cash equivalents at the beginning of the period	1,881,733	2,571,063	3,723,073
Cash and cash equivalents at the end of the period	**2,571,063**	**3,723,073**	**1,436,595**

Net cash from/(used in) operating activities

Net cash from operating activities for the year ended 31 December 2015 was U.S.$1,780.7 million as compared to U.S.$1,354.2 million for the year ended 31 December 2014, an increase of U.S.$426.5 million, or 31.5 per cent. The increase was primarily due to improved operating results.

Net cash from operating activities for the year ended 31 December 2014 was U.S.$1,354.2 million as compared to U.S.$1,211.7 million for the year ended 31 December 2013, an increase of U.S.$142.5 million, or 11.8 per cent. The increase was primarily due to improved operating results.

Net cash from/(used in) investing activities

Net cash used in investing activities for the year ended 31 December 2015 was U.S.$4,024.6 million relating principally to the EZW and DP World Prince Rupert (Canada) acquisitions as well as capital expenditures at existing operations.

Net cash used in investing activities for the year ended 31 December 2014 was U.S.$700.8 million consisting primarily of capital expenditures.

Net cash used in investing activities for the year ended 31 December 2013 was U.S.$210.8 million consisting primarily of capital expenditures which were offset by gains from the Hong Kong divestment.

Net cash (used in)/from financing activities

Net cash used in financing activities for the year ended 31 December 2015 was U.S.$11.8 million. This amount was primarily the result of debt repayments, interest paid and dividends slightly exceeding new borrowings during the period.

Net cash from financing activities for the year ended 31 December 2014 was U.S.$527.9 million. This amount was primarily the result of proceeds from the issue of U.S.$1,000.0 million convertible bonds partially offset by interest expense and dividends.

Net cash used in financing activities for the year ended 31 December 2013 was U.S.$304.3 million. This amount was primarily the result of interest expense and dividends paid.

Capital Expenditures

The following discussion of the Group's capital expenditures relates to all consolidated terminals. Capital expenditures include the Group's investments in plant and equipment relating to its business but do not include corporate acquisitions, such as the EZW and DP World Prince Rupert (Canada) acquisitions.

For the years ended 31 December 2015, 2014 and 2013, the Company had capital expenditures of U.S.$1,389.1 million, U.S.$807 million and U.S.$1,063.4 million, respectively.

Total capital expenditure for the year ended 31 December 2015 was U.S.$1,389.1 million, of which 56.8 per cent. was spent on the expansion of new capacity in existing terminals and 29.8 per cent. was spent on the development of new terminals. In 2015, the Group added approximately 3.5 million TEU of new gross capacity and 2.2 million TEU of consolidated capacity to take its total gross and consolidated capacity to 79.6 million and 40.1 million TEU, respectively. The Group's fully automated terminal in Rotterdam World Gateway (The Netherlands) opened in 2015, which accounted for 0.3 million TEU of this additional capacity. In addition, projects in Mumbai (India) and Yarimca (Turkey) became operational in 2015, and each contributed 0.8 million TEU of additional capacity. Construction of the third berth at DP World London Gateway (U.K.) started in 2015 and the third berth is expected to be operational in the second half of 2016. The Group started work on Terminal 4 at Jebel Ali and expects the second phase of Terminal 3, which will add another 2 million TEU of capacity and take total Jebel Ali capacity to 19 million TEU, to be fully operational in mid-2016.

Total capital expenditure for the year ended 31 December 2014 was U.S.$807 million, of which 61.0 per cent. was spent on the expansion of new capacity in existing terminals and 23.5 per cent. was spent on the development of new terminals. In 2014, the Group added 2 million TEU of new capacity at Terminal 3 at its flagship Jebel Ali facility in the UAE. Total capital expenditures in 2014 were below the Group's initial projection mainly due to equipment delays, which meant the second phase of Terminal 3 in Jebel Ali was pushed into 2015.

Total capital expenditure for the year ended 31 December 2013 was U.S.$1,063.4 million, of which almost 33.1 per cent. was spent on the expansion of new capacity in existing terminals, such as the Jebel Ali facility in the UAE, and 50.2 per cent. was spent on the development of new terminals, including the Group's greenfield DP World London Gateway and logistics park project in the U.K.

By the end of 2016 the Group expects to have approximately 86 million TEU of gross capacity globally and its aim by 2020 is to be operating over 100 million TEU of gross capacity subject to demand. The Group intends to maintain the existing shape of its portfolio with approximately 70 per cent. exposure to O&D cargo and 75 per cent. exposure to faster growing markets.

In the developed markets the Group has invested in DP World London Gateway (U.K.), which offers a state-of-the art facility to meet the future demands of the industry. DP World London Gateway provides an efficient link between deep-sea shipping and London, the largest consumer market in the U.K., and the Group is seeing an increasing number of shipping lines calling at the Group's facility. In 2015, the Group acquired DP World Prince Rupert (Canada), which adds capacity to the Group in a fast growing trade lane and functions as a key gateway port for trans-pacific trade, offering the fastest access for vessels travelling between Asia and North America.

Alongside investing for the sustainable growth of its business, the Group also continually reviews its portfolio, disposing of or monetising assets where it makes strategic sense to do so. In 2013, the Group monetised some of its Hong Kong assets, which subsequently reduced leverage and enabled the recycling of capital into markets that offer the potential to generate higher returns.

The Group remains fully committed to meeting the long-term market demand for capacity expansion. However, the Group will continue to take a cautious approach, investing in new capacity in line with market demand. For instance, 2015 capital expenditures were below the Group's guidance as the Group scaled back spending due to the slower growth environment. Capital expenditure in 2016 and 2017 is expected to be in the region of U.S.$1.2 billion and U.S.$1.4 billion. From 2018 onwards the Group expects capital expenditure, including maintenance capital expenditure, to reduce from the amounts in 2016 and 2017. As a result, the Group expects that capital expenditure is likely to be between U.S.$700 million and U.S.$900 million in 2018.

The Group expects to finance its future commitments for capital expenditures for capacity increases or expansion projects, including in respect of the Group's 8 new developments and major expansion projects, through cash from operations, as well as debt financing or equity to the extent necessary. Where available, the Group intends to finance terminal development through non-recourse debt at the relevant terminal operating company level. The Group intends to finance expansion projects through cash from operations and additional funding, if required. In addition, the Group may elect or be required to make additional capital expenditures related to its concessions in the future and, as a result, the Group's future capital expenditures may be significantly higher than the amounts indicated under "*– Liquidity and Capital Resources – Contractual Obligations*" above. The Group believes that its operating cash flows and borrowing capacity, taken together, provide adequate resources to fund capital expenditures relating to the Group's ongoing operations and future investments associated with the expansion of its business for the foreseeable future.

Indebtedness

Indebtedness of the Company outstanding as of 31 December 2015 was U.S.$7,670.3 million (see Note 28 (Interest bearing loans and borrowings) of the DPW 2015 Financial Statements for more information), and was comprised principally of:

Syndicated Loan Facility

On 30 June 2014, the Company entered into agreements documenting unsecured syndicated conventional and murabaha term and revolving loan facilities (the "**Syndicated Facilities**") between, amongst others, the Company, Barclays Bank PLC, Citibank N.A., London Branch, Deutsche Bank, Emirates NBD Bank PJSC, HSBC Bank Middle East Limited, J.P. Morgan Limited, National Bank of Abu Dhabi PJSC, Samba Financial Group, Dubai Branch, Société Générale, The Bank of Nova Scotia Asia Limited and Union National Bank PJSC as conventional mandated lead arrangers and bookrunners, Abu Dhabi Commercial Bank PJSC, Credit Industriel Et Commercial, London Branch, DNB Bank ASA, Mashreqbank psc and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as conventional mandated lead arrangers, Dubai Islamic Bank PJSC, First Gulf Bank PJSC and Noor Islamic Bank PJSC as murabaha arrangers and bookrunners, Deutsche Bank Luxembourg S.A. as conventional facility agent, Noor Islamic Bank PJSC as murabaha investment agent and Deutsche Bank Luxembourg S.A, as global agent (the "**Syndicated Facilities Documentation**").

The Syndicated Facilities comprise U.S.$3,000,000,0000 multicurrency facilities made up of: (i) a U.S.$1,000,000,000 conventional term loan facility with a final maturity date of 30 June 2017 ("**Facility A**"); (ii) a U.S.$1,390,000,000 conventional revolving credit facility with a final maturity date of 30 June 2019 ("**Facility B**"); and (iii) a U.S.$610,000,000 Islamic revolving murabaha facility with a final maturity date of 30 June 2019 (the "**Murabaha Facility**"). The Syndicated Facilities are permitted to be used for the general corporate purposes of the Company and its subsidiaries. Interest/profit on the Syndicated Facilities is payable based on a specified margin over either EURIBOR or LIBOR. As at 31 December 2015, U.S.$2,500,000,000 was available to be drawn under the Syndicated Facilities.

Repayment and Voluntary Prepayments. All outstanding borrowed amounts under Facility A, Facility B and the Murabaha Facility must be repaid on the applicable final maturity date. The Syndicated Facilities Documentation provides for voluntary prepayments of outstanding borrowed amounts and voluntary cancellations of unutilised commitments on customary terms. Amounts prepaid under either Facility B or the Murabaha Facility may be reborrowed. However, amounts prepaid or repaid under Facility A may not be reborrowed. The Syndicated Facilities Documentation also contains mandatory prepayment provisions which the Company believes are usual and customary for facilities of this type.

Change of Control. The Syndicated Facilities Documentation contains a mandatory prepayment change of control provision whereby an individual lender/murabaha participant can call for repayment of its share of outstanding borrowings if the Government ceases to own, either directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, either directly or indirectly, the Company.

Undertakings and Covenants. The Syndicated Facilities Documentation contains affirmative and negative undertakings which the Company believes are usual and customary for facilities of this type. In addition, the Syndicated Facilities Documentation contains a total net debt to consolidated total net debt plus equity financial covenant, where equity refers to the amount of equity on the balance sheet of the Company.

Events of Default. The Syndicated Facilities Documentation contains certain customary events of default.

U.S. $500,000,000 3.250 per cent. Notes Due 2020

On 18 May 2015, the Company issued senior notes due 2020 with a principal amount of U.S.$500,000,000 (the "**2020 Senior Notes**") under the Programme. The 2020 Senior Notes mature on 18 May 2020 and are listed on the London Stock Exchange and NASDAQ Dubai.

Ranking. The 2020 Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future senior subordinated debt.

Repayment and Redemption. Upon the occurrence of a change of control of the Company, each holder of the 2020 Senior Notes has the right to require the Company to repurchase such holder's 2020 Senior Notes at a purchase price in cash equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. Subject to certain limited exceptions, the 2020 Senior Notes may not be redeemed at the Company's option prior to maturity. Unless previously redeemed or purchased and cancelled, the Senior Notes must be redeemed at par on the maturity date.

Change of Control. The Programme is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Group's issued share capital.

Covenants. The Programme contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Certificates offered hereunder.

Events of default. The 2020 Senior Notes are subject to certain customary events of default that, if any of them occurs, would permit the principal of and accrued interest on the 2020 Senior Notes to be declared due and payable.

U.S.$1,000,000,000 Convertible Bond Due 2024

On 19 June 2014, the Company issued senior unsecured convertible bonds due 2024 with a principal amount of U.S.$1,000,000,000 (the "**Convertible Bonds**") convertible into 36.85 million ordinary shares of the Company. The Convertible Bonds are currently listed on the Frankfurt Stock Exchange and bear interest at an annual rate of 1.75 per cent. The Convertible Bonds include an investor put option which can be exercised at par in June 2018 (year 4) and in June 2021 (year 7). There is also an issuer call option which can be exercised from July 2017 onwards (year 3), subject to a 130 per cent. trigger on the conversion price of U.S.$27.14.

Ranking. The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Company save, in the event of a winding up, for such obligations that may be preferred by provisions of law that are mandatory and of general application.

Change of Control. Upon the occurrence of a change of control, each holder of the Convertible Bond has the right to require the Company to either: (i) redeem its Convertible Bond at par plus accrued interest; or (ii) convert the Convertible Bonds into ordinary shares of the Company. A change of control shall occur if the Government (a) ceases to hold (directly or indirectly) at least 50 per cent. of the Company's issued share capital, or otherwise ceases to control (directly or indirectly) the Company (for instance, by way of control of the board of directors), or (b) owns, directly or indirectly, more than 85 per cent. of the Company.

Restrictive Covenants. The Convertible Bonds have the benefit of a negative pledge which is usual and customary for debt securities of this type. Subject to certain exceptions in respect of project finance indebtedness and securitisation indebtedness, none of ordinary shares of the Company or any of its subsidiaries is permitted to grant security over capital markets securities, unless at the same time it grants the same security to the Convertible Bonds.

The negative pledge does not apply to permitted security, which includes, for instance, secured debt securities of a target entity **provided that** such entity is merged into or consolidated into the Company or any of its subsidiaries, or security over property or assets subsequently acquired by a member of the Group as long as the security was not created in contemplation of the acquisition.

Events of Default. The Convertible Bonds are subject to certain customary events of default, and upon the occurrence of an event of default, the Convertible Bonds are redeemable at par plus accrued interest.

U.S.$650,000,000 Trust Certificates (Sukuk Al-Musharaka) Due 2019

On 19 June 2012, JAFZ Sukuk (2019) Limited, a DIFC special purpose vehicle ("**JAFZ Sukuk**"), issued U.S.$650,000,000 face amount of Trust Certificates due 2019 (the "**2019 Certificates**"). The Group assumed this indebtedness in its acquisition of EZW in March 2015. The 2019 Certificates mature on 19 June 2019 and are listed on the Irish Stock Exchange and on NASDAQ Dubai. The 2019 Certificates evidence an undivided beneficial ownership interest in certain assets held in trust. The proceeds from the 2019 Certificates were invested in JAFZ's business activities in accordance with an agreed investment plan. Each holder of the 2019 Certificates is entitled to periodic distribution amounts in an amount equal to 7.00 per cent. per annum on the aggregate principal amount of 2019 Certificates held by such holder. To the extent that the amount of profit generated through the investment plan is less than the amount necessary to make such periodic distribution amounts, JAFZ (as Musharaka under the 2019 Certificates) is required to provide Shari'a compliant liquidity financing to ensure that sufficient funds are available to pay such periodic distribution amounts. To the extent that the amount of profit generated through the investment plan is greater than the amount necessary to make such periodic distribution amounts, JAFZ is entitled to retain such excess amount for its own account by way of an incentive fee for acting as Musharaka.

Ranking. The 2019 Certificates are senior unsecured obligations of JAFZ and rank equally in right of payment to all of its existing and future senior indebtedness and senior in right of payment to all of its existing and future senior subordinated debt.

Redemption. Upon the occurrence of a change of control of JAFZ, each holder of the 2019 Certificates has the right to require JAFZ Sukuk to redeem any or all of such holder's 2019 Certificates at a purchase price in cash equal to 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date and an amount equal to the sum of any outstanding amounts repayable in respect of the liquidity facility and any service agency liability amounts. Subject to certain limited exceptions, the 2019 Certificates may not be redeemed at JAFZ Sukuk's option prior to maturity. Unless previously redeemed or purchased and cancelled, the 2019 Certificates must be redeemed at par on the scheduled redemption date.

Change of Control. The JAFZ Sukuk is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of JAFZ's issued share capital.

Covenants. The JAFZ Sukuk contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Certificates offered hereunder.

Dissolution Event. The 2019 Certificates are subject to certain customary dissolution events that, if any of them occurs, would permit the holders of at least 20 per cent. in aggregate principal amount of 2019 Certificates then outstanding to require the trust to be dissolved and all 2019 Certificates redeemed for an amount equal to the 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date.

U.S.$1,750,000,000 6.85 per cent. Notes Due 2037

On 2 July 2007, the Company issued U.S.$1,750,000,000 aggregate principal amount of Notes due 2037 bearing interest of 6.85 per cent. per annum (the "**2007 Senior Notes**") under the Programme. The 2007 Senior Notes mature on 2 July 2037 and are listed on the London Stock Exchange and NASDAQ Dubai.

Ranking. The 2007 Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future senior subordinated debt.

Repayment and Redemption. Upon the occurrence of a change of control of the Company, each holder of the 2007 Senior Notes has the right to require the Company to repurchase such holder's 2007 Senior

Notes at a purchase price in cash equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. Subject to certain limited exceptions, the 2007 Senior Notes may not be redeemed at the Company's option prior to maturity. Unless previously redeemed or purchased and cancelled, the Senior Notes must be redeemed at par on the maturity date.

Change of Control. The Programme is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Group's issued share capital.

Covenants. The Programme contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Certificates offered hereunder.

Events of default. The 2007 Senior Notes are subject to certain customary events of default that, if any of them occurs, would permit the principal of and accrued interest on the 2007 Senior Notes to be declared due and payable.

U.S.$1,500,000,000 Trust Certificates (Sukuk Al-Mudaraba) Due 2017

On 2 July 2007, DP World Sukuk Limited, a Cayman Islands special purpose vehicle ("**DP World Sukuk**"), issued U.S.$1,500,000,000 face amount of Trust Certificates due 2017 (the "**2017 Certificates**"). The 2017 Certificates mature on 2 July 2017 and are listed on the London Stock Exchange and NASDAQ Dubai. The 2017 Certificates evidence an undivided beneficial ownership interest in certain assets held in trust. The proceeds from the 2017 Certificates were invested in the Company's business activities in accordance with an agreed investment plan. Each holder of the 2017 Certificates is entitled to periodic distribution amounts in an amount equal to 6.25 per cent. per annum on the aggregate principal amount of 2017 Certificates held by such holder. To the extent that the amount of profit generated through the investment plan is less than the amount necessary to make such periodic distribution amounts, the Company (as Mudareb under the 2017 Certificates) is required to provide Shari'a compliant liquidity financing to ensure that sufficient funds are available to pay such periodic distribution amounts. To the extent that the amount of profit generated through the investment plan is greater than the amount necessary to make such periodic distribution amounts, the Company is entitled to retain such excess amount for its own account by way of an incentive fee for acting as Mudareb.

Ranking. The 2017 Certificates are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future senior subordinated debt.

Redemption. Upon the occurrence of a change of control of the Company, each holder of the 2017 Certificates has the right to require DP World Sukuk to redeem any or all of such holder's 2017 Certificates at a purchase price in cash equal to 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date. Subject to certain limited exceptions, the 2017 Certificates may not be redeemed at DP World Sukuk's option prior to maturity. Unless previously redeemed or purchased and cancelled, the 2017 Certificates must be redeemed at par on the scheduled redemption date. Prior to any such redemption date, the Company will purchase all or, in the case of a partial redemption, part of the trust assets for an amount equal to the 100 per cent. of the aggregate principal amount of the 2017 Certificates being redeemed, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date.

Change of Control. The DP World Sukuk is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Group's issued share capital.

Covenants. The DP World Sukuk contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Certificates offered hereunder.

Dissolution Event. The 2017 Certificates are subject to certain customary dissolution events that, if any of them occurs, would permit the holders of at least 20 per cent. in aggregate principal amount of 2017 Certificates then outstanding to require the trust to be dissolved and all 2017 Certificates redeemed for an amount equal to the 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date.

Contractual Obligations

The following table presents the Company's contractual obligations as of 31 December 2015.

	Payments due by period				
	Less than 1 year	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
	(U.S. dollars in thousands)				
Debt obligations[1]	(574,196)	(2,489,605)	(2,628,721)	(5,757,661)	(11,450,183)
Financial lease obligations	(9,242)	(4,052)	(16,207)	(7,988)	(37,489)
Total	**(583,438)**	**(2,493,657)**	**(2,644,928)**	**(5,765,649)**	**(11,487,672)**

(1) In addition to the above obligations, as at 31 December 2015 the Company's contracted capital expenditure commitments totalled U.S.$671.6 million. The terms of such contracts, however, allow a degree of flexibility with respect to the timing of such expenditures.

In addition, the Group has operating lease obligations that mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. There are also leases of plant, equipment and vehicles. 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 periods at rental rates based on negotiations or prevailing market rates. As of 31 December 2015, the Group had operating lease obligations totalling U.S.$9,452.7 million, of which U.S.$311.6 million were less than one year, U.S.$1,226.5 million were between one to five years and U.S.$7,914.6 million were more than five years.

As of 31 December 2015, the Group had net pension liabilities of U.S.$190.8 million. The Group has agreed with the pension trustee board of its various pension schemes to make contributions of U.S.$30.4 million in 2016. The future payment schedule of the pension liabilities will be determined at the end of each year for the following year based on the returns from the pension scheme assets and the resulting deficit commitments.

Off-Balance Sheet Arrangements

As of 31 December 2015, the Group does not have any off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on its financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Group's exposure to interest rate risks is primarily through long-term debt obligations that carry a fixed/floating interest rate and bank deposits. The Group's policy is to manage interest rate risk by entering into interest rate swap agreements designed to hedge its underlying debt obligations.

As of 31 December 2015, approximately U.S.$5,345.4 million of the Group's financial liabilities carried interest at fixed rates, not taking into account the effect of interest rate swaps. As of 31 December 2015, approximately U.S.$2,324.9 million of the Group's financial liabilities carried interest at floating rates before taking into account interest rate swaps. As of 31 December 2015, after taking into account the effect of interest rate swaps, approximately 90 per cent. of the Group's total loans and borrowings carried fixed interest rates. As of 31 December 2015, a 1 per cent. increase or decrease in the interest associated with variable interest bearing loans and borrowings would have resulted in a change in the Group's interest expense of approximately U.S.$2.6 million in the profit/loss account.

Credit Risk

The Group seeks to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and may be required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the Group's other financial assets, which comprise cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risk with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Liquidity Risk

The Group has cash balances and undrawn committed facilities to provide liquidity as required. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase. As of 31 December 2015, committed undrawn facilities totalled U.S.$2,861.9 million. See "*Indebtedness—Syndicated Loan Facility*" above for a description of the Syndicated Loan Facility.

Currency Risk

The Company's functional currency is UAE dirhams and its presentation currency is the U.S. dollar. The functional and reporting currency of the Group's subsidiaries, affiliates and associates varies depending on their geographic location. Accordingly, the Group is exposed to risks related to the translation of assets and liabilities denominated in currencies other than, or not pegged to, the U.S. dollar.

As of 31 December 2015, approximately 64 per cent. of the Group's net operating assets were denominated in foreign currencies (i.e., other than the functional currency of the Company, UAE dirhams). The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated and hedges such as foreign exchange forward contracts and cross-currency swaps.

In addition to these translation risks, the Group is exposed to transaction risks as a result of differences in the currency mix of its operating expenses, on the one hand, and revenue, on the other hand. As a result, a depreciation or appreciation of a particular local currency against the U.S. dollar could have either a positive or negative impact on both the Group's balance sheet and its profit margin and therefore the Group's profit for the year.

The Group operates in some locations where the local currency is fixed to the Group's presentation currency of U.S. dollar further reducing the risk of currency movements.

For additional discussion of the impact of foreign currency transactions and translations on the Group's results of operations, see Note 6 (*Financial Risk Management*) to the DPW 2015 Financial Statements.

Critical Accounting Policies and Estimates

The preparation of the Group's financial statements in conformity with IFRS requires the Group to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Those estimates and judgments are based on historical experience, available information, future expectations and other factors and assumptions that the Group believes are reasonable under the circumstances. The Group reviews its estimates and judgments on an ongoing basis and revises them when necessary. Actual results may differ from the original or revised estimates. A description of the Group's most critical policies, which the Group believes involve a significant degree of judgment or complexity or are areas where assumptions and estimates are significant to the preparation of its financial statements is set forth in Note 2(e) (*Use of estimates and judgements*) of the DPW 2015 Financial Statements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over it in making financial and operating decisions, or *vice versa*, or where the Group and the party are subject to common control or significant influence, i.e. part of the same parent group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, PFZW, Dubai World and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. The terms and conditions of the related party transactions were made on an arm's length basis. Dubai World operates a shared services unit ("**SSU**") which recharges the proportionate costs of services provided to the Group. SSU also processes the payroll for the Company and certain subsidiaries and recharges the respective payroll costs.

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

	Year ended 31 December 2015		
	Equity-accounted investees	**Other related parties**	**Total**
		(Audited)	
		(U.S. dollars in thousands)	
Expenses charged:			
Concession fee	—	50,925	50,925
Shared services	—	699	699
Other services[1]	—	44,621	44,621
Revenue earned:			
Management fee income	24,328	29,032	53,360
Interest income	19,244	—	19,244
Liabilities settled and recharged:	—	—	—

(1) Other services includes mainly marine services fee, property management fee and IT services.

(1) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

	Year ended 31 December 2014		
	Equity-accounted investees	**Other related parties**	**Total**
		(Audited)	
		(U.S. dollars in thousands)	
Expenses charged:			
Concession fee	—	48,169	48,169
Shared services	—	212	212
Other services[1]	—	24,838	24,838
Revenue earned:			
Management fee income	21,437	—	21,437
Interest income	18,463	—	18,463
Liabilities settled and recharged:	—	5,179	5,179

(1) Other services includes mainly marine services fee, property management fee and IT services.

(1) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

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

	Year ended 31 December			
	2015	2014	2015	2014
	Due from related parties		Due to related parties	
	(Audited)			
	(U.S. dollars in thousands)			
Dubai World	2,222	2,188	210	188
PFZW	19,868	54,426	312	—
Equity-accounted investees	226,937	148,797	27,218	303
Other related parties	23,303	19,221	10,547	7,306
	272,330	**224,632**	**38,287**	**7,797**

Guarantees issued on behalf of equity-accounted investees amount to U.S.$52.5 million (2014: U.S.$27.7 million).

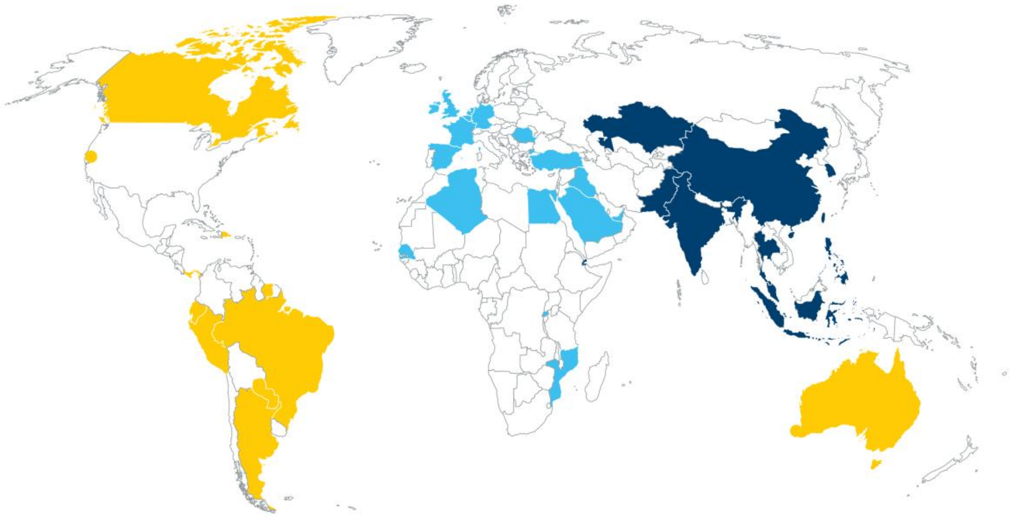
The Group acquired the EZW Group from PFZW in 2015 and the Group acquired Dubai Trade FZE and World Security FZE during 2014. These business combinations were accounted under common control acquisitions (see Note 35 (*Acquisitions*) to the DPW 2015 Financial Statements).

DESCRIPTION OF THE COMPANY

Overview

The Group is one of the largest container terminal operators in the world by capacity and throughput, as well as one of the most geographically diversified. As at 31 December 2015, the Group managed a portfolio of 77 terminals across six continents, with new developments underway in Asia, Africa and the Americas. The Group's portfolio has an average concession life of approximately 39 years. As at and for the year ended 31 December 2015, the Group's portfolio had a gross capacity of 79.6 million TEU and generated gross throughput of 61.7 million TEU; for the same period, the Group generated revenue from operations (which does not include revenue attributable to its joint ventures and associates) of U.S.$3,967.7 million (excluding SDIs) and an Adjusted EBITDA of U.S.$1,928.1 million.

The following map sets out the countries in which the Group has terminals:



The Group reports across the following three geographical segments:

Middle East, Europe and Africa

- UAE – the Group's UAE operations are at the core of its portfolio and are comprised of 10 terminals, including the Group's flagship port at DP World Jebel Ali in Dubai, which is currently undergoing major expansion (Terminal 4).
- Middle East (excluding UAE) and Africa – the Group currently has 11 terminals in six countries in the Middle East and Africa, with development projects underway in Rwanda and Senegal.
- Europe – the Group has 17 terminals in eight countries, including the new DP World London Gateway (U.K.), Rotterdam World Gateway (The Netherlands) and DP World Yarimca (Turkey).

Australia and Americas

- Australia – the Group has four operating terminals in Australia, including the country's busiest and largest terminal at the Port of Melbourne.
- Americas – the Group's Americas portfolio is comprised of nine operating terminals in six countries (including the recently acquired operations at DP World Prince Rupert (Canada)).

Asia-Pacific and Indian Subcontinent

- Asia-Pacific – the Group has an extensive network of 16 terminals in six countries throughout the Asia-Pacific region, with two terminals under development in China.

- Indian Subcontinent – with eight terminals in India and two in Pakistan, the Group has the largest presence of any container terminal operator in the Indian Subcontinent region.

The following table provides information regarding the number of operating terminals as well as the gross throughput for the year ended, and gross capacity as of, 31 December 2015, for the Group's terminal portfolio:

	As at and for the year ended 31 December 2015		
Reporting segment	**Terminals**	**Gross throughput**	**Gross capacity**[(1)]
	(TEU in millions, except number of terminals)		
Middle East, Europe and Africa	38	26.0	34.7
Australia and Americas	13	7.4	10.1
Asia-Pacific and Indian Subcontinent	26	28.3	34.8
Total	**77**	**61.7**	**79.6**

(1) On a consolidated basis, total capacity at 31 December 2015 was 40.1 million TEU (reflecting capacity of consolidated subsidiaries).

The Group's principal executive offices are located at JAFZA 17, Jebel Ali Free Zone, Dubai, UAE. The Group's registered office is PO Box 17000, Dubai, UAE and its telephone number is +971 4 881 1110. The Group's website address is www.dpworld.com. The information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

History

The Company was incorporated in the DIFC on 9 August 2006 for the purpose of becoming the holding company for the ports-related commercial activities of Dubai World. On 1 January 2007, DP World FZE and Thunder FZE, which is the holding company for P&O, were transferred to the Company from Dubai Ports Authority, an affiliate of the Company. Prior to the transfer of DP World FZE and Thunder FZE, the Company did not have any operations. As a result of the transfer, the Company, together with its operating subsidiaries, conducts all of the ports-related commercial activities of Dubai World. Dubai Ports Authority continues to conduct all of the ports-related regulatory activities of the Government. Such regulatory activities have not been and will not be transferred to the Company.

As described below, as a result of the winning of new concessions around the world and the Group's acquisitions of CSX World Terminals ("**CSX WT**"), P&O and the EZW Group, the Group's business has been transformed from one focused principally on container terminal operations located primarily in the UAE to a truly global container terminal business.

Regional and international growth in container terminal operations

In 1999, the Group formed a wholly-owned subsidiary, Dubai Ports International FZE, to manage and operate container terminals and other facilities outside of Dubai. The Group's first international project was at Jeddah Islamic port (Kingdom of Saudi Arabia), where the Group, in collaboration with a local partner, began container terminal operations in September 1999. The Group expanded its international footprint with concession wins worldwide, including at Visakhapatnam port (India) in 2002, Constanta (Romania) in 2003, Cochin (India) in 2004, Saigon (Vietnam) in October 2009, Callao (Peru) in May 2010, Santos (Brazil) in July 2013 and London (U.K.) in November 2013. As at 31 December 2015, the Group managed a portfolio of 77 terminals across six continents, with new developments underway in Asia, Africa and the Americas.

Regional and international expansion through acquisitions

CSX WT

In February 2005, the Group acquired CSX WT, the international terminal business of CSX Corporation, for U.S.$1.2 billion (the "**CSX WT Acquisition**"). CSX WT was a leading global container terminal operator with key strategic assets in some of the world's fastest growing markets, including Asia and South America. The CSX WT Acquisition represented an important step in the Group's global expansion strategy by increasing its international presence in the container terminal industry and enhancing its geographic diversification.

P&O

In March 2006, the Group acquired Peninsular & Oriental Steam Navigation Company ("**P&O**") for U.S.$7.2 billion (the "**P&O Acquisition**"). P&O was a leading global container terminal operator and the P&O Acquisition represented a unique opportunity to significantly increase the Group's global network and market position by incorporating P&O's largely complementary portfolio of terminals in Asia, India, Australia, the Americas, Europe and Africa into the Group's portfolio of terminals.

EZW Group

On 16 March 2015, the Company acquired the EZW Group from PFZW for cash consideration of U.S.$2.7 billion. The EZW Acquisition has resulted in the formation of the leading integrated port and free zone in the Middle East region. The EZW Acquisition allowed the Group to enhance its port and logistics offering to its customers in Dubai by strengthening the integration between the Company's flagship Jebel Ali port in Dubai and EZW's primary business unit, JAFZ, and optimising investment levels in both locations. The EZW Acquisition also protected the Jebel Ali port against the risk of potential third-party ownership of JAFZ, as well as continued the Group's track record of investment in Dubai, as a regional hub, to strengthen its leadership in the high-growth Middle East region. See "*Description of the Company – Free Zone Business*".

Listing of Shares

On 26 November 2007, the entire issued share capital of the Company was admitted to the Official List of Securities of the NASDAQ Dubai Stock Exchange ("**NASDAQ Dubai**"). In June 2011, the Company's shares were admitted to trading on the Main Market of the London Stock Exchange (the "**London Listing**"). A key driver for obtaining a dual listing for the Company was to allow investors who at that time were unable to invest in the Company through NASDAQ Dubai access to the Company through an alternative stock exchange.

However, due to:

- a significantly higher number of international investors holding the Company's shares through NASDAQ Dubai (being approximately 99 per cent. of the entire issued share capital of the Company as at 30 September 2014);
- minimal trading of the Company's shares on the London Stock Exchange (being approximately 1 per cent. of the total trading volumes during the period from 2 September to 1 October 2014); and
- UAE being moved from frontier to emerging market status under the MSCI index classification system in May 2014,

the Directors believed that the additional regulatory and administrative burden, and the incremental costs, associated with the London Listing had become disproportionate to the benefits accruing to the Company and its shareholders from the London Listing. As a result, the Directors and the Company's shareholder approved delisting of the Company's issued share capital from the London Stock Exchange and the delisting became effective on 21 January 2015.

Shareholders

The following table sets forth the beneficial owners of, and their respective interests in, the ordinary shares of the Company as at the date of this Base Prospectus:

Shareholder	As at the date of this Base Prospectus Number of shares	 Issued share capital (%)
PFZW[(1)]	667,735,000	80.450
Public shareholders	162,218,203	19.544
Directors and senior managers[(2)]	46,797	0.006
Total	**830,000,000**	**100**

(1) PFZW is a free zone establishment formed and registered under the laws promulgated by JAFZA. PFZW is controlled by Dubai World, which is a holding company owned by the Government.

(2) Includes 28,221 shares belonging to Mohammed Sharaf who retired from the Company's board of directors and as the Group Chief Executive Officer on 27 January 2016.

Each of the ordinary shares held by PFZW has the same voting rights attached to it as one of the ordinary shares held by any other holder.

Other than PFZW, the Group is not aware of any shareholder that, directly or indirectly, jointly or severally, owns or could exercise control over the Company.

Competitive Strengths

The Group has built its global container terminal business through the combination of its regional and international operations, the CSX WT Acquisition and the P&O Acquisition, as well as the completion of the EZW Acquisition and recent new developments and new concessions. The Group believes its network of 77 terminals across six continents, with new developments underway in Asia, Africa and the Americas, provides it with complementary strengths, which together position it as a market leader in the global container terminal industry. In particular, the Group believes that its business is characterised by the following key competitive strengths:

Stable and long-term cash flow

The Group believes that its portfolio benefits from a focus on O&D throughput. O&D throughput is cargo that has to either go to, or be collected from, a particular terminal because of its proximity to the point of consumption or distribution. Because O&D throughput is usually handled most cost-effectively by one port, normally closest to the point of consumption or production, O&D throughput is less likely to be lost to competitors and less price sensitive than transhipment throughput. In addition, the Group operates its business through long-term concessions (with an average concession life of around 39 years), enabling better returns as the Group's assets mature. In addition, JAFZ benefits from stable and recurrent revenue from diverse sources, as a result of which JAFZ benefits from low volatility of operating income (see "*Description of the Company – Free Zone Business*").

Growth rates

Approximately 75 per cent. of gross throughput in the Group's portfolio of terminals comes from countries that are considered to be Emerging or Frontier Markets, which include the Middle East and Africa, South America, South Asia and the Far East (as such terms are defined by the MSCI Frontier and Emerging Market indices). These economies are generally seen to be higher growth areas, growing by approximately 4.0 per cent. in 2015, with projected growth of 4.3 per cent. and 4.7 per cent. in 2016 and 2017, respectively (*source*: IMF World Economic Outlook Update, January 2016). The Group's focus on faster growing emerging markets coupled with more resilient O&D cargo enables the Group to grow volumes across its portfolio.

Moreover, the Group has extensive experience in developing new capacity around the globe, including constructing new terminals from both greenfield and brownfield sites, as a result of winning new concessions for operational terminals and through the expansion of terminals within its own portfolio. In addition to the Group's existing portfolio increasing incremental capacity in line with customer demand, it currently has 8 new developments and major expansion projects. These new development and major expansion projects give the Group flexibility to increase its existing gross capacity to over 100 million TEU by 2020, subject to market demand. Of this, approximately 55 million TEU will be consolidated.

High barriers to entry

The Group's major terminals enjoy leading positions in their respective geographic markets. Further, at these terminals, there are limited opportunities for competition from other port operators, other ports or other terminals within the same ports due to high barriers to entry. Some of these barriers include the limited number of port sites, the limited number of concessions available, government controls and high terminal construction costs. In particular, with the completion of the EZW Acquisition, the Group believes its ability to offer an "integrated port management" model at the Jebel Ali port by combining container handling facilities with economic free zones and infrastructure developments is a key differentiating factor relative to competition. The efficiencies promoted by Jebel Ali port's integrated logistics offering include two to three days road transit to anywhere in the GCC, which is considered a short transit time in the air cargo industry, and the ability to transport cargo to airport within 45 minutes of discharge from the Jebel Ali port.

In addition, the Group's long-term concession agreements also provide high barriers to entry and support long-term relationships with port authorities, shipping lines and joint venture partners. This means that there are few substitutes for the Group's services and the Group's business benefits from long-term GDP growth trends.

Global network, managed locally

The Group's terminals are managed locally and are supported operationally by the advantages of the Group's global network. With 77 terminals across six continents, new developments underway in Asia, Africa and the Americas and approximately 8.6 per cent. of global market share of container port throughput on a gross throughput basis as at 31 December 2014 (source: Drewry's Global Container Terminal Operators Annual Review and Forecast 2015), the Group believes that it has the most geographically diversified portfolio of terminals in the industry. The Group's asset base includes a diverse mixture of both established and newer terminals and a number of greenfield and brownfield projects that it is in the process of developing. The Group believes that this combination of development sites and fully operating facilities is key to facilitating its future growth strategies and ensuring that it is well positioned to meet its customers' requirements.

Operational excellence

The Group seeks to improve its operational efficiency and increase the capacity of its existing facilities by investing in advanced handling equipment. The Group is one of the innovators in the container terminal industry and has been successful in developing and enhancing container terminal capacity and efficiency in the regions in which it operates based on the needs and attributes of particular terminals while maintaining stringent safety standards. In 2015, the frequency of injuries per million hours worked, or lost time injury frequency rates, fell by 20.9 per cent. compared to 2014. During the same period, gross moves per hour (i.e., number of containers moved over the quay from and to a ship divided by the sum of hours in period, for all cranes, between first lift and last lift) increased by approximately 2 per cent. In addition, in 2015, the Group's terminals, in aggregate, handled 61.7 million TEU and had a high utilisation rate of 78 per cent. of its gross capacity, which was above the industry average for the same period. In light of the Group's increasing focus on automation (see "*Corporate Strategy – Strategic priorities*"), the Group believes that further improvements in its productivity and asset utilisation are possible over the coming years.

Experienced and international management team

The Group's global business is run out of its head office in Dubai by the Company's Executive Committee (as set out under "*Management – Senior Management*"), who have significant industry experience. In addition, the Group's local operations are divided across three geographic areas, each managed by a senior executive, who has significant experience in the container terminal industry and extensive local and regional knowledge at the local level. Each senior executive is supported by a highly experienced team of local container terminal managers.

Recognised brand

The Group is a recognised brand for delivering excellent customer service, with a commitment to good corporate governance and corporate responsibility. The Group's international achievements were recognised, in 2015, with the "Finance Team of the Year" and the "M&A Deal of the Year" at the CFO Middle East Awards, the "Finance Team of the Year" and the "CFO of the Year" at the MENA CFO Awards, the "Outstanding Achievement Award" at the Supply Chain and Transport Awards, four awards (including the "Leading Corporate for Investor Relations in the Middle East") at the Middle East Investor Relations Society Awards and the "Dubai Human Development Award" by the Dubai Department of Economic Development at the Business Excellence Awards. In 2014, the Group received the "Best Seaport – Middle East" award for its flagship Jebel Ali port for the 20th consecutive year at the Asian Freight and Supply Chain Awards, the "Leading Cruise Port – Middle East" award for the Mina Rashid port for the seventh consecutive year at the World Travel Awards and the "Port of the Year" award for the Jebel Ali port for the sixth consecutive year at the Supply Chain and Transport Awards.

Corporate Strategy

The Group seeks to create value for its stakeholders by making trade smarter, faster, safer and more profitable. To realise this value, the Group's strategy is focused on three key objectives:

- developing and operating a world-class portfolio of assets and creating innovative trade solutions;
- identifying opportunities that strengthen world trade; and
- managing risk and return to drive sustained long-term shareholder value.

In order to achieve these objectives, the Group seeks to lead the future of world trade through strengthening marine and inland trade infrastructure and services and offering smart trade solutions. In parallel, the Group leads its business on the basis of four core areas of focus: customer focus and operational excellence; governance and risk management; people and culture; and sustainability.

The Group communicates its business purpose and defines its corporate culture through its vision, purpose and values, while it plans its strategy and measures its performance globally through the balanced scorecard framework.

The Group's vision, purpose and values define the Group's purpose, the means to achieve this purpose and the principles that drive behaviour:

- *Vision*: to lead the future of world trade;
- *Purpose*:

  (i) *add value*: to deliver exceptional customer service and build lasting partnerships through global excellence and local know how;

  (ii) *think ahead*: to foresee change and innovate to create the most efficient, safe and profitable trade solutions; and

  (iii) *build a legacy*: to ensure everything the Group does leaves long-term benefits for the world.

- *Values*:

  (i) *courage*: to embrace change and have the courage to do things differently;

  (ii) *intelligence*: to provide a learning environment to help the Group's workforce reach its full potential;

  (iii) *respect*: to welcome and value a wide-range of opinions and ideas; and

  (iv) *pride*: to take pride in being a responsible global citizen and make a positive difference to the world and the future.

The Group introduced a balanced scorecard framework in 2013 to communicate its strategy, with the aim of communicating a clear, consistent and shared vision for a sustainable future. This framework provides measurable guidance and targets for the Group over the medium- and long-term ("**strategic pillars**") and uses key performance indicators to measure the implementation of the Group's strategy across its portfolio ("**strategic priorities**"). In 2014, the Group undertook a global engagement programme to improve the alignment of regional and local strategies with the global balanced scorecard framework.

- *Strategic Pillars*: define objectives that apply and need to be implemented across the regions and business units in the Group. They align the Group's business to build a more sustainable business model, develop robust risk and compliance processes, communicate effectively to all stakeholders and implement the Group's strategy. The strategic pillars are comprised of:

  (i) *strategy implementation*: communicating key messages and defining measurable performance milestones;

  (ii) *corporate governance*: ensuring good corporate governance and adherence to international best practice;

  (iii) *communications*: enhancing internal and external communications; and

  (iv) *corporate responsibility*: building and sustaining strong communities through strategic community investment, to leave a sustainable legacy and to take the lead in being a good corporate citizen.

- *Strategic Priorities*: describe the Group's strategy and how the Group creates value for its stakeholders, by focusing on the following:

  (i) *financial priorities*: driving sustained long-term shareholder value by setting challenging financial targets to drive optimised productivity to increase asset utilisation, increase productivity, reduce costs and increase current and new sources of revenue. For instance, in 2015, the Group's earnings per share grew by 30.7 per cent. compared to 2014. Furthermore, the Group continued to invest in modernising existing terminals through such capital expenditures as automation technology at the terminals to improve productivity and asset utilisation. For instance, the Group introduced gate automation at DP World Nhava Sheva (India) (which boosted productivity). The Group also took advantage of favourable conditions in the financing markets and raised U.S.$500 million under the Programme which was used to finance the acquisition of EZW Group and DP World Prince Rupert (Canada). The Group also borrowed U.S.$500 million under its Syndicated Facilities (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Indebtedness*") to finance acquisitions during 2015 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Financial Condition and Results of Operations – Acquisitions*"). As at 31 December 2015, the remaining U.S.$2.5 billion was available to be drawn under the Syndicated Facilities provides flexibility to the Group to support growth in its existing businesses and expand capacity in line with market demand;

(ii) *customer priorities*: creating a satisfied and profitable customer experience by continually developing and innovating services that offer superior performance for the Group's customers, delivering value for money on time, delivering the right capacity to meet the right demand and enhancing value-adding services both inside and outside the terminal to grow ancillary revenue. For instance, by focusing on O&D throughput which is more elastic than transhipment since goods still need to be delivered to final destinations, the Group is able to better estimate capacity needs at the terminals. Further, as global shippers have recently begun forming new consortiums (such as CMA CGM, China Shipping Container Lines and United Arab Shipping Co.'s "Ocean Three" alliance and Maersk Line and Mediterranean Shipping Co.'s 2M alliance), the Group is able to engage with them on a larger scale as well as better understand their needs through feedback from customer surveys. The Group's focus on customer experience is evidenced by its development of "beyond the gate" initiatives in order to provide value-added services and infrastructure to support movement of cargo beyond the terminals. For instance, in 2015, rail operations commenced at Embraport (Brazil) and provide inland transport options to customers. Similarly, a warehouse was opened at DP World Caucedo (Dominican Republic) in 2015 which provides logistics support to customers by offering container storage services. The EZW Acquisition in 2015 also allowed the Group to enhance its port and logistics offering to its customers in Dubai by strengthening the integration between the Company's flagship Jebel Ali port in Dubai and EZW Group's primary business unit, JAFZ, and optimising investment levels in both locations. Similar "beyond the gate" services are available at DP World London Gateway (U.K.) with the container port being adjacent to one of the largest logistics parks in Europe which is also owned and managed by the Group;

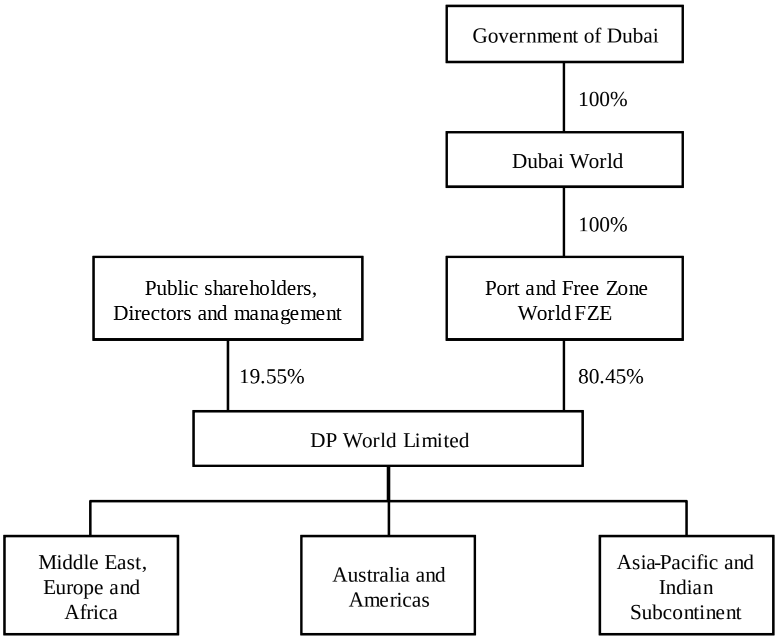
(iii) *people and learning priorities*: creating a learning and growth environment through the formal management of an innovative and performance-driven culture, recruiting and retaining a skilled workforce that is able to meet the needs of the Group's business and succession planning for all critical roles. This includes the Group's partnership with, amongst others, London Business School and Harvard Business School to help further train and develop the Group's employees; and

(iv) *internal and operational priorities*: developing efficient, safe and secure methods of managing the Group's operations by providing a safe and secure environment and contributing to a sustainable environment; growing revenue profitably by excelling in customer service, retaining existing customers and targeting a pipeline of new customers; growing sustainably and profitably, winning projects in markets with strong economic growth drivers and focusing on O&D cargo; managing risk intelligently and optimising opportunities, reducing operations downtime and non-operational risks, and operating in compliance with applicable laws and regulation; focusing on operational excellence and extracting the maximum value from the Group's resource base which results in increased cost productivity; and creating the culture and infrastructure needed to encourage innovation through research and development. As part of this initiative, the Group opened a state-of-the-art fully automated terminal at Rotterdam World

Gateway (The Netherlands) in 2015. This terminal, which includes fully automated and driverless cars and remote controlled drones to control security, accounted for 2.4 million TEU additional capacity in 2015. The Group also introduced gate automation at DP World Nhava Sheva (India) (which boosted productivity) and introduced real-time monitoring of global operations from the Group's head office. The Group is also in the process of developing deep water capacity along the Asia-Europe trade route where ultra large container carriers with over 13,000 TEU capacity ("**ULCCs**") are deployed. Terminals in UAE, Belgium, France, U.K., China and South Korea have the ability to handle ULCCs while the Group's flagship terminal at Jebel Ali can handle 10 ULCCs at the same time.

Organisational, Reporting and Operational Structure

Dubai World, through its shareholding of the Company's majority shareholder, PFZW, beneficially owns approximately 80.45 per cent. of the Company's issued and outstanding share capital (see "*Description of the Company – Shareholders*"). Dubai World itself is wholly-owned by the Government. The following chart illustrates the Group's organisational structure and the three financial reporting regions for its principal business activities:



Ports Businesses

Overview

The Group believes that its portfolio represents a well-diversified business in terms of geographic spread, political risk, currency fluctuation and level of economic development, with operations divided into the following three geographical segments: (i) Middle East, Europe and Africa; (ii) Asia-Pacific and Indian Subcontinent; and (iii) Australia and Americas.

The following chart lists the Group's operating terminals by geographic segments (the Company operates more than one terminal in certain ports):

Middle East, Europe and Africa segment	
UAE • DP World Jebel Ali • Mina Rashid • DP World Fujairah • Hamriya Port **Middle East (excluding UAE)** ***Saudi Arabia*** • Jeddah South Container Terminal ***Egypt*** • DP World Sokhna **Africa** ***Algeria*** • DP World Djazair • DP World Djen-Djen ***Djibouti*** • DP World Doraleh • Djibouti Dry Port ***Mozambique*** • DP World Maputo ***Senegal*** • DP World Dakar	**Europe** ***Belgium*** • DP World Antwerp • DP World Liège ***France*** • Terminal de France* • Terminal de Mediterranee* ***Germany*** • DP World Germersheim • DP World Mannheim • DP World Stuttgart • DeCeTe Duisburger ***Romania*** • DP World Constanta ***Spain*** • DP World Tarragona ***The Netherlands*** • Rotterdam World Gateway ***Turkey*** • DP World Yarimca ***United Kingdom*** • DP World London Gateway • DP World Southampton
Australia and Americas segment	
Australia • DP World Melbourne* • DP World Sydney* • DP World Brisbane* • DP World Fremantle*	**Americas** ***Argentina*** • Terminales Rio de la Plata ***Brazil*** • Embraport* ***Dominican Republic*** • DP World Caucedo*

<table>
<tr><td></td><td>Peru
• DP World Callao

Suriname
• DP World Paramaribo
• SPS Terminal Paranam

Canada
• DP World Vancouver
• DP World Nanaimo
• DP World Prince Rupert</td></tr>
<tr><td colspan="2" align="center">Asia-Pacific and Indian Subcontinent segment</td></tr>
<tr><td>Asia-Pacific
China
• Qingdao Qianwan Container Terminal (QQCT)*
• Tianjin Orient Container Terminal*
• CT3 (Hong Kong)
• Yantai International Container Terminals*

Indonesia
• Terminal Petikemas Surabaya*

Philippines
• South Harbour Container Terminal*
• Batangas Container Terminal*
• South Cotabato Integrated Port Services Inc. (SCIPSI)*
• Inland Clearance Depot (ICD)

South Korea
• Pusan Newport Co

Thailand
• Laem Chabang International Terminal*

Vietnam
• DP World Saigon</td><td>Indian Subcontinent
India
• DP World Nhava Sheva
• DP World Chennai
• Mundra International Container Terminal
• DP World Cochin
• Visakha Container Terminal*

Pakistan
• DP World Karachi
• DP World Lahore</td></tr>
</table>

* Terminal operated pursuant to a joint venture arrangement.

Core services

The Group's core ports services are comprised of container cargo handling, which accounts for the significant majority of the Group's revenue from operations and net profit, as well as general cargo handling and Ro-Ro services.

Container cargo handling

The core services for containerised handling consist of lifting containers on and off of vessels, storing containers in the relevant terminal and facilitating the delivery and receipt of containers. The two main categories of throughput are O&D, which is also often referred to as import and export, and transhipment. O&D throughput differs from transhipment throughput primarily because O&D throughput has to go to, or be collected from, a particular terminal because of its proximity to the point of consumption or distribution. This makes O&D throughput more stable and the Group has more control over setting the price for O&D throughput compared with transhipment where the price is driven by the customer and global competition. O&D throughput also provides the Group with opportunities to earn additional revenue by charging for delivery or receipt of the container from the shipper or consignee, as well as by providing ancillary services, such as storage and container cleaning. For the year ended 31 December 2015, the Group estimates that more than 70 per cent. of its gross throughput was O&D throughput.

General cargo handling and Ro-Ro services

In addition to container cargo handling services, some of the Group's ports offer general cargo handling and Ro-Ro services at some of their terminals. The Group believes that by offering superior service and handling facilities, it is able to attract general cargo vessels carrying a wide variety of non-containerised goods. The Group's Ro-Ro facilities are designed to accommodate vessels that carry wheeled cargo, such as automobiles. The defining feature of Ro-Ro vessels is a built-in ramp, which allows cargo to be efficiently "rolled on" and "rolled off" the vessel when in port.

P&O Maritime Services

As part of the P&O Acquisition, the Group acquired P&O Maritime Services Pty Ltd ("**P&O Maritime Services**"), which is based in Melbourne (Australia). Through its ownership, operation and management of a fleet of specialised vessels, P&O Maritime Services provides offshore oil and gas support, Antarctic logistics, bulk commodity river barging, harbour marine services and chartering to a diverse range of government and industrial customers in Australia, Argentina, Equatorial Guinea, Ireland, Mozambique, Paraguay, Spain, UAE and U.K.

A significant majority of the revenue of P&O Maritime Services is derived from contracts with its major clients, including Australian Antarctic Division, Glencore, the Group's UAE region operations, EGLNG, Centre for Environment, Fisheries and Aquaculture Science U.K., Marine Institute Ireland, Siderar and Noble.

Customers

The Group's customers comprise over 150 carriers and cargo interests, including all of the top 20 global container shipping lines (*source*: Alphaliner and internal Company data), as well as general cargo and car carriers. The Group also performs logistics activities whereby it deals directly with both transport companies and the ultimate owners of the relevant cargo, such as manufacturers, traders and importers. The Group has continued to invest in its operations to improve its service to its customers with a number of the Group's terminals benefitting from new cranes and yard equipment.

Contracts in the container terminal industry are characterised by relatively long terms, usually in the range of one to three years, and typically, although not exclusively, require cause to allow early termination. However, in certain regions, such as Europe, a limited number of contracts may have relatively short notice periods in respect of termination, often only of one year, and allow for termination without cause.

Business development

New opportunities are identified by multiple sources throughout the organisation and through the many different channels yielded by the Group's extensive network, including discussions with its customers and with government representatives and authorities. The Group has a clearly defined strategy for its business development activity that allows it to efficiently short-list and pursue opportunities that will likely add the greatest potential value to its business. The Group evaluates new business opportunities based both on the initial investment it will be required to make and the potential future expected growth opportunity associated with the asset. The Group's preference when looking at new opportunities is to achieve an appropriate balance between established and developing sites, a predominance of O&D cargo and locations in the faster growing emerging markets.

The Group's 8 new developments and major expansion projects include terminal development projects in Terminal 4 in Jebel Ali (UAE), Qingdao (China) and Kigali (Rwanda).

Concessions

The Group's terminal operations are substantially conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 20 and 50 years. Based on the Group's experience, incumbent operators are typically granted renewal of operating concessions leases, often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transitions. The Group commonly starts negotiations regarding the renewal of concession agreements with approximately five to ten years remaining on the term and often obtains renewals of or extensions on concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. Over the last three years, all concession agreements that the Group sought to renew were successfully renewed. The Group is currently negotiating the renewal of the concession agreement relating to the DP World Fremantle terminal in Australia which is due to expire within the next 17 months from the date of this Base Prospectus. The Group's portfolio has an average concession life of approximately 39 years.

The Group generally seeks to structure its concession agreements to have payment terms with a fixed and a variable element. The Group believes that these payment terms help align the concessionaire's and the Group's interests to maximise throughput since the variable element of the fee payable to the concessionaire is calculated on throughput through the relevant port. The concessionaire is therefore incentivised to provide a good land side service so that the level of throughput, and their corresponding fee, is increased.

Portfolio

Middle East, Europe and Africa Region

(a) *UAE*

Overview. The UAE is an important trading hub for the Middle East, African and Indian Ocean rim countries. The Group has been operating in the UAE since 1972, initially at Port Rashid (Dubai) and subsequently at DP World Jebel Ali (Dubai), DP World Fujairah (Fujairah) and Hamriya Port (Dubai). DP World Jebel Ali is the Group's flagship facility and is currently undergoing a major expansion. DP World Jebel Ali can accommodate the required draft of any container vessel in existence or on order and deploys the largest quayside cranes currently in operation in the world, capable of lifting two forty-foot containers or four twenty-foot containers at a time. The ongoing expansion works are expected to conclude by mid-2016 and will increase DP World Jebel Ali's capacity to 19 million TEU, making it one of the largest terminals in the world and one of the world's largest semi-automated facilities.

Competitive position. The Group believes that it holds the strongest market position as a terminal operator compared with any other operator in the UAE and Middle East due to the high volumes of O&D cargo having to use DP World Jebel Ali (*source*: Global Container Terminal Operators Annual Review and Forecast 2015 by Drewry Shipping Consultants Ltd.). The Group's container operations at DP World Jebel Ali are strengthened by being adjacent to the Free Zone, which is home to over 7,000 companies from over 130 countries and generates significant volumes of captive container traffic for the Group. The EZW Acquisition has therefore allowed the Group to enhance its port and logistics offering to its customers in Dubai by combining container handling facilities with economic free zones and infrastructure developments. The efficiencies promoted by Jebel Ali port's integrated logistics offering include two to three days road transit to anywhere in the GCC, which is considered a short transit time in the air cargo industry, and the ability to transport cargo to airport within 45 minutes of discharge from the Jebel Ali port.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, Ro-Ro, reefers (being refrigerated shipping containers for transporting perishables), tanker facilities and container repair, commercial trucking, sea-air cargo, logistics and/or other terminal services. The UAE region has historically contributed the majority of the total Group non-containerised revenue. This primarily consists of general and bulk cargo in the UAE region.

(b) *Middle East (excluding UAE) and Africa*

Overview. The Group has been present in Jeddah (the Kingdom of Saudi Arabia) since it won the contract to manage Jeddah Islamic port in 1999. In the third quarter of 2007, through its acquisition of Siyanco DPA, the Group acquired a 100 per cent. ownership interest in Jeddah South Container Terminal, which the Group had previously operated pursuant to a management contract and which is the largest facility by capacity on the Red Sea. Jeddah South Container Terminal is focused on attracting long-term O&D customers not only for the local Jeddah market, but also for the Riyadh market once the Saudi Arabian government completes the proposed rail-land bridge.

In 2008, through the acquisition of the Sokhna Port Development Company, the Group acquired a 90 per cent. ownership interest in DP World Sokhna (formerly Sokhna Port) and subsequently increased its ownership interest to 100 per cent. in 2013. DP World Sokhna is the closest container port to Cairo and is located within the 90 square kilometer North West Suez Economic Zone, the first of its kind in Egypt. In October 2010, an agreement was signed between DP World Sokhna and the Red Sea Ports Authority which allowed for an additional terminal to be constructed at the Sokhna port and extended the concession to 35 years after completion of the construction of a new terminal.

The Group's presence in Africa began in 1995 when P&O obtained the concession to operate the container terminal in Maputo port in Mozambique now re-branded DP World Maputo. In 2007, the Group was awarded the concession to operate the existing container terminal in the Port of Dakar, Senegal and develop a new terminal there in the future.

The Group expanded its operations into Algeria by obtaining a concession to operate the ports of Djazair and Djen-Djen in November 2008 and February 2009, respectively, which the Group began operating in the second quarter of 2009. The port at Djazair will be developed to primarily serve Algeria's domestic needs. The port at Djen-Djen is the main terminus for the Eastern part of the country and will be developed as a transhipment hub for the Western Mediterranean.

The Group is also present in Djibouti through operations at DP World Doraleh and Djibouti Dry Port.

In January 2016, the Group was granted a 25 year concession to develop and operate an inland container depot in Kigali (Rwanda).

Competitive position. The Group currently faces intra-port competition at Jeddah Islamic port from the North Terminal in Jeddah and from the Red Sea Gateway Terminal (RSGT), which was developed on existing land within the port adjoining the North Terminal. This leads to competition and imbalances in supply and demand. The Group faces inter-port competition for regional transhipment throughput from Salalah and the Mediterranean hub ports for mainline relay business.

Since Africa is an emerging region, competitor presence is limited relative to other regions globally. The Group holds strong positions in its operating locations in Africa. Djibouti, Maputo and Sokhna have no intra-port competition and limited regional competition. The Group's key regional competitors in Africa are APM Terminals and Bollore Africa Logistics.

Other activities. In addition to the Group's container terminal business, its terminal at Jeddah offers reefer facilities. Sokhna offers container business, break bulk and general cargo, passenger vessels and liquid terminal facilities.

(c) *Europe*

Overview. The Group's operations in Europe are well established, with facilities in Western and Eastern Europe. With the exception of DP World Germersheim, and shares that the Group has in three inland terminals in Belgium and Germany, all its terminals offer deep-water access and are strategically located to reach the major markets of the U.K. and Continental Europe.

The Group's operations in Europe include 17 operational terminals covering markets from North Europe to the Mediterranean and the Black Sea. As well as investing in its existing facilities to improve service and increase capacity, the Group also continues to explore new opportunities in this region and commenced operations at DP World London Gateway on the River Thames in U.K. in November 2015. Construction of the third berth at DP World London Gateway started in 2015 and the third berth is expected to be operational in the second half of 2016. The Group is also present at Rotterdam World Gateway (The Netherlands), which is the first container terminal on the new Maasvlakte 2 reclamation development in Rotterdam, which commenced operations in 2015, and DP World Yarimca (Turkey).

In November 2015, the Southampton concession agreement was extended until 2047. The Group also acquired the remaining stake in DP World Southampton, making the Group the sole owner of this business. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Recent Developments*".

Competitive position. Western Europe is a well-established market characterised by high stability of throughput with moderate growth. Competition between ports across Western Europe is well developed, and the Group's key global competitors Hutchison Port Holdings, APM Terminals and PSA International are well established there. Hamburger Hafen und Logistik AG is also one of the significant local operators there.

The Eastern European market is less developed and has been adversely affected by the slowdown in the global economy. DP World Constanta is the largest and most modern facility on the Black Sea and acts as a hub for other Black Sea ports in Ukraine, Bulgaria and Turkey. While Constanta port is currently the only deep-sea port with direct access to the Danube inland waterway (which handles container barge traffic to the former Yugoslavia), surrounding countries are developing modern, deep-water container terminals, which may compete with DP World Constanta for transhipment traffic or reduce the need for transhipment at Constanta port.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, Ro-Ro services, container freight station, stuffing and unstuffing warehousing and reefer facilities and logistics, empty depot, custom documentation and/or other terminal services. The Group also operates a fleet of Rhine River barges that connect DP World Germersheim with the deep-water ports of Rotterdam and Antwerp and receives daily shuttle trains at the terminal with containers from Rotterdam.

Australia and Americas Region

(a) *Australia*

Overview. The Group operates container terminals in four state capital cities of Australia (Brisbane, Sydney, Melbourne and Fremantle (serving Perth)) and can trace the origins of its operations in Australia to the formation of P&O in the 19th century. In addition, all of the Group's terminal operations in Australia benefit from excellent rail links between the terminals and the relevant surrounding hinterland.

Competitive Position. Historically, the major Australian ports of Sydney, Melbourne, Brisbane and Fremantle have each developed dual container terminal operator structures to ensure that competition exists within each port, and the Group is one of only two companies that currently operate container terminals in Australia. The Group's main competitor is the Asciano Group's Patrick Stevedores division, which is present in every Australian port in which the Group operates. However, in April 2007, the Port of Brisbane Corporate ("**POBC**") announced the introduction of the third operator with Hutchison Port Holdings being awarded the lease for Berths 11 and 12, which became operational in 2012 and 2014, respectively. In addition Hutchison Port Holdings has opened a terminal in Sydney while International Container Terminal Services Inc. has opened a terminal in Melbourne.

Other activities. As part of the P&O Acquisition, the Group acquired P&O Maritime Services based in Melbourne (Australia). Through its ownership, operation and management of a fleet of specialised vessels, P&O Maritime Services provides shipping, cargo, port, charter and agency services to a diverse range of government and industrial customers in Australia, as well as Argentina, Equatorial Guinea, Ireland, Mozambique, Paraguay, Spain, UAE and U.K.

A significant majority of the revenue of P&O Maritime Services is derived from its major clients, including the Australian Government Antarctic Division, Glencore plc and Siderar.

(b) *Americas*

Overview. P&O entered the South American market in 1994 when it was awarded the concession to operate Terminals Rio de la Plata (Argentina). In addition, CSX WT had developed operations at Caucedo (Dominican Republic) in 2004 and P&O acquired operations in Vancouver (Canada) in 2003. The Group's operations in the Americas were further strengthened by the commencement of operations in DP World Callao (Peru) in 2010 and Embraport (Brazil) in 2013. The Group also has a majority stake in the largest terminal operator in the Suriname port (which is the most modern facility in the Guyana-French Guiana range) and operates a terminal in Nanaimo on Vancouver Island (Canada). In 2015, the Group also acquired DP World Prince Rupert (Canada) for U.S.$451.2 million. DP World Prince Rupert has the capacity to handle 850,000 TEU annually, although the Group expects this to increase significantly upon the completion of a recently announced terminal expansion. DP World Prince Rupert's concession currently runs to 2034 but is expected to be extended to 2056 upon completion of its expansion.

Competitive position. The Americas geographical area remains highly fragmented, with many independent companies operating single terminals in key markets and government owned entities maintaining a significant presence. Given the strategic position of the Group's facilities as regional gateway ports, these facilities have market leading positions in their respective selected markets in Latin America where the Group has an operating presence in four of the top ten container ports in Latin America and is the second largest operator in South America (*source*: Global Container Terminal Operators Annual Review and Forecast 2015 by Drewry Shipping Consultants Ltd.). DP World Prince Rupert (Canada) offers the shortest sailing distance for the key Shanghai to West Coast route with at least 459 fewer nautical miles compared to its closest U.S. competitor, which equates to a saving of approximately six days. DP World Prince Rupert is also able to evacuate the containers onto rail within two days on average, which is at least twice as fast as its U.S. competitors. The port has a close relationship with the Canadian National Railways, which is well-connected to major cities and is able to reach Chicago within 17 days, providing a saving of at least nine days, which is a compelling proposition for cargo owners.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, reefer, on-dock rail and cruise and ferry passenger facilities and/or other terminal services. In Vancouver (Canada), the Group's general stevedoring operation principally encompasses Ro-Ro automobiles and bulk grain. Terminales Rio de la Plata is the exclusive cruise terminal operator in Buenos Aires, which is a major seasonal cruise destination.

Asia-Pacific and Indian Subcontinent Region

(a) *Asia-Pacific*

Overview. The Group's origins in the Asia-Pacific date back to 1973, when Sea-Land Service, Inc. ("**Sea-Land**"), which was acquired by CSX Corporation in 1986, developed CT3 (Hong Kong). It subsequently developed additional significant operations in China (including Hong Kong), as well as a greenfield project in Pusan (South Korea), which commenced operations in 2006. Since the early 1990s, P&O gradually acquired or built facilities in China (including Hong Kong), Indonesia, the Philippines, Thailand and Vietnam. The Group currently has a strong presence in key manufacturing heartlands of China. For instance, the Group operates the Qingdao Qianwan Container Terminal (China), which serves the hinterland of the Shandong province in China and offers convenient and economical access for the Huangdao district in the Shandong province as well as the western hinterland. The Group also has interests in the fast growing economies of South-East Asia. The Group's Asia-Pacific operations are managed from Hong Kong, with sub-regional offices in Shanghai, which focuses on north and central China, and Manila, which focuses on South-East Asia. All of the Group's Asia-Pacific operations are joint ventures and associates.

Competitive position. With 16 container terminals, the Group has a significant presence in the Asia-Pacific market, with a strong presence in the key gateway ports in China (namely Qingdao

Qianwan Container Terminal (China), Tianjin Orient Container Terminal (China), CT3 (Hong Kong) and Yantai International Container Terminals (China)) and in many strategic locations across the region (including Thailand, Indonesia, the Philippines, Vietnam and South Korea). The Group also owns a logistics facility in Yantian. The Group opened the Saigon Premier Container Terminal (now DP World Saigon) in Vietnam in October 2009. The Group's key global competitors in the region include Hutchison Port Holdings, PSA International and Cosco Group.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, ferry, Ro-Ro, reefer and container freight station facilities and container repair and/or other terminal services. The Group also operates a break bulk cargo terminal in the Philippines.

(b) *Indian Subcontinent*

Overview. The Group has had more than a decade-long presence in the Indian Subcontinent, which started in 1997 with P&O obtaining the concession to operate Qasim International Container Terminal (now DP World Karachi) in Bin Qasim (Pakistan) and participating in the first Indian port privatisation at Nhava Sheva International Container Terminal (now DP World Nhava Sheva) in the Jawaharlal Nehru Port Trust (Navi Mumbai). Since then, the Group has expanded its presence in the region significantly. The Group's terminals are well-positioned to service customers in the hinterlands of India and Pakistan and the commencement of operations at DP World Nhava Sheva (India) in 2015 provided the Group with required capacity in a capacity constrained market.

Competitive Position. The Group is a market leader in India (*source*: Global Container Terminal Operators Annual Review and Forecast 2015 by Drewry Shipping Consultants Ltd.). It faces intra-port and regional competition from other global operators. The Group's strong position, combined with a high proportion of O&D traffic and market growth potential, makes the Indian Subcontinent an extremely important part of the Group's global portfolio.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, container storage, internal terminal transport, reefer and container freight station facilities, lashing, stuffing and de-stuffing and/or other terminal services and container rail road logistics.

Free Zone Business

Overview

The EZW Group is a provider of industrial and logistics infrastructure and, prior to the EZW Acquisition, was a wholly-owned subsidiary of PFZW, which in turn is ultimately owned by Dubai World (which is also the ultimate majority shareholder of the Company), a decree company created and wholly-owned by the Government. The EZW Group aims to create a robust network of infrastructure platforms of economic zones and technology, logistics and industrial parks across the world in order to support the expansion of its rapidly growing international customer base. The EZW Group is currently engaged in a number of development projects across the Americas, Africa and India.

The EZW Group is comprised of five business units:

- JAFZ (one of the largest free zones in the GCC);
- JAFZA Enterprises FZE ("**Enterprises**");
- EZW Corporate ("**Corporate**") which manages TechnoPark (a research driven business and industrial park) and Dubai Auto Zone (an industry specific free zone);
- Business Centre World FZE ("**BCW**"); and
- Emerging Business Units ("**EBU**").

JAFZ is the EZW Group's primary business unit and comprised 95.9 per cent. of the EZW Group's revenue and 96.4 per cent. of the EZW Group's operating profit for the year ended 31 December 2015.

JAFZ

Overview

JAFZ was established as a free zone establishment on 5 March 2006 pursuant to Law No. 9 of 1992 of the Emirate of Dubai, with a mandate to realise the maximum commercial value from operational and commercial activities within the Free Zone (with JAFZA retaining the regulatory function in relation to the Free Zone).

The Free Zone is one of the largest operating free zones in the GCC and offers a number of incentives to foreign companies to establish operations in the Free Zone including, *inter alia*, 100 per cent. foreign ownership of establishments organised in the Free Zone and zero corporate and income tax rates for a minimum period of fifty years from the date of commencement of business by a company in the Free Zone. The Free Zone consists of an area adjoining the main road running through the Emirate of Dubai (Sheikh Zayed Road). The Free Zone is connected to a dedicated logistics corridor (the Dubai (Sea-Air) Logistics Corridor) connecting the Jebel Ali port, the Free Zone and the Al Maktoum International Airport for streamlined and efficient movement of cargo. The satellite image below illustrates the area comprising JAFZ and its juxtaposition to the Jebel Ali port, Sheikh Zayed Road and the Al Maktoum International Airport (see also "*Description of the Company – Ports Businesses – Portfolio – Middle East, Europe and Africa Region – UAE*"):

Business activities

Since its establishment, JAFZ, as the legal entity that can grant leases to customers in the Free Zone under Dubai law, has focused on realising the maximum commercial value from operational and commercial activities in the Free Zone.

As at and for the year ended 31 December 2015:

- 85.9 per cent. of JAFZ's total revenue in the Free Zone was derived from leasing activities, 7.0 per cent. from commercial services and 7.1 per cent. from administration services;
- approximately 89 per cent. of land (of which 100 per cent. is leasable), 92 per cent. of warehouses, 96 per cent. of offices and 99 per cent. of onsite residential accommodation were occupied;
- the Free Zone comprised approximately 55 square kilometres and hosted over 7,000 companies from over 130 different countries (with approximately 100 "Fortune 500" and large multinational companies as tenants); and

- approximately 44 per cent. of the Free Zone's total customers had a geographic base (based on country of incorporation) in the GCC and the Middle East, 20 per cent. in Europe, 22 per cent. in Asia and 13 per cent. in America and Africa.

The Free Zone has maintained an approximate 8 per cent. cumulative annualised growth rate of the number of companies established in the Free Zone over the five years to 31 December 2015.

JAFZ's business activities in the Free Zone comprise leasing activities, commercial services and administration services (each as described further below):

- *Leasing activities*

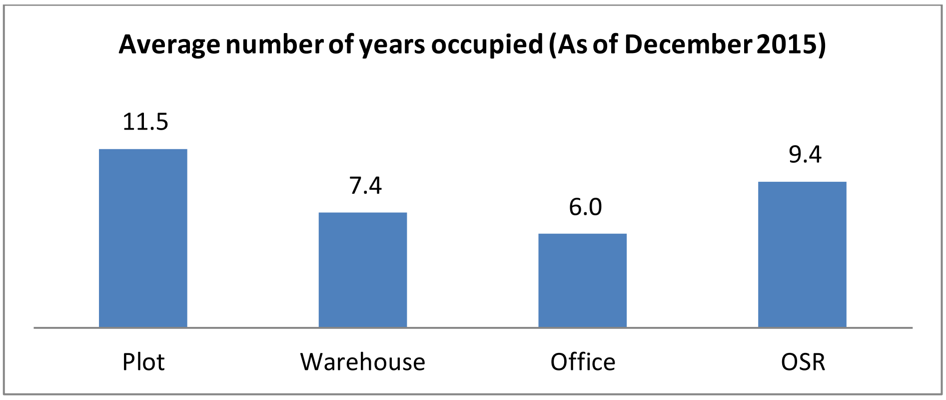
  Companies operating within the Free Zone are able to lease undeveloped parcels of land and develop such sites for their own use. In addition, JAFZ has developed its own warehouses, offices and onsite residential accommodation which are leased to third parties. JAFZ's leasing activities therefore include the provision and renewal of leases in relation to the land, warehouses, offices and onsite residential accommodation.

  The table below summarises the types of leasing activities and the revenues earned by JAFZ therefrom as at and for the year ended 31 December 2015:

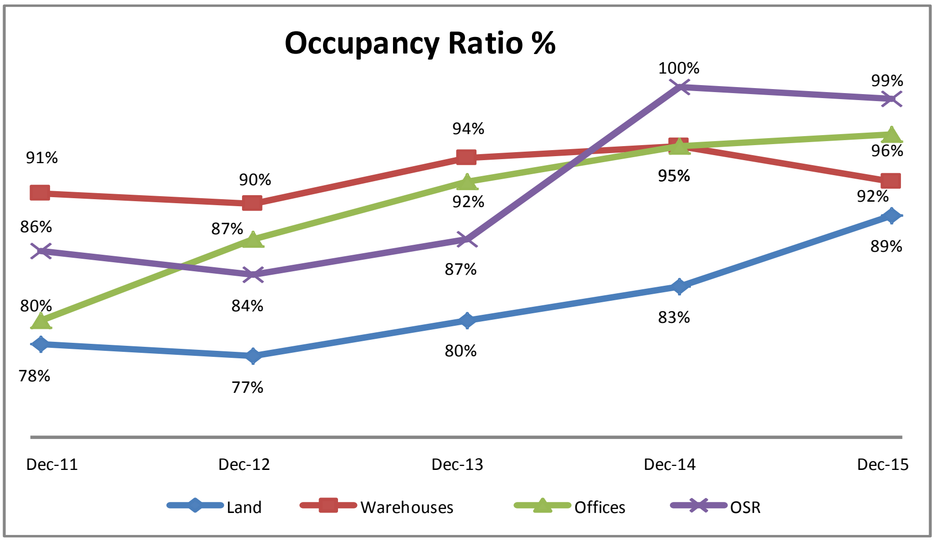
Facility	Typical Lease Term	Typical Payment Terms[2]	License Renewal	Renewal Notice (months)[3]	Responsibility for Maintenance Costs	Responsibility for Utility Costs	Proportion of Total Leasing Revenue[4]
Land	5-15 years[1]	Annual	Annual	6m in advance	Lessee	Lessee	44.5%
Warehouse	1 year	Annual	Annual	3m in advance	JAFZ for civil Structure	Lessee	20.3%
Office..	1 year	Annual	Annual	3m in advance	JAFZ – all inclusive	JAFZ	16.1%
Onsite residential accommodation........	1 year	Annual	N/A	3m in advance	JAFZ – all inclusive[5]	JAFZ	18.0%

(1) Subject to renewal of up to a similar lease term, and also typically subject to a five year rent review.
(2) Payable in advance.
(3) Rent for land is reviewed every five years in line with the current market rate in Dubai. Rent for the other facilities is usually reviewed annually and, in recent years, has been at a premium over the current market rates in Dubai.
(4) The remaining 1.1 per cent. of total leasing revenue for the year ended 31 December 2015 was derived from other properties (such as retail).
(5) Excluding fixtures and fittings provided by lessee.

The recurring nature of JAFZ's leasing revenue is illustrated by the consistently high occupancy rates as well as the length of tenancy for each of its primary leasing segments:



Further, JAFZ has consistently maintained high occupancy levels across all key leasing segments:



The following is a brief description of the types of buildings which are leased to tenants within the Free Zone:

(a) Warehouses

The Free Zone offers two types of warehouses. The first of these is designed to be used for storage/warehousing purposes, while the second type of warehouse is designed for light industrial purposes ("**LIUs**") and has higher electricity capacity. As at 31 December 2015, approximately 50 per cent. of the leasable warehouse space was for storage/warehouse purposes while the remaining 50 per cent. was for LIUs, with a total leasable space availability for warehouses of approximately 584,000 square metres. As of the date of this Base Prospectus, approximately 93 storage warehouses and 17 LIUs were under construction, which (once completed) will increase the existing total leasable space availability for warehouses to approximately 640,000 square metres by 2016.

Warehouses are generally of a steel portal frame construction with insulated metal sheet walls and roof cladding, over a concrete block lower elevation section and concrete slab floor. There is typically a single storey ancillary office and amenity block attached at the front of the warehouse, also incorporating a bathroom and kitchenette. There are two loading doors per bay with individual bays partitioned with concrete block side elevations and a fork-lift ramp. Where tenants lease adjacent units and remove the concrete block partitioning, the combined unit has a row of three steel columns supporting the portal frame roof from front to rear.

(b) Offices

The Free Zone offers three types of offices, with all offices being partitioned into small lettable offices (the partitions in high rise and medium rise offices can be adjusted to accommodate the specific needs of the tenants).

The first type of offices are comprised of high rise office towers called "JAFZA View 18 and 19", which were completed in 2008 and constitute two 27-floor office towers. The office towers have a total leasable space of approximately 36,000 square metres and provide customers with turn-key offices and the ability to lease full floors. These office towers have support service facilities such as conference rooms and business centres, as well as retail outlets, restaurants and a convenience store. As of the date of this Base Prospectus, construction of Tower 1 of Jafza One has been completed while Tower 2 will be delivered in the second half of 2016. Once fully completed, Jafza One will increase the existing total leasable space availability for such offices to approximately 146,000 square metres.

The second type of offices are medium rise, "inverted trapezoid" shaped office buildings consisting of five or six upper levels, with upper floors offering larger floor space than lower floors. There is a common reception area in each building. As at 31 December 2015, the Free Zone contained three such office buildings with a total leasable area of approximately 31,400 square metres. In addition, JAFZ operates a medium rise office building with a leasable office area of approximately 27,500 square metres, of which approximately 25,700 square metres was leased as at 31 December 2015.

The third type of offices are low rise buildings with a pre-cast concrete construction, with one upper level and a flat roof with metal parapet. As at 31 December 2015, the Free Zone contained 15 such office buildings with a total leasable area of approximately 25,400 square metres.

(c) Onsite Staff Residential Accommodation

These buildings are generally constructed with four wings extending from a central core, each having two upper levels of a pre-cast concrete construction and a flat roof. Internally, the accommodation is divided into three main categories: (i) labour rooms (which can house four, eight or twelve people, are rectangular in shape and have two air-conditioning units, fluorescent lighting and an aluminium-framed window, while bathroom and laundry facilities are shared with other labour units); (ii) junior suites (which can accommodate three to four people and bathroom and laundry facilities are shared with other units); and (iii) senior suites (which can accommodate two to four people and have an entrance atrium leading to the bedrooms as well as a bathroom and kitchen). As at 31 December 2015, the Free Zone contained approximately 5,500 labour rooms, 2,100 junior suites and 1,600 senior suites. As at 31 December 2015, approximately 51,000 employees of Free Zone customers resided in onsite residential accommodation. As of the date of this Base Prospectus, approximately 580 labour rooms were under construction, which (once completed) will increase the existing total onsite staff residential accommodation to approximately 9,800 rooms by 2016 and will be capable of housing approximately 55,500 employees in total.

The Group plans to spend U.S.$200 million each year between 2016 – 2018 to increase its building capacity in the Free Zone.

- *Commercial services*

  In order to operate in the Free Zone, a prospective tenant requires a license issued by JAFZ on behalf of JAFZA. Commercial services provided by JAFZ include the registration of companies and granting trading licenses (both general and specific), industrial licenses, logistics licenses, service licenses and national industrial licenses, as appropriate.

- *Administration services*

  Administration services provided by JAFZ to companies operating in the Free Zone include assisting tenants in the Free Zone in interfacing with various government authorities, ministries and departments of the UAE government including, *inter alia*, immigration and other visa services (such as assisting tenants with regularisation of work visas or work permits), assistance in obtaining health cards and driving licenses.

Sales and Marketing

JAFZ attracts new customers to the Free Zone through its commercial sales division. This division serves to create and maintain brand awareness in new and existing customers, as well as to strengthen the loyalty of existing customers in the Free Zone, by using targeted advertising campaigns based on market research data as well as the input of executive vice presidents at management meetings. In its targeted advertising campaigns, JAFZ's commercial sales division attracts customers to join the Free Zone by acquainting them with the Free Zone's unique value propositions (such as its proximity to the Jebel Ali port and Al Maktoum International Airport) and by developing and implementing marketing strategies to create customer demand, raise awareness and maintain customer interest and confidence in JAFZ. JAFZ develops and implements these marketing strategies by developing and executing marketing and public relations campaigns to promote JAFZ globally, developing sales and marketing materials such as presentations, websites, sales collaterals and organising internal and external public relations events and activities. JAFZ also participates in roadshows, industry exhibitions and seminars organised by the Government as part of the Government's efforts to promote Dubai internationally as an investment and business destination.

Regulatory framework

JAFZA has been responsible for the regulatory function with respect to the Free Zone since its inception. However, other than the concession fee payable by JAFZ on a regular basis as a percentage of revenue earned from license and registration fees, JAFZA is not entitled to any fees or income from the Free Zone itself, and no longer undertakes any commercial or operational activities within the Free Zone.

JAFZA has entered into the following agreements with JAFZ with regard to JAFZ's rights in respect of the Free Zone:

- the concession agreement between JAFZA and JAFZ dated 13 November 2007 and amended and restated on 29 April 2012, pursuant to which JAFZA granted JAFZ a concession with exclusive rights and privileges to provide certain licensing and administration services (the "**Services**") for a period of 99 years within the specified area that comprises substantially all of the Free Zone (the "**Concession Area**") (the "**Concession Agreement**"); and

- the usufruct agreement dated 13 November 2007 and amended and restated on 29 April 2012 pursuant to which JAFZA granted JAFZ exclusive rights (the "**Usufruct Rights**") to use and benefit from the Concession Area and the fixed assets contained therein (the "**Usufruct Property**") for a period of 99 years, including the right to lease facilities to tenants, renew a lease or grant a new lease to a tenant for occupying any part of the Concession Area (with JAFZ being the landlord) (the "**Usufruct Agreement**" and, together with the Concession Agreement, the "**Concession Documents**").

In addition, historically, JAFZA has been named as the party entering into the leases of properties within the Concession Area, rather than JAFZ. Accordingly, as JAFZ is the commercial operator of the Free Zone, JAFZA has granted to JAFZ the rights to receive rental proceeds granted under three master leases entered into between JAFZA and JAFZ with effect from 14 November 2007 (the "**Master Leases**"). The Master Leases sit above the commercial leases that JAFZA has entered into with each customer and all amounts paid by the customers for JAFZA (as landlord) are payable to JAFZ under the Master Leases as rental under the relevant Master Lease. However, for all renewals of customer leases after 31 October 2012, the relevant area of the Concession Area to which that lease being renewed relates will automatically be surrendered from the relevant Master Lease and JAFZA will no longer lease that part of the Free Zone under the Master Lease. Moreover, JAFZA will cease to have any commercial lease with the relevant renewing customer and instead JAFZ will enter into a new/renewed lease directly with the relevant customer.

JAFZA's on-going regulatory functions include:

- establishing and publishing the Jebel Ali Free Zone Rules (the "**JAFZ Rules**") governing the operation of companies within the Free Zone;

- overseeing compliance with, and subsequent enforcement of, the JAFZ Rules;

- setting and publishing, as part of the JAFZ Rules, a list of fees (the "**Tariff**") which are charged for various services within the Free Zone (although pursuant to the Concession Agreement, JAFZA has agreed, upon written request of JAFZ, to make any change to the Tariff as requested by JAFZ); and

- the right to issue licenses to companies permitting them to operate within the Free Zone (although the administrative act of issuing licenses is handled by JAFZ as designee of JAFZA for this purpose).

Apart from payment to JAFZA of a certain percentage of revenue earned from license and registration fees from its commercial services by way of a concession fee, JAFZ is entitled to retain all of its revenue and income from all of its business activities.

Other Business Units of the EZW Group

Apart from JAFZ, the EZW Group is comprised of the following business units:

- *Enterprises*: develops customised warehouse solutions and other facilities in the Free Zone to meet bespoke needs and operational requirements of customers.

- *Corporate*: manages JAFZ and two other free zones in Dubai, namely the Dubai Auto Zone and TechnoPark:

  (i) Dubai Auto Zone is an automotive industry specific free zone located in the Al Awir region of Dubai. It is comprised of Al Awir Free Zone for Cars, which specialises in second-hand automobile trade, and Dubai Textile City; and

  (ii) TechnoPark is a research and development driven business and industrial park located just outside JAFZ's south zone. Its focus is on research, development and studies in core economic sectors, including energy, desalination and water resources management, environmental resource management and technology driven, knowledge based industrial development.

  Each of Dubai Auto Zone and TechnoPark are managed under separate management agreements.

- *BCW*: provides fully-equipped business centre facilities on short-term leases (typically three to 12 months) in the Free Zone and is managed by Regus PLC.

- *EBU*: manages and owns 40 per cent. of Djibouti Dry Port SAFZ, an industrial zone in East Africa. EBU also owns land in India and the United States which is earmarked for future development.

Security and Business Resilience

The Group is committed to improving the safety and security of its people along with its other assets and cargo, and the Group's security strategy is based on investing in security management systems that comply with global standards. The Board and the management of the Group are committed to creating a safe culture throughout the Group and regularly monitor the implementation of its safety and security strategy which includes employee training, regular audits and management objectives in relation to the safety of employees. The Group has implemented specific review processes, policies, guidance documents and operational procedures in this regard. The Group has also established a safety auditing program which is conducted across its entire portfolio of terminals.

Further, the Group regularly undertakes benchmarking exercises to test its security preparedness against global standards and industry best practice. The Group underpins its strategic security objectives by embracing and investing in the independently audited supply chain security management ISO 28000 standard across its portfolio. As of the date of this Base Prospectus, 38 of the Group's terminals are ISO 28000 certified and the Group aims to have all its terminals certified by 2020. The Group is a member of the EU Customs Security Program-Authorised Economic Operator initiative (AEO) and the U.S. government Customs-Trade Partnership Against Terrorism (C-TPAT). The Group also collaborates with the U.S. Department of Energy in respect of the Megaports initiative by assisting with the development of technical tool packs. In addition, the Group was the first international port operator to be invited as a member of, and is an active participant in, the U.S. Container Security Initiative (CSI), which places U.S. Customs officers at sensitive terminals around the world.

Safety and Environment

The Group considers safety and environment ("**S&E**") to be of fundamental importance in every aspect of its global operations. The Group understands and takes very seriously the S&E responsibilities that it has to employees, customers, contractors, visitors, government agencies and communities.

The Group has dedicated S&E resources throughout the world that provide expert advice for management in exercising the Group's corporate obligations in this critical area. Management, staff and employees are guided by the Group's corporate S&E policy, which has been authorised by the Chief Executive Officer. Each business unit is required to implement local health, safety and environmental legislation as a minimum in accordance with the jurisdiction in which it operates. Where the Group's corporate S&E policy is more stringent than such local requirements, the relevant business unit is also required to comply with the Group's policy.

The Group is fully committed to robust environmental management in its terminals and development projects while playing a proactive role in tackling the challenges of climate change through initiatives such as reduction in resource consumption and continual improvement in energy efficiency. The Group has invested heavily in lower-carbon plant and equipment and is embracing renewable energy technologies in its terminals. In 2010, the Group was the first terminal operator to publicly disclose its carbon emissions as part of the Carbon Disclosure Project ("**CDP**") and since then has made significant progress in its CDP climate reporting score, from 70C in 2013 to 95A in 2015, placing the Group above average for the transportation industry. The Group also signed up to the Copenhagen Communiqué on climate change and was a contributing stakeholder in the World Economic Forum's Decarbonisation of the Supply Chain project.

The Group aims high in its target-setting and achieved a 6 per cent. reduction in energy per total terminal move and a 4 per cent. reduction in carbon dioxide equivalent emissions per modified TEU, each as compared to the 2013 baseline. From 2010 to 2015, the Group significantly reduced its energy per total terminal move and its carbon dioxide equivalent emissions per modified TEU by 14 per cent. and 12 per cent., respectively. In 2015, the Group continued with its long term targets, which focused on carbon emissions and, more specifically, the energy sources used to generate these emissions.

The Board receives a safety and environment report at each Board meeting to monitor the Group's performance against key performance metrics. The Company's management also plays a role in leading by example by actively promoting safety onsite to create a safer working environment.

Information Technology and Operating Systems

The Group's information technology ("**IT**") strategy is designed to enable local IT groups at its terminals to meet their requirements with little dependency on a company-wide IT infrastructure, although the Group provides some centralised IT services (such as hosting and network services) to varying degrees at a regional level. While the Group's central IT department plays a vital role in strategic planning, governance and standardisation of IT across the Group's portfolio and, in the case of new terminal operations, provides guidance, consulting and reviews, it is not involved in the day-to-day IT operations of the Group's terminals. The Group believes that this strategy provides its local IT groups with the flexibility to design IT solutions that best fit the needs of a particular terminal. When designing such solutions, the Group encourages its local IT groups to purchase readily available off-the-shelf software wherever possible.

Each of the Group's terminals, based on the nature of that terminal's business, is configured to keep its systems operational, including with respect to business processes and procedures, under abnormal conditions. Although IT systems are essential to the functioning of the Group's terminals, proper backup procedures have been devised to support their operations in case of a rare unexpected system downtime. The Group has defined IT component topologies and recovery time objectives for each business process, which prescribe the appropriate level of IT infrastructure depending on the importance of the relevant business process. For instance, a business process, such as container movement operations at a large terminal, that is categorised as "mission critical" would be allocated an IT infrastructure consisting of a clustered server environment with significant resilience, extensive focus on backup and IT disaster recovery plans, with the aim of providing for 99.99 per cent. availability.

Insurance

The Group's operations are subject to normal hazards of operational and geographic risks, including accidents, fire and weather-related perils. Globally, the Group maintains various types of insurance policies to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. The Group may also, on occasion, purchase specific insurance for individual terminals on an "as needs" basis (for instance, the

Group reviews the need for political and environmental risk insurance on a terminal by terminal basis). The purchase of these policies is coordinated by an internal insurance department, with applicable limits, coverage, scope and deductibles that the Group, with the advice of its insurance advisers, believes are reasonable and prudent after all means of controlling or preventing the risk have been considered. The Group does not fully insure against certain risks to the extent that such risks may not be fully insurable or related coverage is unavailable at what the Group considers to be appropriate price levels. See "*Risk Factors – Risks Relating to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business*".

Legal Proceedings

Apart from the legal proceedings highlighted below, there are, and have been, no other governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Group is aware) during the twelve months preceding the date of this Base Prospectus that may have, or have had, significant effects on the Group's financial position or profitability:

- The Group, through its wholly-owned subsidiary Mundra International Container Terminal Private Limited ("**MICT**"), has developed and is operating the container terminal at the Mundra port in Gujarat. In 2006, MICT received a show cause notice from the Gujarat Maritime Board ("**GMB**") requiring MICT to demonstrate that the undertaking given by its parent company, P&O Ports (Mundra) Private Limited, with regard to its shareholding in MICT has not been breached in view of P&O Ports (Mundra) Private Limited being taken over by the Group. On 18 April 2016, all parties settled their respective claims and withdrew all pending litigation from the courts in Gujarat.

- The Group's wholly-owned subsidiary Chennai Container Terminal Ltd ("**CCTL**") has received claims from the Chennai Port Trust ("**CPT**") for an amount of U.S.$18.06 million in respect of CCTL's alleged failure to fulfil its obligations in respect of non-transhipment containers for a period of four years from 1 December 2003. CCTL subsequently paid U.S.$9.6 million under dispute in 2008. CCTL had also initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on 26 November 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by the Madras High Court on 8 January 2014 and, accordingly, a provision was recognised in the DPW Financial Statements 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. CCTL's appeal was taken up for hearing and admitted on 3 February 2014. CPT also made a statement before the Division Bench of Madras High Court that no further action would be taken by CPT against CCTL. As at the date of this Base Prospectus, the matter is pending for final hearing and disposal before the Division Bench of Madras High Court. Based on the strong merits of the case and on the advice received from legal counsel, the Group believes that CCTL's appeal will be upheld by the Division Bench of Madras High Court. The Group provisioned for the full amount of the claim in the year ended 31 December 2015.

- On 25 March 2011, CCTL received an order from the Tariff Authority for Major Ports ("**TAMP**") to reduce the tariff charged for services by 35 per cent. CCTL appealed against the proposed reduction in tariffs in the Madras High Court. The Madras High Court granted a stay order against the reduction in tariff for a period of eight weeks. At the next hearing, the Madras High Court granted a restraint order on the execution of the revised tariff, subject to CCTL's submission of a fixed security deposit of approximately U.S.$0.8 million. CCTL currently continues to charge the customers based on the tariff rates enacted before the TAMP order was received. This case was last heard on 16 August 2013. The next date for another hearing has not been fixed.

- In November 2013, India Gateway Terminal Private Limited ("**IGTPL**"), a subsidiary of the Group, invoked the arbitration clause under its license agreement with the Cochin Port Trust ("**CoPT**") for the adjudication of certain matters, including loss on account of delay in commencement of commercial operations at International Container Trans-shipment Terminal I ("**ICTT**") and CoPT's failure in meeting various obligations under the license agreement. As directed by the arbitration tribunal at its preliminary meeting held on 25 March 2014, IGTPL submitted its statement of claim on 1 July 2014. In the statement of claim, IGTPL estimated that it had suffered loss of profits due to CoPT's breaches of approximately INR 3,000 million (U.S.$45.32 million). IGTPL also referenced the dispute related to the cost of deployment of

Central Industrial Security Force ("**CISF**") personnel at ICTT. CoPT filed a reply and counterclaim for a loss of INR 10,707 million (U.S.$161.76 million) on 29 September 2014. IGTPL and CoPT have filed replies to the counterclaim and points for determination have been finalised. The CISF dispute is before the tribunal for urgent hearing due to the withdrawal of CISF by CoPT from 31 December 2015. Since both parties are in the process of filing their evidence before the arbitral tribunal, there has been no further discussion on the claim and counterclaim amounts. Based on advice received from legal counsel, the Group believes that CoPT's counterclaim is presently not established and the materialisation of these claims is remote. Accordingly, the Group believes that a reliable estimate of liability cannot be made at this stage.

- On 1 March 2012, Nhava Sheva International Container Terminal ("**Nhava Sheva**"), a wholly-owned subsidiary of the Group, received an order from the TAMP to reduce the tariff charged for services by 28 per cent. with effect from 17 March 2012 until December 2014. Nhava Sheva appealed against the proposed reduction in tariffs in the Bombay High Court. On 2 July 2012, Nhava Sheva received an ad-interim relief stating that, pending further orders, it is permitted to charge and collect the tariff at the rates prevailing prior to the TAMP order. The Bombay High Court also asked Nhava Sheva to keep an account of such transactions and, in the event Nhava Sheva does not win the case, any amounts billed and collected by Nhava Sheva over and above the tariff prescribed in the TAMP order are to be repaid. Accordingly, Nhava Sheva currently continues to charge the customers based on the tariff rates enacted before the TAMP order was received. In view of the uncertainty in the ad-interim relief order, the Group has recognised a deferred revenue provision in relation to the difference in revenue between the billed rates and the rates specified in the TAMP order. As at 31 December 2015, deferred revenue provision in the Group's accounts amounted to U.S.$72.14 million. This case was last heard on 29 June 2015 when it was adjourned. The next date of hearing has not been fixed.

- In 2011, Qasim International Container Terminal Limited ("**QICT**"), a subsidiary of the Group, received a letter from the Port Qasim Authority ("**PQA**") claiming approximately U.S.$117 million in charges for an alleged encroachment of PQA land. QICT has filed a petition for interim relief against this claim in the high court where a stay order was granted. A date of hearing has not been fixed subsequent to the filing of QICT's statement. In 2015, QICT paid to PQA an aggregate amount of U.S.$0.2 million, which was QICT's admitted liability in the matter. QICT has previously attempted to enter into an out of court settlement with PQA but has not been successful. As a result, QICT is re-pursuing the case filed in the high court. The Group does not expect any additional amounts to be paid in relation to this matter and does not hold any provisions in this regard as at 31 December 2015.

- On 8 July 2014, the Group was notified that the awarding of the Doraleh Container Terminal concession in Djibouti was under investigation by the Office of the Inspector General of the Republic of Djibouti, which had initiated arbitration proceedings before the London Court of International Arbitration. If this arbitration is not decided in favour of the Group, then the Group's concession for the Doraleh Container Terminal may be terminated and the Group will be entitled to receive compensation. The Group believes that this arbitration is unfounded and intends to defend its position during the arbitration procedure. Although a hearing on merits was scheduled for a two week period between 26 October 2015 and 6 November 2015, this was rescheduled to 19 September 2016. A final award is not expected until early 2017. In order to maintain the operational *status quo* and to mitigate disruption at the terminal, the Group will continue to manage the Doraleh Container Terminal in accordance with the terms of the concession agreement, pending the determination of the arbitral tribunal. Based on the strong merits of the case and on the advice received from legal counsel, the Group believes that the award will be in favour of the Group.

MANAGEMENT

Board of Directors

As at the date of this Base Prospectus, the Company's board of directors (the "**Board**") is comprised of the nine members (each, a "**Director**") listed below:

Name	Position(s)	Date of appointment to the Board[(1)]
Sultan Ahmed Bin Sulayem	Director, Group Chairman and Chief Executive Officer	30 May 2007
Jamal Majid Bin Thaniah[(2)]	Director and Vice Chairman	30 May 2007
Deepak Parekh[(3)]	Senior Independent Non-Executive Director	22 March 2011
Robert Woods[(3)]	Director	1 January 2014
Mark Russell[(3)]	Director	11 August 2014
Abdulla Mohamed Saeed Alghobash[(3)]	Director	28 April 2016
Nadya Abdulla Mohamed Kamali Almarzooqi[(3)]	Director	28 April 2016
Mohamed Saif Ghanem Saif Alsuwaidi[(3)]	Director	28 April 2016
Yuvraj Narayan	Director and Group Chief Financial Officer	9 August 2006

(1) In accordance with the Company's articles of association, all Directors offer themselves annually for re-appointment at the Company's annual general meeting.
(2) Denotes a Non-Executive Director.
(3) Denotes an Independent Non-Executive Director.

Brief biographies of each of the Directors are set out below:

His Excellency Sultan Ahmed Bin Sulayem became Chairman of the Company on 30 May 2007 and was appointed as the Group Chairman and Chief Executive Officer on 8 February 2016. He is a leading UAE and international businessman who spearheaded the rapid expansion of Dubai's infrastructure, including ports and free zones, contributing significantly to the growth trajectory of the UAE. Mr Bin Sulayem was previously Chairman of Dubai World and in this role oversaw businesses in industries as diverse as real estate development, hospitality, tourism, retail, e-commerce, commodities, transportation and logistics. He previously served as Chairman of PFZW and remains one of the two representatives of the Company's majority shareholder on the Board. Highlights of his career, spanning three decades, comprise the Company's international expansion, including the U.S.$6.85 billion acquisition of P&O, establishing and leading Nakheel PJSC (a real estate and tourism property development firm that created many iconic Dubai projects including The Palm, the world's largest man-made islands), establishing and leading Istithmar World PJSC (a major global private equity investment house) and pioneering the Dubai Multi Commodities Centre. Mr Bin Sulayem holds a Bachelor of Science in Economics from Temple University, United States of America. A citizen of the United Arab Emirates, he is 60 years old.

Jamal Majid Bin Thaniah has served as a Director and Vice Chairman of the Company since 30 May 2007. He joined Dubai Ports in 1981 and, from 2001, led Dubai Ports Authority. He also serves as a Non-Executive Director of Etihad Rail (Abu Dhabi) and an Independent Non-Executive Director of Emaar Properties PJSC. He previously served as a Director of PFZW and he remains one of the two representatives of the Company's majority shareholder on the Board. A citizen of the United Arab Emirates, he is 57 years old.

Deepak Parekh was appointed as an Independent Non-Executive Director of the Company on 22 March 2011. He acts as Senior Independent Director and is also Chairman of the Company's Audit Committee, the Nomination and Governance Committee and the Remuneration Committee. He is the Non-Executive Chairman of HDFC Ltd, GlaxoSmithkline Pharmaceuticals Ltd and Siemens India. He serves as Non-Executive Director of BAE Systems India (Services) Private Limited, Mahindra and Mahindra, The Indian Hotels Co Ltd and Vedanta Resources PLC. He has been a member of numerous Indian government appointed advisory committees and task forces on matters ranging from infrastructure reform to capital markets and financial services. In 2006, he was awarded the Padma Bhushan. His other awards include 'Bundesverdienstkreuz' (Germany's Cross of the Order of Merit, one of the highest distinctions of the Federal Republic of Germany) in 2014 and "Knight in the Order of the Legion of Honour" (one of the highest distinctions of the French Republic) in 2010. He was the first international recipient of the Outstanding Achievement Award from the Institute of Chartered Accountants in England and Wales in 2010. A citizen of the Republic of India, he is 71 years old.

Robert Woods was appointed as an Independent Non-Executive Director of the Company on 1 January 2014. He is the Chairman of P&O Ferries and DP World Southampton and currently holds Non-Executive Directorship at Caledonia Investments. He was formerly the Chief Executive of The Peninsular and Oriental Steam Navigation Company and a Non-Executive Director of Cathay Pacific, Tilbury Container Services Limited and John Swire & Sons. In 2012, he was appointed President of the Chartered Institute of Shipbrokers. He is an Honorary Captain of the Royal Naval Reserve. A British citizen, he is 69 years old.

Mark Russell was appointed as an Independent Non-Executive Director of the Company on 11 August 2014. He is Chief Executive of the Shareholder Executive in the U.K. He sits on the Departmental Board and Executive Committee of the U.K. Government's Department for Business, Innovation & Skills and is Senior Independent Non-Executive Director of London and Continental Railways Limited. He was formerly a partner in the corporate finance departments of KPMG in London and Frankfurt, held senior positions at PwC Corporate Finance, Robert Fleming, Lazard Brothers and A.T. Kearney and was a Non-Executive Director of Eurostar International Limited. A British citizen, he is 55 years old.

Abdulla Mohamed Saeed Alghobash was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. He is a senior banker with over 30 years' experience and is a board member of Noor Bank and of the Dubai International Financial Centre (DIFC) Higher Board. Prior to this, Mr. Ghobash served as board member of Etisalat, Borse Dubai, Nasdaq Dubai, Emirates Institute for Banking and Financial Studies, UAE Banks Federation and Emaar. He holds a bachelors' degree from UAE University, Executive Management Program from Wharton Business School and a banking diploma from Citibank NA in Athens, Greece. A citizen of the United Arab Emirates, he is 58 years old.

Nadya Abdulla Mohamed Kamali Almarzooqi was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. He is Director General of Abu Dhabi Fund for Development, Chairman of Al Ain Farms for Livestock Production and Vice Chairman of the Arab Bank for Investment and Foreign Trade. He also serves as a board member of First Gulf Bank, UAE Red Crescent, Center of Food Security of Abu Dhabi, Al Jazira Sport & Cultural Club and Aghtia Group. He holds a BSc in Business Administration from California Baptist University. A citizen of the United Arab Emirates, he is 46 years old.

Mohamed Saif Ghanem Saif Alsuwaidi was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. She has over 20 years' experience in information technology, IT governance, compliance and risk management and is the Executive Director of Audit and Revenue Growth at Dubai Customs. She previously held senior executive positions at Dubai Customs and Dubai Aluminium Company. She also holds an MBA from American University of Sharjah and a BSc in Computer Science from Michigan State University. She is an Alumni of INSEAD Business School. A citizen of the United Arab Emirates, she is 47 years old.

Yuvraj Narayan has served as Group Chief Financial Officer of the Group since 2005 and as a Director of the Company since 9 August 2006. He joined DP World FZE in 2004. He is a Non-Executive Director of HDFC International Life and Re Company Limited. He previously served as Non-Executive Director of Istithmar World PJSC and as ANZ Group's Head of Corporate and Project Finance for South Asia before becoming Chief Financial Officer of Salalah Port Services in Oman. He was formerly a Non-Executive Director of IDFC Securities Limited. He is a qualified Chartered Accountant and has a wealth of experience in the ports and international banking sectors. A citizen of the Republic of India, he is 59 years old.

For information related to the compensation of the Directors see "*Compensation*".

The business address for each of the Directors is c/o DP World Limited, P.O. Box 17000, Dubai, UAE.

His Excellency Sultan Ahmed Bin Sulayem and Jamal Majid Bin Thaniah are representatives of PFZW (being the Company's majority shareholder) on the Board, which may give rise to potential conflicts of interest with their duties to the Company (see "*Risk Factors – Risks relating to the Group – The Company's ultimate majority shareholder, Dubai World, and the Government have the ability to exert significant influence over the Group and their interests may conflict with the interests of the Group or the Certificateholders*").

Except as stated above, there are no actual or potential conflicts of interest as at the date of this Base Prospectus between the duties owed by the Directors to the Company and their private interests or other duties.

Senior Management

In addition to the executive management appointed to the Board (being the Group Chief Executive Officer and the Group Chief Financial Officer), the day-to-day management of the Company's business is led by its Senior Management who, together with the Group Chief Executive Officer and the Group Chief Financial Officer, comprise the Company's Executive Committee:

Name	Position(s)
Sultan Ahmed Bin Sulayem[1]	Director, Group Chairman and Chief Executive Officer
Anil Wats	Executive Vice President and Chief Operating Officer
Yuvraj Narayan[1]	Group Chief Financial Officer
Mohammed Al Muallem	Senior Vice President and Managing Director – UAE
Anwar Wajdi	Senior Vice President – Corporate Cultural Development

(1) Please refer to "– *Board of Directors*" above for biographical details.

Brief biographies of each of the Company's Executive Committee (other than His Excellency Sultan Ahmed Bin Sulayem and Yuvraj Narayan, whose biographies are set out above) are set out below:

Anil Wats is Executive Vice President and Chief Operating Officer, responsible for the Company's activities globally and holds more than 26 years of experience in the international shipping and logistics industry. Anil joined the Group as Global Commercial Director in 2003, then moved to Hong Kong as Senior Vice President and Managing Director for the Asia Pacific Region in 2004. In 2005, Anil returned to Dubai and took on the position he holds as at the date of this Base Prospectus.

Mohammed Al Muallem is Senior Vice President and Managing Director – UAE Region. Mohammed's journey in the ports industry began in 1983 as a trainee at Port Rashid and has progressed with various positions held, including Planning Engineer, Assistant Port Engineer Manager, Deputy Technical Director, Technical Director and Chief Technical Director. Mohammed was also appointed Chairman of the Executive Merging Team of Dubai Ports Authority, Dubai Customs and the Free Zone in 2000.

Anwar Wajdi is Senior Vice President – Corporate Cultural Development. Anwar has played an instrumental role in securing major projects for the development of the Dubai Ports Authority and the Company in the UAE Region. Prior to joining the Group, Anwar held various positions at the Dubai Ports Authority before being appointed the Company's Senior Vice President for Corporate Strategy in 2007.

Each of the Senior Managers can be contacted at the Group's registered office at c/o DP World Limited, P.O. Box 17000, Dubai, UAE.

There are no actual or potential conflicts of interest between the duties owed by the Senior Managers to the Company and their private interests or other duties.

Compensation

For the year ended 31 December 2015, the aggregate total remuneration the Group paid (including contingent or deferred compensation) to the Directors and Senior Managers listed above was U.S.$8.0 million.

The Chairman (Sultan Ahmed Bin Sulayem) and Non-Executive Vice Chairman (Jamal Majid Bin Thaniah) were not remunerated by the Company. The remuneration of the Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. For the year ended 31 December 2015, the Independent Non-Executive Directors received a fee, set out as follows, which included remuneration for their services in being a member of, or chairing, a Board Committee (see "*Corporate Governance*" below):

Name	Non-Executive Director Fee
Sir John Parker (retired on 30 June 2015)	U.S.$252,164.22
Deepak Parekh	U.S.$206,406.30
Robert Woods	U.S.$114,620.10
Mark Russell	U.S.$114,620.10

The Directors, other than the Group Chief Executive Officer and Group Chief Financial Officer, are not under service contracts with the Group with respect to their roles as Directors, and the Group does not have contractual obligations to provide benefits to the Directors upon termination of their directorships.

The Executive Directors' remuneration structure follows the market practice in the UAE and all payments are made tax free reflecting the UAE's status. Each of the Executive Directors is employed pursuant to a service agreement.

Mohammed Sharaf

Mohammed Sharaf retired as a Director and Group Chief Executive Officer on 27 January 2016. He was granted a performance delivery plan award of 75 per cent. (out of a maximum of 75 per cent.) for performance linked to the 2014 financial year and a long-term incentive plan award of 95.19 per cent. (out of a maximum of 100 per cent.) for performance linked to the 2012-2014 cycle. His total remuneration for the year ended 31 December 2015 (which includes his base salary and these other benefits) was U.S.$1,851,082.

Yuvraj Narayan

Yuvraj Narayan was granted a performance delivery plan award of 75 per cent. (out of a maximum of 75 per cent.) for performance linked to the 2014 financial year and a long-term incentive plan award of 95.19 per cent. (out of a maximum of 100 per cent.) for performance linked to the 2012-2014 cycle. In addition, he was also granted an *ex gratia* payment in recognition of his outstanding performance over the past years as an executive of the Company. His total remuneration for the year ended 31 December 2015 (which includes his base salary and these other benefits) was U.S.$1,868,290.

The Chairman and the Group Chief Executive Officer participate in the government pension scheme in accordance with the UAE labour law. The Group Chief Financial Officer would be entitled to end of service benefits on termination of employment in accordance with the UAE labour law.

Short-Term Bonus and Long-Term Incentive Plans

The Company has adopted a short-term and a long-term incentive plan for its Executive Directors and management. The performance delivery plan for the 2015 financial year (award to be paid in 2016) and 2014 financial year (award paid in 2015) is worth a maximum of 75 per cent. of annual base salary. It is made up of two components: (i) a financial component worth 70 per cent. of the overall award value; and (ii) a personal component worth 30 per cent. of the overall award value.

The financial component is based on performance assessed against a budgeted profit after tax measure. Payout on the financial component is triggered if the Company achieves 95 per cent. of its target. Maximum payout on the financial component will occur if the Company achieves 105 per cent. of its target. The payout for performance between the 95 per cent. and 105 per cent. of target is on a straight-line basis. The personal component is based on performance assessed against specific, measurable, achievable, relevant and timebound (SMART) objectives. The objectives are particular to each individual role and can include financial based objectives and more qualitative ones.

The Company's long-term incentive plan is based on a three year performance cycle and is a cash based plan. For the 2013-2015 (award to be paid in 2016), 2014-2016 (award to be paid in 2017) and 2015-2017 (award to be paid in 2018) performance cycles, the long-term incentive plan is based on the performance over three years and will be assessed against two budgeted measures, with 70 per cent. of the award linked to a return on capital employed measure[1] and 30 per cent. linked to an earnings per share measure. Each of these performance cycles is worth a maximum of 100 per cent. of average annual base salary for

[1] Return on capital employed is EBIT (earnings before interest and tax) before SDIs as a percentage of total assets less current liabilities.

the Executive Directors and the Chief Operating Officer and a maximum of 75 per cent. of average annual base salary for the other managers.

Directors' Interests

As at 31 December 2015, the Directors' shareholdings (ordinary shares) in the Company were as follows:

Name	Position(s)	Shareholding
Mohammed Sharaf (retired on 27 January 2016)...........	Former Director and Group Chief Executive Officer	28,221
Yuvraj Narayan	Director and Group Chief Financial Officer	13,864

Corporate Governance

For the year ended 31 December 2015, the Company complied with the regulatory obligations of the DIFC Markets Law 2012 (the "**Markets Law**") and the various rules made by the Dubai Financial Services Authority thereunder (together with the Markets Law, the "**NASDAQ Dubai Rules**"), other than paragraph 20 of Appendix 4 to the NASDAQ Dubai Rules in that the Chairman did not meet the independence criteria laid out in paragraph 31 of Appendix 4 to the NASDAQ Dubai Rules at the time of his appointment. The Chairman, Sultan Ahmed Bin Sulayem, was Chairman of Dubai World and PFZW at the time that the Company was admitted to listing in Dubai and remains one of PFZW's representatives on the Board.

As at the date of this Base Prospectus, the Board is comprised of nine members, consisting of two Executive Directors and seven Non-Executive Directors. Of these, Deepak Parekh, Robert Woods, Mark Russell, Abdulla Mohamed Saeed Alghobash, Nadya Abdulla Mohamed Kamali Almarzooqi and Mohamed Saif Ghanem Saif Alsuwaidi are independent.

The Chairman, in conjunction with the Senior Independent Director, is responsible for leadership and effective management of the Board in all aspects of its role and its governance. The Chairman chairs the Board meetings ensuring, with the support of the Senior Independent Director, that the agendas are forward looking and that relevant business is brought to the Board for consideration in accordance with the schedule of matters reserved to the Board and that each Director has the opportunity to consider the matters brought to the meeting and to contribute accordingly. The Group Chief Executive Officer, as leader of the Group's executive team, retains responsibility for the leadership and day-to-day management of the Group and the execution of its strategy as approved by the Board.

The Board's principal committees include the Audit Committee, the Nominations and Governance Committee and the Remuneration Committee, with formally delegated duties and responsibilities and written terms of references. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises. The Executive Committee has primary responsibility for the day-to-day management of the Group's operations and strategic policy implementation (such policies being established and approved by the Board). The Executive Committee is comprised of the Company's Senior Managers together with the Group Chief Executive Officer and the Group Chief Financial Officer.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting and external and internal audits and controls. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

External and internal auditors are invited to attend the Audit Committee meetings, along with any other Director or member of staff considered necessary by the Audit Committee to complete its work. The Audit Committee meets with external auditors and internal auditors without Executive Directors or members of staff present at least once a year, and additionally as it considers appropriate.

The Audit Committee's remit includes the following:

- making recommendations to the Board on the appointment and remuneration of the external auditor and reviewing and monitoring the external auditors' performance, expertise, independence and objectivity along with the effectiveness of the audit process and its scope;

- reviewing and monitoring the integrity of the Group's financial statements and the significant reporting judgements contained in them;
- monitoring the appropriateness of accounting policies and practices;
- reviewing the adequacy and effectiveness of financial reporting and internal control policies and procedures and risk management systems;
- reviewing and monitoring the activities and effectiveness of the internal audit function;
- reviewing the effectiveness of the Group's whistleblowing policies; and
- monitoring risks and compliance procedures across the Group.

As at 31 December 2015, the membership of the Company's Audit Committee was comprised of three members, two of whom are Independent Non-Executive Directors (namely Deepak Parekh and Mark Russell) and one of whom is a non-Independent Non-Executive Director (namely Jamal Majid Bin Thaniah). The Audit Committee is chaired by Deepak Parekh whom the Board considers has appropriate financial expertise to fulfil this role.

The Audit Committee meets formally at least four times a year and otherwise as required.

Nominations and Governance Committee

The Nominations and Governance Committee assists the Board in discharging its responsibilities relating to the size and composition of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors as the need may arise. The Nominations and Governance Committee is responsible for evaluating the balance of skills, knowledge, experience and diversity on the Board and, in particular:

- recommending individuals to be considered for election at the next annual general meeting of the Company or to fill vacancies; and
- preparing a description of the role and capabilities required for a particular appointment.

As at 31 December 2015, the Company's Nominations and Governance Committee was composed of five members, three of whom are Independent Non-Executive Directors (namely Deepak Parekh, Robert Woods and Mark Russell), one of whom is a non-Independent Non-Executive Director (namely Jamal Majid Bin Thaniah) and one of whom is an Executive Director (namely His Excellency Sultan Ahmed Bin Sulayem). The Nominations and Governance Committee is chaired by Deepak Parekh.

The Nominations and Governance Committee meets formally at least twice a year and otherwise as required.

Remuneration Committee

The Remuneration Committee determines and agrees with the Board the framework and broad policy for the remuneration of the Group Chief Executive Officer and Group Chief Financial Officer and other members of the Company's senior management. The policy of the committee is to review remuneration based on independent assessment and market practice. The remuneration of Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. No executive is involved in any decisions as to their own remuneration. The Remuneration Committee:

- reviews and provides the Board with a recommendation for a suitable remuneration framework for the Company;
- monitors the level and structure of remuneration for the Company's senior management and recommends adjustments where appropriate;
- keeps under review its own performance, constitution and terms of reference; and
- considers other matters as referred to it by the Board.

As at 31 December 2015, the membership of the Company's Remuneration Committee was comprised of three members, all of whom are Independent Non-Executive Directors (namely Deepak Parekh, Robert Woods and Mark Russell). The Remuneration Committee is chaired by Deepak Parekh.

The Remuneration Committee meets formally at least twice a year and otherwise as required.

Employees

As of 31 December 2015, the Group had a team of more than 37,000 people (including those employed by consolidated subsidiaries and joint ventures). The Group's employees are engaged under a variety of employment arrangements, including, pursuant to individual employment contracts, collective bargaining agreements and through third-party sourcing. A significant majority of the Group's employees operate pursuant to collective bargaining agreements that typically cover employees in the relevant countries. The Group believes that the material terms of its collective bargaining agreements and other terms of employment are customary for the countries and industries in which the Group operates.

PORTS OPERATION INDUSTRY OVERVIEW

Unless otherwise indicated, the information set forth below has been sourced to the Drewry Shipping Consultants Ltd. Global Container Terminal Operators Annual Review and Forecast 2015.

Overview

Global seaborne trade consists of three main segments: general cargo, which is carried by conventional shipping vessels; liquid cargo, which is carried by specialised vessels such as tankers; and containerised cargo, which is carried by container vessels.

Containerisation of cargo increases the efficiency of its transportation by standardising the container used for both seaborne and overland transportation of cargo. This facilitates the integrated multi-modal transportation of cargo by sea, rail and road. Containerisation also allows for the efficient storage of goods on ships or on land, provides protection against damage to goods in transit, increases the security of the cargo during transport and enables faster loading and unloading of cargo.

First introduced in the 1950s, container shipping has expanded rapidly since that time to emerge as the dominant method for the international transportation of a broad spectrum of industrial and consumer goods, including agricultural products, raw materials and semi-manufactured and finished consumer goods. The container terminal industry has grown in line with the container shipping industry, which in turn has benefited in particular from the globalisation of world trade. According to the Global Container Terminal Operators Annual Review and Forecast 2015 by Drewry Shipping Consultants Ltd. ("**Drewry**"), global throughput reached 679.4 million TEU in 2014, up from 236.6 million TEU in 2000, a compound annual growth rate of 7.8 per cent.

Industry Trends

All port and terminal operators are experiencing a number of industry trends, some of which have wide ramifications. The most important of these trends are:

Deployment of ever-large containerships and overcapacity

Over the years, there has been a step-change in the size of container ships. In addition, container ships' capacity has not increased in proportion to their increased length. For instance, the length of the 19,200 TEU *MSC Oscar* is less than twice that of a first-generation 1,400 TEU ship, yet its TEU capacity is nearly 14 times greater. This in turn has resulted in increased operating costs for ports and terminals since bigger ships take longer to offload but are less frequent and make fewer port calls which means greater peaks and troughs shipside and landside. This results in inefficient use of terminal capacity and creates challenges in terms of dock labour requirements and terminal automation requirements.

Further, ports and terminals have had to increase their capital expenditure as well in order to cater to larger ships. For instance, terminals have increased berth depth (from 14 metres in 2004 to 17 metres in 2014), increased gantry crane outreach (from 17 boxes wide in 2004 to 23 boxes wide in 2014) and increased required target productivity (from approximately 75 boxes per hour in 2004 to 150 boxes per hour in 2014). Bigger ships are also leading to a greater segmentation of terminal capacity, with very few berths and terminals being able to handle fully-loaded ultra large container vessels. This process is also leading to more rapid obsolescence of terminal capacity.

According to Drewry's Container Forecaster for Q4 2015, freight rates are forecast to decline by nearly 7 per cent. by 2017 due to overcapacity.

Expansion of shipping line alliances

Given the requirement to fill bigger container ships with cargo, shipping lines are forming alliances and sharing ships. Carrier alliances are growing in size and scope, which gives them a greater geographical reach and results in a greater concentration of volumes in fewer players (such as the merger of China Shipping Container Lines and Cosco Group and the acquisition of Neptune Orient Lines by CMA CGM). This may lead to more complicated negotiation of terminal contracts with alliance members wanting to benefit from "bulk" rates. Further, given the possibility of alliances calling at more than one terminal in the same port, there is also increasing pressure on terminal owners and operators for terminal consolidation in order to avoid fragmentation of terminal capacity.

Lower fuel prices

While shipping line revenues have suffered from low freight rates due to overcapacity, they have benefitted from lower fuel costs following the decline in oil prices. The cost advantage of operating an ultra large vessel has reduced which has resulted in the greater use of smaller vessels and more direct shipping calls in some ports around the world. This has had a negative impact on some transhipment hubs.

Growth of inland container terminals and multi-modal hubs

Inland container terminals and multi-modal hubs that are efficiently managed have witnessed strong growth over recent years. An inland port can speed the flow of cargo between ships and major land transportation networks, creating a more central distribution point. Inland terminals can improve the movement of imports and exports, moving time-consuming container sorting and processing inland, away from congested seaports. This can be an inexpensive method of adding capacity as many seaports face capacity constraint on the landside. Multi-modal hubs, where goods can be efficiently transported by either sea, rail, road or air are attractive to cargo owners as they can reduce transportation time.

Financial pressures on shipping lines

Due to shipping lines operating under heavy debt, there is increasing pressure on terminal operators to lower the terminal handling price. In addition, there are increasing opportunities for the acquisition of terminal assets by other carriers (or their terminal arms) and for stevedores and financial investors to fill the void for carriers unable to invest in critical terminal capacity.

Cooperation among global and international terminal operators on the rise

There has been an increasing instance of global and international terminal operators entering into joint ventures or strategic alliances with each other (such as APM Terminals and Terminal Investment Limited, APM Terminals and China Shipping Terminal Development, International Container Terminal Services Inc. and PSA International, and International Container Terminal Services Inc. and CMA CGM). As a result, not only is the competition landscape becoming more complex but the shipping line alliances are less able to take advantage of their bargaining position.

Rapidly emerging international terminal operators and owners

The industry is currently characterised by long-established operators (such as Hutchison Port Holdings, APM Terminals, PSA International and the Group) as well as new entrants into the international markets. For instance, China Merchants Holding International has been very active over the past two years in pursuing greenfield developments and making acquisitions outside its home base in China such as its acquisition in mid-2013 of a 49 per cent. stake in CMA CGM's Terminal Link. Similarly, Gulftainer has been particularly active over the past year, notably announcing in mid-2013 the acquisition of a 51 per cent. stake in Gulf Stevedoring, which has a large terminal in Jeddah (the Kingdom of Saudi Arabia) and operates Jubail Commercial Port. As a result, competition for available assets and opportunities (including acquisitions or new concessions) has increased in the last few years.

Financial investor churn

Ownership of terminals by financial investors is experiencing churn as the lifespan of their investments runs its course and they make exits (for instance, Goldman Sachs sold its stake in SSA Marine in early 2014). At the same time, other companies such as Brookfield Asset Management (in respect of Mitsui OSK Lines) and Macquarie (which has interests in 12 container and multipurpose terminals mainly in Asia and North America) are making investments in the port sector. This process is creating merger and acquisition opportunities in the industry.

Terminal automation gathering pace

The use of automated equipment, especially yard automation, is becoming much more common, even in low labour cost locations. Other forms of automation, such as remote controlled gantry cranes, are also becoming viable options. As a result, terminal operators need to keep abreast of fast moving technological developments and consider transitioning to automation.

Containerisation/Global Throughput

The rate of containerisation has slowed over the past 30 years because almost all tradable goods that are capable of being transported along the deep-sea trade routes in containers are now transported in this way and, in recent years, the rate of containerisation has increasingly reflected the containerisation of new products, such as paper and other types of cargo that were traditionally considered break bulk, which advances in technology have enabled. However, despite the near-completion of the process of containerisation, trade routes to and from particular countries and geographical regions, notably Latin America, the Indian Subcontinent and Africa, continue to offer scope for significant growth in container volumes.

Adverse global economic trends led to container throughput at the world's ports falling for the first time ever, from 525 million TEU in 2008 to 473 million TEU in 2009, a drop of almost 10 per cent. Most global container terminal operators experienced reduced volumes across their networks during 2009 before volumes started increasing in 2010. According to current forecasts in Drewry's Container Forecaster for Q4 2015, the annual container throughput growth of 1.3 per cent. in 2015 is the lowest growth rate since 1980 (excluding 2009). According to current forecasts in Drewry's Global Container Terminal Operators Annual Review and Forecast 2015, the annual average growth rate for global throughput and global capacity between 2014 and 2019 is expected to be 4.5 per cent. and 3.0 per cent., respectively. By 2019, global throughput volumes are expected to be approximately 847 million TEU and the global utilisation rate is expected to increase from 68 per cent. in 2014 to 73 per cent. in 2019 (but with wide variations at the sub-region level).

Regional Variations in Demand

There are significant regional variations in container traffic. For instance, in 2015, a decline in trading volumes on the key Asia-Europe trading route due to the weakening of the euro by approximately 20 per cent. against the U.S. dollar (compared to 2014), which made goods more expensive to purchase in Asia. Similarly, trade volumes into Russia were significantly reduced in 2015 due to sanctions and the weakness of the Russian Rouble. Following the global financial crisis and the consequent reduction in world trade, container terminal operators have increasingly adopted a more conservative approach to their development plans by ensuring that additional capacity is made available based on demand.

O&D versus Transhipment

The two main categories of throughput are origin and destination (O&D), also referred to as import and export, and transhipment. Every container shipped by sea is by definition an export container at the origination terminal and an import container at the destination terminal. A container that is transferred from one ship to another at some point during the journey is said to be transhipped, which gives rise to transhipment throughput at an intermediate terminal somewhere between the load terminal and the discharge terminal.

O&D

O&D throughput is often preferred by container terminal operators for the following reasons:

- terminal operators typically earn more revenue per quay crane lift from O&D throughput than from transhipment throughput;
- terminal operators earn additional revenue by charging for delivery or reception of the container from the shipper or consignee;
- terminal operators have the opportunity to generate additional revenue from ancillary services, such as container freight stations and container cleaning; and
- whereas shipping lines can relatively easily transfer transhipment throughput to other ports in the same region, O&D throughput is usually most cost-effectively handled by one port, preferably close to the point of consumption, which makes O&D throughput less likely to be lost to competitors and less price sensitive than transhipment throughput.

Hub-and-Spoke (Gateway)

As the latest generation of container ships on order have nominal capacities in excess of 18,000 TEU and are too wide and too deep to call at many ports in the world, shipping lines may instead seek to, or be required to, rationalise the number of port calls they make. This trend is expected to result in shipping lines favoring larger, centrally placed ports in a region leading to the creation of hub-and-spoke or gateway terminals. To compete effectively under this model, container terminal operators will need to be able to handle larger vessels, and some operators already have the necessary infrastructure in place or are constructing new facilities with this factor in mind. The hub-and-spoke model also implies an increased level of throughput carried by feeder lines between hub ports and final destinations, which places demands on smaller ports to develop the facilities necessary to handle containers at dedicated container berths.

Transhipment

Despite the advantages of O&D throughput, there are numerous large container terminals around the world for which transhipment accounts for a very high percentage of total throughput. Current examples include Singapore, Tanjuung Pelepas (Malaysia), Gioia Tauro (Italy), Salalah (Oman), Algeciras (Spain), Balboa (Panama), Freeport (Bahamas) and Marsaxlokk (Malta). Many of these terminals are operated by, or involve an equity stake holding by, a major shipping line, which benefits from the transhipment capacity and provides the terminal with a reliable level of volume. However, shipping lines often prefer not to tranship containers, where possible, as they are not always able to pass on the full costs associated with transhipment to their customers.

Leading Container Terminal Operators

The container terminal industry is characterised by a small number of large operators. The five largest terminal operators by throughput and capacity collectively accounted for 438.4 million TEU, or 43.6 per cent., of global gross capacity as of 31 December 2014 and 50.0 per cent. of global gross throughput for the year ended 31 December 2014. Global terminal operators compete increasingly based on the size and diversification of their terminal portfolios, which enable them to offer global networks to their liner customers, who are themselves consolidating and becoming increasingly large. Consequently, new container terminal market participants face significant barriers to entry.

The following table provides a breakdown of terminal operators by gross throughput, equity adjusted throughput and market share for the years ended 31 December 2013 and 2014:

	Gross throughput[1]		Equity-adjusted throughput[2]		Market share of gross throughput	
	2014	2013	2014	2013	2014	2013
	(TEU in millions)				(per cent.)	
Hutchison Port Holdings	80.2	76.1	45.9	45.0	11.8	11.8
APM Terminals	71.7	68.0	37.0	35.0	10.6	10.6
PSA International	65.2	61.7	55.1	52.9	9.6	9.6
Cosco[3]	64.3	59.9	20.2	18.6	9.5	9.3
DP World[4]	58.6	53.7	35.8	32.8	8.6	8.4
Terminal Investment Limited	32.9	29.9	16.8	15.4	4.9	4.6
China Merchants Holdings International	25.6	23.5	25.8	23.1	3.8	3.7
China Shipping Terminal Development	20.9	20.3	8.1	8.5	3.1	3.2
Hanjin	14.5	14.4	7.1	7.7	2.1	2.2
Eurogate[5]	14.4	14.0	N/A	N/A	2.1	2.2
Evergreen[6]	N/A	N/A	7.8	7.4	N/A	N/A
Ten largest global terminal operators	448.3	421.5	259.6	246.4	66.1	65.6
Remaining global terminal operators	87.0	82.6	50.0	48.9	12.9	12.9
Total	**535.3**	**504.1**	**309.6**	**295.3**	**79.0**	**78.5**

(1) Figures include throughput for all terminals in which 10 per cent. or more shareholding was held as of 31 December 2013 or 2014 (as applicable).

(2) Equity adjusted throughput is determined by multiplying the gross throughput of a particular container terminal by the relevant terminal operator's economic interest in such terminal.

(3) Includes Cosco Container Lines and Cosco Pacific.
(4) Figures as reported by Drewry.
(5) Eurogate is amongst the ten largest global terminal operators measured in gross throughput (but not when measured in equity-adjusted throughput).
(6) Evergreen is amongst the ten largest global terminal operators measured in equity-adjusted throughput (but not when measured in gross throughput).

Drewry divides global terminal operators into three broad categories:

- ***Global stevedores*** – these are companies whose primary business is port operations and that view terminals as profit centres;

- ***Global carriers*** – these are companies whose main business is container shipping, but which have investments in container terminals to support this core activity and that often run terminals as cost centres; and

- ***Global hybrids*** – these are companies where the main activity, or that of the parent group, is container shipping, but which have established separate terminal operating business units that handle a significant amount of third party business, as well as in-house traffic.

Of the top ten largest terminal operators by gross throughput, Drewry considers seven to be global stevedores (comprised of Hutchison Port Holdings, APM Terminals, PSA International, the Group, Terminal Investment Limited, China Merchants Holding International and Eurogate); one to be global carrier (Hanjin); and two to be global hybrids (comprised of Cosco and China Shipping Terminal Development).

Ownership and Operating Structures

Container terminals operate under a number of different ownership and operating structures, which can vary by region. The various ownership models are summarised in the table below:

Mode of Ownership	Land area	Terminal infrastructure	Terminal superstructure (cranes/yard equipment)	Quayside operations	Landslide operations	Example
100 per cent. state owned and operated	State owned	Owned and constructed by port authority	State owned	Port authority	Port authority	Haifa (Israel), Durban (South Africa)
"Suitcase" stevedores	State owned	Owned and constructed by port authority	State owned	Private stevedores (common-berths)	Port authority	Shuwaikh (Kuwait)
Leased terminal	State owned	Owned and constructed by port authority	Privately owned or rented from port authority	Terminal operator	Terminal operator	Oakland Container Terminal (USA), ECT (Rotterdam)
Concession agreement	State owned	Owned and constructed by port authority	Privately owned	Terminal operator	Terminal operator	Port 2000, Le Havre (France), Santos Brasil (Brazil)
BOT concession	State owned	Owned and constructed by port authority	Privately owned	Terminal operator	Terminal operator	Laem Chabang Port (Thailand), JNPT (India)
100 per cent. privately owned	Privately owned	Privately owned	Privately owned	Terminal operator	Terminal operator	Teesport (U.K.), Liverpool (U.K.)

Source: DP World, developed from Drewry's Global Container Terminal Operators Annual Review and Forecast 2015.

A large number of countries around the world still operate under the state owned model, whereby the port land remains the property of the state and an operator has varying degrees of rights and obligations. In the U.K., most container terminals are 100 per cent. privately owned, although this is a relatively rare structure. Conversely, in the United States, container terminal operators will usually lease the terminal infrastructure and equipment from the state.

Concession agreements have traditionally been used in developed economies, but in recent years have started to be used as a privatisation vehicle for emerging economies. Typical concession terms include: royalty fees as a percentage of revenue and/or volume; up-front payment and/or commitment to make capital expenditure; nominal rent per hectare or per meter; and 25 to 50 year duration. Based on its experience, the Group would expect that incumbent operators will typically be granted concession renewal, often because it can be costly, both administratively and due to initial inexperience or inefficiency of a new operator, for a port owner to switch operators.

The trend towards privatisation and build-operate-transfer ("**BOT**") schemes discussed above has been driven largely by governments attempting to fund much-needed container port development projects in order to improve the trade competitiveness of their respective countries. Drewry's Global Container Terminal Operators Annual Review and Forecast 2015 estimates that the proportion of global throughput handled at state owned and state-run terminals was approximately 30.0 per cent. in 2014. If certain terminal operators which are ultimately state owned but operate more like private companies (such as PSA International and the Group) are excluded, then the proportion of global throughput attributable to state-run terminals would be further reduced to approximately 10.0 per cent. in 2014. Privatisation and BOT initiatives are aimed specifically at expanding quay length and yard area to increase throughput capacity, increasing port efficiency by adding container handling equipment and implementing technological improvements.

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 Trustee and the Issuing and Paying Agent (as defined in the Conditions).

Master Purchase of Services Agreement, as supplemented by the relevant Supplemental Purchase of Services Agreement

The Master Purchase of Services Agreement will be entered into on 9 May 2016 between the Trustee (as purchaser) and the Company (as seller, in such capacity the "**Seller**"). The Trustee and the Seller will subsequently enter into a Supplemental Purchase of Services Agreement on the Issue Date of each Series of Certificates (together, the "**Purchase of Services Agreement**"). The Master Purchase of Services Agreement and each Supplemental Purchase of Services Agreement will be governed by English law.

Pursuant to the relevant Purchase of Services Agreement, on the Issue Date of each Series of Certificates, the Seller will sell to the Trustee and the Trustee will purchase from the Seller: (i) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Allotted Throughput Services**") which will be made available to the Trustee with effect from the first day of each period identified in the schedule to the relevant Supplemental Purchase of Services Agreement until the last day of each such period (each such period a "**Distribution Period**"); (ii) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Additional Throughput Services**") which will be made available to the Trustee with effect from the first day of the last Distribution Period identified in the schedule to the relevant Supplemental Purchase of Services Agreement until the last day of such Distribution Period; and (iii) if applicable to a Series, certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Further Throughput Services**") which will be made available to the Trustee with effect from the first day of each further period occurring after the relevant Scheduled Dissolution Date (each such further period being a "**Further Period**") identified in the schedule to the relevant Supplemental Purchase of Services Agreement until the last day of such Further Period, in each case, out of the Company's available capacity and from the relevant ports of the Company (the "**Relevant Ports**") identified in the relevant Supplemental Purchase of Services Agreement, in consideration for payment of a purchase price equal to the proceeds of issuance of the relevant Series of Certificates.

Further Throughput Services will only be required for a Series where the operating capacity of DP World in respect of Throughput Services from the Relevant Ports in the final period ending on the Scheduled Dissolution Date of a Series is not sufficient to cover the number of TEUs that would be required to be sold in that period in order to redeem all of the Certificates of that Series in whole (together with any accrued Periodic Distribution Amounts).

Service Agency Agreement

The Service Agency Agreement will be entered into on 9 May 2016 between the Trustee (as principal) and the Company (as service agent, in such capacity, the "**Service Agent**"). The Service Agent and the Trustee shall enter into a services plan (each a "**Services Plan**") on the Issue Date of each Series. The Service Agency Agreement will be governed by English law.

Under the terms of the Service Agency Agreement the Trustee will, in relation to each Series of Certificates, appoint the Company as its Service Agent to provide certain services (the "**Services**") from the Issue Date of that Series to the date on which the Certificates of that Series have been redeemed in full (the "**Services Period**"). In particular, in respect of each Series, the Service Agent undertakes to provide, or procure the provision of, amongst other services more particularly specified in the Service Agency Agreement, the following Services:

(a) it shall, exclusively for and on behalf of the Trustee, in respect of each Distribution Period of a Series, sell the relevant Allotted Throughput Services for container handling services delivered during the same Distribution Period in the number specified for the relevant Distribution Period in the relevant Services Plan at a price at least equal to the applicable minimum sale price (in respect of each TEU) specified in the relevant Services Plan (the "**Minimum Sale Price**"), which shall be calculated by applying the relevant Profit Rate to the acquisition cost per TEU (as specified in the relevant Supplemental Purchase of Services Agreement);

(b) if the Service Agent:

(i) fails to sell all of the Allotted Throughput Services in respect of a Distribution Period; and/or

(ii) sells all or a portion of the Allotted Throughput Services for less than the relevant Minimum Sale Price in respect of a Distribution Period,

it shall notify the Trustee in writing in accordance with the Service Agency Agreement, in each case by no later than the date falling five (5) Business Days prior to the end of the Distribution Period to which such Allotted Throughput Services relate specifying:

(A) in the case of paragraph (i) above, the number of Allotted Throughput Services that were not sold during the relevant Distribution Period (such unsold Allotted Throughput Services being the "**Surplus Allotted Throughput Services**"); and/or

(B) in the case of paragraph (ii) above, the Sales Shortfall determined in the manner described below,

and in connection therewith the Service Agent undertakes that it will not, following a notification in accordance with this paragraph (b), sell any further Allotted Throughput Services in respect of the Distribution Period to which such notification relates; and

(c) it shall monitor, and keep an internal record of, the aggregate Allotted Throughput Services held by the Trustee or by the Company on its behalf in respect of a Series that have not been sold to end customers pursuant to the provisions of the Service Agency Agreement or to the Company pursuant to the other Transaction Documents (the "**Outstanding Throughput Services**") and all amounts credited to the relevant Collection Account and Reserve Account (each as defined below), in each case from time to time.

The Service Agent agrees, in relation to each Series, that if in respect of any Distribution Period under that Series any Allotted Throughput Services are sold for less than the relevant Minimum Sale Price, (the difference between (a) the sum of: (i) the aggregate amounts received by the Service Agent (in any capacity) in whatever currency in respect of or otherwise in connection with the sale of the relevant Allotted Throughput Services (the "**Sales Proceeds**"); and (ii) the amounts standing to the credit of the Collection Account (if any); and (b) the aggregate of the Minimum Sale Price for such Allotted Throughput Services being referred to as the "**Sales Shortfall**"), the Service Agent will pay to the Trustee out of the Reserve Account (or, if the amounts standing to the credit of the Reserve Account are not sufficient after re-crediting any amounts previously deducted as required pursuant to the terms of the Service Agency Agreement, the Service Agent will pay to the Trustee by way of indemnity on an after tax basis) the Sales Shortfall and shall ensure that an amount in cash equal to such Sales Shortfall is paid into the Transaction Account by no later than the immediately following Distribution Determination Date (as defined in the Service Agency Agreement) (or, if earlier, by no later than the Business Day immediately preceding the Dissolution Date or Partial Dissolution Date) to ensure that the Trustee receives on each Distribution Determination Date the Required Amount (as defined below) payable by it in accordance with the Conditions on the immediately following Periodic Distribution Date (or, as the case may be, all such amounts as are required to be paid on the Dissolution Date or Partial Dissolution Date in respect of such Certificates).

In relation to each Series, the Service Agent will on the relevant Issue Date create and thereafter maintain two ledger accounts as internal records (such accounts being referred to as the "**Collection Account**" and the "**Reserve Account**") each of which shall be denominated in the Specified Currency of the relevant Series and shall maintain and operate each such account for the relevant Services Period. An amount equal to all Sales Proceeds in relation to each Series will be recorded in the relevant Collection Account as and when received.

The Service Agent will procure the application of the amounts standing to the credit of the Collection Account of each Series on each Distribution Determination Date in respect of that Series and on the Business Day immediately preceding each Dissolution Date in the following order of priority:

(a) *first*:

(i) in respect of such Distribution Determination Date, in payment into the Transaction Account (as defined in the Service Agency Agreement of the Required Amount payable on the immediately following Periodic Distribution Date; or

(ii) in respect of a Dissolution Date, an amount equal to any shortfall between the amounts standing to the credit of the Transaction Account on the Business Day immediately preceding such Dissolution Date and the amount required to redeem the Certificates of the relevant Series in full,

or, in each case, such lesser amount as is then standing to the credit of the Collection Account; and

(b) *second*, for credit to the Reserve Account.

For these purposes, "**Required Amount**" means, in relation to each Series, and each Periodic Distribution Date under that Series:

(a) in relation to a Periodic Distribution Date which is not also the Scheduled Dissolution Date of that Series, an amount equal to the Periodic Distribution Amounts payable by the Trustee in respect of the relevant Certificates on the Periodic Distribution Date; and

(b) in relation to a Periodic Distribution Date which is also the Scheduled Dissolution Date of that Series, an amount equal to the Final Dissolution Amount payable by the Trustee in respect of the relevant Certificates on the relevant Scheduled Dissolution Date,

in each case, less such amount as is standing to the credit of the Transaction Account and available for the purposes of making a payment to Certificateholders on the relevant Periodic Distribution Date or the Scheduled Dissolution Date, as the case may be.

Amounts standing to the credit of the Reserve Account of each Series shall be applied by the Service Agent as follows:

(a) if on a Distribution Determination Date relating to that Series (after (i) payment of an amount equal to the amounts standing to the credit of the Collection Account into the Transaction Account in accordance with the paragraph above and (ii) taking into account any other payments made or to be made into the Transaction Account pursuant to any other Transaction Document) there is a shortfall between (a) the amounts standing to the credit of the Transaction Account and (b) the Periodic Distribution Amounts or Final Dissolution Amount, as applicable payable on the immediately following Periodic Distribution Date (each a "**Shortfall**")), by paying into the Transaction Account on that Distribution Determination Date an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Reserve Account, after the re-credit to the Reserve Account of all amounts (if any) that were previously deducted by and used for the account of the Service Agent in accordance with the Service Agency Agreement);

(b) the Service Agent will be entitled to deduct amounts standing to the credit of the Reserve Account at any time during the relevant Services Period and use such amounts for its own account, provided that it shall re-credit all such amounts to the Reserve Account if so required to fund a Shortfall in accordance with paragraph (a) above or a Sales Shortfall; and

(c) following payment in full of all amounts due and payable under the Certificates of a Series on the relevant Dissolution Date, the Service Agent shall be entitled to retain (i) any amounts deducted pursuant to paragraph (b) above (and not re-credited to the relevant Reserve Account as contemplated by paragraph (b) above) and (ii) any amounts that remain standing to the credit of the relevant Reserve Account on such date for its own account as a final incentive fee for acting as Service Agent in relation to the relevant Series (each an "**Incentive Payment**").

If, in relation to a Series:

(a) the Trustee or the Delegate has delivered an Exercise Notice pursuant to clause 3.1.1 of the Purchase Undertaking;

(b) the Trustee has delivered an Exercise Notice pursuant to clause 3.1.2 of the Purchase Undertaking;

(c) the Trustee has delivered an Exercise Notice pursuant to clause 3.1.5 of the Purchase Undertaking; or

(d) the Trustee has delivered an Exercise Notice pursuant to clause 3.1.6 of the Purchase Undertaking,

the Company shall, to the extent that the relevant Throughput Services are available, purchase such Throughput Services in accordance with the Purchase Undertaking and:

(i) on the Dissolution Event Redemption Date (in the case of paragraph (a) above) or the relevant Distribution Determination Date (in the case of paragraph (b) above) or the Scheduled Dissolution Date (in the case of paragraph (c) above) or the Payment Default Redemption Date (in the case of paragraph (d) above), immediately credit the relevant Exercise Price, Sale Exercise Price, Further Exercise Price or Payment Default Exercise Price (each as defined below), as the case may be, to the relevant Collection Account; and

(ii) immediately following the credit referred to in paragraph (i) above being made to the Collection Account:

(A) (in the case of paragraph (a) above), debit an amount equal to the Relevant Amount from the Collection Account and pay a cash sum equal to the Relevant Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) for the purposes of redemption of the outstanding Certificates in full in accordance with the Conditions on the Dissolution Event Redemption Date;

(B) (in the case of paragraph (b) above), debit an amount equal to the Required Amount from the Collection Account and pay a cash sum equal to the Required Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of this Agreement) for the purposes of paying all amounts due and payable to Certificateholders in accordance with the Conditions on the relevant Periodic Distribution Date or, as the case may be, the Scheduled Dissolution Date;

(C) (in the case of paragraph (c) above), debit an amount equal to the Required Amount from the Collection Account and pay a cash sum equal to the Required Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of this Agreement) for the purposes of redemption of the outstanding Certificates in full in accordance with the Conditions on the relevant Scheduled Dissolution Date; or

(D) (in the case of paragraph (d) above), as required, debit an amount equal to the Payment Default Amount (as defined below) from the Collection Account and pay a cash sum equal to the Payment Default Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of this Agreement) for the purposes of paying all amounts due and payable to Certificateholders in accordance with the Conditions.

For these purposes:

"**Relevant Amount**" means, in relation to each Series, in relation to an exercise of the Trustee's right pursuant to clause 3.1.1 of the Purchase Undertaking, an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the relevant Certificates; and

(b) an amount equal to the product of (a) above, the Profit Rate and the Day Count Fraction (for the purposes of which the Day Count Fraction will be applied to the period from and including the Periodic Distribution Date preceding the date of the Exercise Notice on which the Periodic Distribution Amount due on the Certificates was paid in full to but excluding the date on which all amounts required to redeem the Certificates in full are actually transferred to the Transaction Account in full);

less such amount as is standing to the credit of the Transaction Account and available for the purposes of making a payment to Certificateholders on the Dissolution Event Redemption Date.

"**Payment Default Amount**" means, in relation to each Series, in relation to an exercise of the Trustee's right pursuant to clause 3.1.6 of the Purchase Undertaking, an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the relevant Certificates; and

(b) an amount equal to the product of (a) above, the Profit Rate and the Day Count Fraction (for the purposes of which the Day Count Fraction will be applied to the period from and including the Periodic Distribution Date preceding the date of the Exercise Notice on which the Periodic Distribution Amount due on the Certificates was paid in full to but excluding the date on which all amounts required to redeem the Certificates in full are actually transferred to the Transaction Account in full);

less such amount as is standing to the credit of the Transaction Account and available for the purposes of making a payment to Certificateholders on the date on which the Payment Default Amount is to be credited to the Transaction Account in accordance with the Service Agency Agreement.

The Service Agent and the Trustee have agreed in the Service Agency Agreement that the Additional Throughput Services and, if applicable, the Further Throughput Services of any Series shall not be permitted to be sold by the Service Agent and shall only be available for sale by the Trustee to the Company pursuant to, and in accordance with, the Purchase Undertaking. Following redemption of the Certificates of a Series in whole but not in part on the Scheduled Dissolution Date (or, if earlier, any Change of Control Full Put Date, Tax Redemption Date, Optional Dissolution Call Date, Optional Dissolution Put Date, Dissolution Event Redemption Date or any date on which all of the Certificates of that Series are cancelled in accordance with the Conditions), in each case as provided in the Conditions, to the extent that the Additional Throughput Services relating to that Series have not been sold to the Company pursuant to a Purchase Undertaking Sale Agreement (as defined herein) such Additional Throughput Services shall be immediately transferred to the Service Agent by the Trustee (without the need for any further formality) as a performance incentive in kind.

All payments by the Service Agent to the Trustee shall be made net of Taxes (as defined in the Service Agency Agreement), where the withholding or deduction of the Taxes is required by law. In such event, and/or if additional amounts are payable by the Trustee in respect of the Certificates in accordance with Condition 11 (*Taxation*), the Service Agent will pay such Taxes and/or amounts equal to such additional amounts by payment to the Transaction Account in the Specified Currency by wire transfer for same day value so that the full amount which otherwise would have been due and payable to the Trustee, and/or which otherwise would have been due and payable under the Certificates, is received by the Trustee.

Purchase Undertaking

The Company will enter into a purchase undertaking (the "**Purchase Undertaking**") on 9 May 2016 in favour of the Trustee and the Delegate, which will be governed by English law.

Under the terms of the Purchase Undertaking, in relation to each Series, the Company irrevocably undertakes to purchase from the Trustee:

(a) all of the Outstanding Throughput Services, the Additional Throughput Services and, if applicable, the Further Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the Dissolution Event Redemption Date in respect of the relevant Series, in each case, at the relevant Exercise Price;

(b) the relevant Surplus Allotted Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on any Distribution Determination Date, at the relevant Sale Exercise Price;

(c) the relevant Change of Control Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Change of Control Put Option Date (where the Change of Control Put Option has been exercised in respect of some (but not all) of the Certificates of the relevant Series) or, as applicable, the relevant Change of

Control Full Put Date (where the Change of Control Put Option has been exercised in respect of all of the Certificates of the relevant Series), in each case at the relevant Change of Control Exercise Price;

(d) the relevant Optional Dissolution (Put Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the Optional Dissolution Partial Put Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Series) or, as applicable, the Optional Dissolution Put Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of all of the Certificates of the relevant Series), in each case, at the relevant Optional Dissolution (Put Option) Exercise Price; and

(e) the Further Throughput Services (if any) (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Scheduled Dissolution Date at the relevant Further Exercise Price; and

(f) the Additional Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Payment Default Redemption Date (as defined in the Purchase Undertaking) at the relevant Payment Default Exercise Price,

in each case, by the Trustee delivering an Exercise Notice to the Company in accordance with the terms of the Purchase Undertaking. Following payment of the relevant amounts in accordance with the terms of the Purchase Undertaking, the Company and the Trustee shall enter into a sale agreement in the form scheduled to the Purchase Undertaking (a "**Purchase Undertaking Sale Agreement**").

All payments by the Company under the Purchase Undertaking and any Purchase Undertaking Sale Agreement must be made free and clear of, and without any deduction or withholding for, any Taxes (as defined in the Purchase Undertaking) unless required by law and without set-off or counterclaim of any kind and, if there is any such deduction or withholding, the Company undertakes that it 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 and accordingly the Company undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed thereunder.

For the purposes of this section:

"**Change of Control Exercise Price**" means, in relation to each Series and the exercise of a Change of Control Put Option under that Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Change of Control Put Option plus all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Change of Control Throughput Services**" means, in relation to each Series and the exercise of a Change of Control Put Option under that Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Change of Control Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Exercise Notice.

"**Exercise Price**" means, in relation to each Series, an amount in the Specified Currency of that Series equal to the product of (a) the aggregate of the Outstanding Throughput Services, Additional Throughput Services and, if applicable to a Series, Further Throughput Services (in each case measured in TEUs) (determined as at the Dissolution Event Redemption Date) and (b) the Minimum Sale Price for that Series.

"**Further Exercise Price**" means, in relation to each Series and any Further Throughput Services thereunder, an amount in the Specified Currency of that Series equal to the product of (a) the relevant Further Throughput Services and (b) the Minimum Sale Price for that Series.

"**Optional Dissolution (Put Option) Exercise Price**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Put Option) under that Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional Dissolution Right (Put Option) plus all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Optional Dissolution (Put Option) Throughput Services**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Put Option) under that Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Put Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Exercise Notice.

"**Payment Default Exercise Price**" means, in relation to each Series, an amount in the Specified Currency of that Series equal to the product of (a) the relevant Additional Throughput Services (measured in TEUs) and (b) the Minimum Sale Price for that Series.

"**Sale Exercise Price**" means, in relation to each Series and any Surplus Allotted Throughput Services thereunder, an amount in the Specified Currency of that Series equal to the product of (a) the relevant Surplus Allotted Throughput Services and (b) the Minimum Sale Price for that Series.

Sale Undertaking

The Trustee will enter into a sale undertaking (the "**Sale Undertaking**") on 9 May 2016 in favour of the Company, which will be governed by English law.

Under the terms of the Sale Undertaking, in relation to each Series, the Trustee irrevocably undertakes to sell or transfer (as applicable) to the Company:

(a) the Outstanding Throughput Services and, if applicable, the Further Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Tax Redemption Date at the relevant Exercise Price;

(b) the Optional Dissolution (Call Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Optional Dissolution Partial Call Date (where the Optional Dissolution Right (Call Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Series) or, as applicable, the relevant Optional Dissolution Call Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of all of the Certificates of the relevant Series), in each case, at the Optional Dissolution (Call Option) Exercise Price; and

(c) the Cancellation Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on any Cancellation Date, in consideration for cancellation of any Certificates of a Series that have been purchased by the Company or any of its Subsidiaries (the "**Cancellation Certificates**"),

in each case, by the Company delivering an Exercise Notice to the Trustee in accordance with the terms of the Sale Undertaking. Following payment of the relevant amounts in accordance with the terms of the Sale Undertaking (in respect of paragraphs (a) and (b) above), the Company and the Trustee shall enter into a sale agreement in the form scheduled to the Sale Undertaking (a "**Sale Undertaking Sale Agreement**"). The transfer of the Cancellation Throughput Services (in respect of paragraph (c) above) (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) to the Company shall occur by the entry into of a transfer agreement between the Company and the Trustee.

For the purposes of this section:

"**Cancellation Throughput Services**" means, in relation to each Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing (a) the aggregate face amount of the relevant Cancellation Certificates plus all due but unpaid Periodic Distribution Amounts relating to such Cancellation Certificates by (b) the Minimum Sale Price (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service).

"**Exercise Price**" means, in relation to each Series, an amount in the Specified Currency of that Series equal to the sum of (i) the aggregate outstanding face amount of the Certificates of that Series and (ii) all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Optional Dissolution (Call Option) Exercise Price**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Call Option) under that Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional Dissolution Right (Call Option) plus all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Optional Dissolution (Call Option) Throughput Services**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Put Option) under that Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Call Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Exercise Notice.

The Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust

A master declaration of trust (the "**Master Declaration of Trust**") will be entered into on 9 May 2016 between the Company, the Trustee and the Delegate and is governed by English law. A Supplemental Declaration of Trust between the same parties shall be entered into on the Issue Date of each Series of Certificates and shall also be governed by English law.

Upon the issue of one or more Global Certificates initially representing the Certificates of any Series, the Master Declaration of Trust and the relevant Supplemental Declaration of Trust (together, the relevant "**Declaration of Trust**") shall together constitute the Trust declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Certificates shall comprise: (i) the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents; (ii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to the relevant Purchase of Services Agreement and which remain to be sold pursuant to the Service Agency Agreement (and the relevant Services Plan for such Series) and, if applicable, the Purchase Undertaking or the Sale Undertaking (as the case may be); (iii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); and (iv) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of the foregoing which are held by the Trustee upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the relevant Declaration of Trust.

Pursuant to the relevant Declaration of Trust, the Trustee will, in relation to each Series of Certificates, *inter alia*:

(a) hold the relevant Trust Assets on trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates of that Series held by each Certificateholder, in accordance with the provisions of the relevant Declaration of Trust;

(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 relevant Declaration of Trust.

The Trustee has irrevocably and unconditionally appointed the Delegate (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) to: (i) execute, deliver and perfect all documents; (ii) exercise all of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by the relevant Declaration of Trust that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event, exercise all of the rights of the Trustee under the Purchase Undertaking, the Service Agency Agreement and any of the other Transaction Documents; and (iii) make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the relevant Declaration of Trust (the foregoing being the "**Delegation**" of the "**Relevant Powers**"), **provided that**: (a) no obligations, duties, Liabilities or covenants of the Trustee pursuant to the relevant Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of the delegation; (b) in no circumstances will such Delegation result in the Delegate holding on trust the Trust Assets; and (c) the Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to dissolve any of the trusts constituted by a Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. 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. The appointment of such Delegate is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

In addition to the Delegation of the Relevant Powers, certain powers under the Master Declaration of Trust have been vested solely in the Delegate, including, *inter alia*, the power to determine the occurrence of a Dissolution Event or Potential Dissolution Event, the power to waive or authorise a breach of an obligation or determine that a Dissolution Event shall not be treated as such and the power to consent to certain types of amendments to the Transaction Document.

The Master Declaration of trust specifies, *inter alia*, that:

(i) following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Certificate to the Certificateholders in accordance with the Conditions and the relevant Declaration of Trust, neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the Certificateholders may not take any action against the Trustee, the Delegate or any other person to recover any such sum or asset of the relevant Certificates or the relevant Trust Assets;

(ii) no Certificateholder shall be entitled to proceed directly against the trustee or the Company under any Transaction Document to which either of them is a party unless the Delegate fails to do so within a reasonable period of becoming so bound 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 relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Company shall be to enforce their respective obligations under the Transaction Documents to which each is a party; and

(iii) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the relevant Trust Assets or take any action against the Trustee and/or the Company under any Transaction Document to which either the Trustee and/or the Company is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding and in either case then only if it is 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, and provided that the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

The foregoing sub-paragraphs are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the relevant 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 relevant Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the relevant Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

The Company undertakes to the Delegate that, if any amount payable by the Company to the Delegate pursuant to any Transaction Document is not recoverable from the Company for any reason whatsoever or the Trustee or any Certificateholder suffers any cost, expense or loss as a result of the Trustee's holding of the relevant Trust Asset, which cost, expense or loss is not recoverable under any Transaction Document, then the Company will indemnify the Delegate against all losses, claims, costs, charges and expenses, excluding the costs of funding the same, to which it may be subject or which it may incur under or in respect of the Transaction Documents.

Agency Agreement

Pursuant to an agency agreement (the "**Agency Agreement**") entered into on or about the date of this Base Prospectus between, amongst others, the Trustee, the Company and the Issuing and Paying Agent, provision will be made for, *inter alia*, payment of all sums due in respect of the Certificates.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Clearstream, Luxembourg or Euroclear (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Trustee, the Company, the Delegate nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry

Systems DTC

DTC is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "**clearing agency**" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Certificates among Direct Participants on whose behalf it acts with respect to Certificates accepted into DTC's book-entry settlement system ("**DTC Certificates**") as described below and receives and transmits distributions of Dissolution Amounts and Periodic Distribution Amounts on DTC Certificates. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Certificates ("**Owners**") have accounts with respect to the DTC Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Certificates through Direct Participants or Indirect Participants will not possess Certificates, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Certificates.

Purchases of DTC Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Certificates on DTC's records. The ownership interest of each actual purchaser of each DTC Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Certificates, except in the event that use of the book-entry system for the DTC Certificates is discontinued.

To facilitate subsequent transfers, all DTC Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Certificates unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Dissolution Amounts and Periodic Distribution Amounts on the DTC Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Dissolution Amounts and Periodic Distribution Amounts to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is a Dissolution Event under the Certificates, DTC will exchange the DTC Certificates for definitive Registered Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Certificate, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Certificates purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Certificates by causing the Direct Participant to transfer the Participant's interest in the DTC Certificates, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Certificates to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Certificates at any time by giving reasonable notice to the Trustee or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Certificates are required to be printed and delivered.

The Trustee may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Certificates to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Certificates, will be required to withdraw its Certificates from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-Entry Ownership and Payment in Respect of DTC Certificates

The Trustee may apply to DTC in order to have any Series of Certificates represented by a Global Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Certificate (as defined herein), the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of any amount in respect of a Global Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Certificate. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Certificate in the currency in which such payment was made and/or (where an election to receive payment in the Specified Currency has not been made) cause all or a portion of such payment to be converted into U.S. dollars and the proceeds of such conversion (net of all applicable costs of exchange) shall be credited to the applicable Participants' account(s).

For all foreign exchange ("**FX**") transactions, the Exchange Agent or the Issuing and Paying Agent, as the case may be, shall utilise Deutsche Bank AG or its affiliates (collectively "**DBAG**") to effect such conversion by entering into an FX transaction. The Exchange Agent or the Issuing and Paying Agent, as the case may be, (through DBAG), when entering into an FX transaction, will be acting in a principal capacity, and not as agent, fiduciary or broker, and may hold positions for its own account that are the same, similar, different or opposite to the positions of its customers. When the Exchange Agent or the Issuing and Paying Agent, as the case may be, seeks to execute an FX transaction to accomplish such conversion, the Exchange Agent or the Issuing and Paying Agent, as the case may be, is utilising DBAG as a global dealer in FX for a full range of FX products and, as a result, the rate obtained in connection with any requested foreign currency conversion may be impacted by DBAG executing FX transactions for its own account or with another customer. In addition, in order to source liquidity for any FX transaction relating to the purchase of U.S. dollars with the Specified Currency, DBAG may internally share economic terms relating to the relevant FX transaction with persons acting in a sales or trading capacity for DBAG or one of its agents. Conversions shall be effected in a commercially reasonable manner, similar to that which is effected by DBAG in comparable transactions as principal for other similarly-situated customers. In no event shall the Trustee, DP World, the Exchange Agent (or the Issuing and Paying Agent, as the case may be) or DBAG be liable to the Certificateholders or any other party for the conversion rate so obtained.

The Trustee expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Trustee also expects that payments by Participants to beneficial owners of Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Issuing and Paying Agent, the Paying Agent, the Registrar or the Trustee. Payment of Dissolution Amounts and Periodic Distribution Amounts on Certificates to DTC is the responsibility of the Trustee.

Transfers of Certificates Represented by Global Certificates

Transfers of any interests in Certificates represented by a Global Certificate within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Certificates represented by a Global Certificate to such persons may depend upon the ability to exchange such Certificates for Certificates in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Certificates represented by a Global Certificate accepted by DTC to pledge such Certificates to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Certificates may depend upon the ability to exchange such Certificates for Certificates in definitive form. The ability of any holder of Certificates represented by a Global Certificate accepted by DTC to resell, pledge or otherwise transfer such Certificates may be impaired if the proposed transferee of such Certificates is not eligible to hold such Certificates through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Certificates described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent, the Paying Agent and any custodian ("**Custodian**") with whom the relevant Global Certificates have been deposited.

On or after the Issue Date for any Series, transfers of Certificates of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Certificates of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Registrars, the Issuing and Paying Agent, the Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Clearstream, Luxembourg or Euroclear accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Trustee, the Company, the Delegate, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Certificates represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

The following is a general description of certain United Arab Emirates, Cayman Islands, United States and European Union tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere. It is not intended and does not constitute tax advice or legal opinion. Prospective purchasers of Certificates are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Certificates, including, but not limited to, the consequences of receipt of payments under the Certificates and their disposal or redemption. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any changes in law that might take effect after such date.

United Arab Emirates (excluding the Dubai International Financial Centre)

The following summary of the anticipated tax treatment in the UAE in relation to the payments on the Certificates is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Certificates and the receipt of any payments with respect to such Certificates under the laws of the jurisdictions in which they may be liable to taxation.

There is currently in force in the Emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and 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 under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by the Company under any Transaction Document to which it is party, the Company has undertaken 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 Company has undertaken to pay such additional amounts to the Trustee to enable it to discharge such obligation.

The Constitution of the UAE specifically reserves to the UAE government the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

As at the date of this Base Prospectus, the UAE does not impose VAT on the sale of goods or services. However, there is a possibility that this situation will not continue. On 24 February 2016, the UAE Minister of State for Financial Affairs announced that, pursuant to a GCC-wide framework agreement on the implementation of VAT, the UAE will implement VAT at the rate of 5 per cent. from 1 January 2018. The GCC-wide framework agreement for VAT and the UAE national legislation implementing this framework agreement have yet to be made available and no details of the regime, including whether or not it will apply to companies located in a free zone, such as the Company, have been released.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

Dubai International Financial Centre

Pursuant to Article 14 of Law No. (9) of 2004 in respect of the Dubai International Financial Centre (the "**DIFC Law**"), entities licensed, registered or otherwise authorised to carry on financial services in the Dubai International Financial Centre and their employees shall be subject to a zero rate of tax for a period of 50 years from 13 September 2004. This zero rate of tax applies to income, corporation and capital gains tax. In addition, this zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the Dubai International Financial Centre. Article 14 of the DIFC Law also provides that it is possible to renew the 50 year period to a similar period upon issuance of a resolution by the Ruler of Dubai. As a result no payments by the Trustee under the Certificates or payments by the Company under any Transaction Document are subject to any tax in the Dubai International Financial Centre, whether by withholding or otherwise.

Cayman Islands

Under existing Cayman Islands laws payments on the Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding under Cayman Islands law will be required on the payment 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 tax or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. The Trustee has applied for and expects to receive, from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law of the Cayman Islands, an undertaking that for a period of twenty years from the date of the grant of the undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations 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 includes the Certificates) of the Trustee or by way of the withholding in whole or in part of any relevant payment. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. However, an instrument transferring title to such Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Registrar of Companies in the Cayman Islands which is calculated by reference to the nominal amount of the Trustee's authorised share capital. At current rates, this annual registration fee is approximately US$ 854. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

United States Federal Income Taxation

The following summary discusses certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Certificates. Except as specifically noted below, this discussion applies only to:

- Certificates purchased on original issuance at their issue price (as defined below);
- Certificates held as capital assets;
- U.S. Holders (as defined below); and
- Certificates with an original maturity of 30 years or less.

This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances or to U.S. Holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- tax-exempt organisations;
- dealers in securities or currencies;
- persons holding Certificates as part of a hedging transaction, straddle, conversion transaction or other integrated transaction;
- U.S. Holders whose functional currency is not the U.S. dollar;

- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes; or
- former citizens and residents of the United States.

This summary is based on the Internal Revenue Code of 1986, as amended, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations all as of the date of this Prospectus and any of which may at any time be repealed, revised or subject to differing interpretation, possibly retroactively so as to result in U.S. federal income tax consequences different from those described below. Persons considering the purchase of the Certificates should consult the relevant Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) for any additional discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under other U.S. federal tax rules (such as the Medicare contribution tax and the alternative minimum tax), the laws of any state, local or non-U.S. taxing jurisdiction.

This summary does not discuss Certificates that by their terms may be retired for an amount less than their principal amount and Certificates subject to special rules. U.S. Holders should consult their tax advisors regarding the tax consequences with respect to the acquisition, ownership and disposition of Certificates.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Certificate that is for U.S. federal income tax purposes:

- an individual that is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States or of any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if: (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) the trust has validly elected to be treated as a United States person for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Certificates, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of such entities or arrangements holding Certificates should consult with their tax advisors regarding the U.S. federal tax consequences of an investment in the Certificates.

Classification of the Certificates

The Company and the Trustee intend to treat the Certificates as representing a beneficial interest in indebtedness for US federal income tax purposes and each holder and beneficial owner of a Certificate, by acceptance of such Certificate or a beneficial interest therein, will likewise agree to treat the Certificates as representing a beneficial interest in indebtedness for such purposes. This treatment is not binding on the US Internal Revenue Service (the "**IRS**") and no ruling will be sought from the IRS regarding this or any other aspect of the tax treatment of the Certificates. It is possible that the IRS could successfully argue that the Certificates should be treated as equity interests in a partnership for US federal income tax purposes. Prospective investors should seek advice from their own tax advisors as to the consequences to them of alternative characterisations of the Certificates. The remainder of this discussion assumes that the Certificates represent a beneficial interest in indebtedness for US federal income tax purposes.

Payments of Stated Interest

Interest paid on a Certificate will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the Holder's method of accounting for U.S. federal income tax purposes, **provided that** the interest is "qualified stated interest" (as defined below). Interest income (including original issue discount, as discussed below) earned by a U.S. Holder with respect to a Certificate will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the Holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Certificates and foreign currency Certificates are described under "– *Original Issue Discount*," "– *Contingent Payment Debt Instruments*," and "– *Foreign Currency Certificates*."

Original Issue Discount

A Certificate that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued with original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Certificate**") unless the Certificate satisfies a *de minimis* threshold (as described below). The "issue price" of a Certificate generally will be the first price at which a substantial amount of the Certificates are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Certificate generally will equal the sum of all payments required to be made under the Certificate other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the Company) at least annually during the entire term of the Certificate at a single fixed rate of interest, at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Certificate is denominated.

If the difference between a Certificate's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., one-quarter of one per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity), the Certificate will not be considered to have original issue discount. U.S. Holders of the Certificates with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Certificate.

U.S. Holders of original issue discount Certificates that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any particular Certificate (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest, and generally may revoke such election (a "**constant yield election**") only with the permission of the IRS. If a U.S. Holder makes a constant yield election with respect to a Certificate with market discount (discussed below), the U.S. Holder will be treated as having made an election to include market discount in income currently over the life of all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies. U.S. Holders should consult their tax advisors about making this election in light of their particular circumstances.

A Certificate that matures one year or less from its date of issuance (a "**short-term Certificate**") will be treated as being issued at a discount and none of the interest paid on the Certificate will be treated as qualified stated interest regardless of its issue price. In general, a cash method U.S. Holder of a short-term Certificate is not required to accrue the discount for U.S. federal income tax purposes but may elect to do so. Cash method U.S. Holders who do not elect to accrue the discount should include stated interest payments on short-term Certificates as ordinary income upon receipt. Cash method U.S. Holders who do elect to accrue the discount and certain other Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Certificate will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Certificates in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Company may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require the Company to redeem, a Certificate prior to its stated maturity date. Under applicable regulations, if the Company has an unconditional option to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Certificate may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Certificate as the stated redemption price at maturity, the yield on the Certificate would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Company to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Certificate would be higher than its yield to maturity. If it was presumed that an option would be exercised but it is not in fact exercised, the Certificate would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Certificate were issued, on the presumed exercise date for an amount equal to the Certificate's adjusted issue price on that date. The adjusted issue price of an original issue discount Certificate is defined as the sum of the issue price of the Certificate and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

If a U.S. Holder purchases a Certificate (other than a short-term Certificate) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Certificate, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Certificate, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Certificate, including disposition in certain non-recognition transactions, as foreign source ordinary income to the extent of the market discount accrued on the Certificate at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the U.S. Holder to include market discount in income as it accrues. An election to include market discount in income as it accrues applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies and may not be revoked without the consent of the IRS. In addition, a U.S. Holder that does not elect to include market discount in income currently may be required to defer, until the maturity of the Certificate or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Certificate.

Market discount will accrue on a straight line basis unless a U.S. Holder makes an election on a Certificate to accrue on the basis of a constant interest rate. This election is irrevocable once made.

Acquisition Premium and Amortisable Bond Premium

A U.S. Holder who purchases a Certificate for an amount that is greater than the Certificate's adjusted issue price but less than or equal to the stated redemption price at maturity will be considered to have purchased the Certificate at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. Holder must include in its gross income with respect to the Certificate for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. Holder purchases a Certificate for an amount that is greater than the stated redemption price at maturity, the U.S. Holder will be considered to have purchased the Certificate with amortisable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. Holder may elect to amortise this premium, using a constant yield method, over the remaining term of the Certificate. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Certificate by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "– *Original Issue Discount*") for a Certificate with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the Holder's debt instruments with amortisable bond premium.

Sale, Exchange or Retirement of the Certificates

Upon the sale, exchange or retirement of a Certificate, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement (other than amounts attributable to accrued but unpaid interest on the Certificate) and the Holder's adjusted tax basis in the Certificate. A U.S. Holder's adjusted tax basis in a Certificate generally will equal the acquisition cost of the Certificate increased by the amount of original issue discount and market discount included in the U.S. Holder's gross income and decreased by any bond premium or acquisition premium previously amortised and by the amount of any payment received from the Trustee other than a payment of qualified stated interest, in each case, with respect to the Certificate. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder's foreign tax credit limitation except to the extent attributable to market discount that has not been previously included in the U.S. Holder’s gross income. For these purposes, the amount realised does not include any amount attributable to accrued but unpaid qualified stated interest on the Certificate. Amounts attributable to accrued but unpaid qualified stated interest are treated as payments of interest as described under "– *Payments of Stated Interest*".

Gain or loss realised on the sale, exchange or retirement of a Certificate will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the U.S. Holder has held the Certificate for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Certificate, to the extent of any accrued discount, not previously included in the U.S. Holder's taxable income. See "*Original Issue Discount*" and "– *Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Certificates, and contingent payment debt instruments. See "*Foreign Currency Certificates*" and "– *Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

Contingent Payment Debt Instruments

If the terms of the Certificates provide for certain contingencies that affect the timing and amount of payments (including Certificates with a variable rate or rates that do not qualify as "variable rate debt instruments" for purposes of the original issue discount rules), the Certificates generally will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Certificates qualifies as qualified stated interest. Rather, a U.S. Holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Certificate and the Certificate's "projected payment schedule" as described below. The comparable yield is determined by the Company at the time of issuance of the Certificates. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Certificates. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Trustee will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield. The Trustee’s determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Company or the Trustee regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by the Company in determining interest accruals and adjustments unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a Holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
    - the amount of all previous interest inclusions under the contingent payment debt instrument over
    - the total amount of the U.S. Holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the 2 per cent. floor limitation imposed on miscellaneous deductions. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realised on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Certificate that is a contingent payment debt instrument generally will be the acquisition cost of the Certificate, increased by the interest previously accrued by the U.S. Holder on the Certificate under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Certificate. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. Holder recognises loss above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS (as described under "– *Reportable Transactions*").

A U.S. Holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument equal to the fair market value of the property, determined at the time of retirement. The U.S. Holder's holding period for the property will commence on the day immediately following its receipt. Special rules apply to contingent payment debt instruments the payments of interest or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**Foreign Currency Contingent Payment Debt Instruments**"). Very generally, Foreign Currency Contingent Payment Debt Instruments are accounted for like a contingent payment debt instrument, as described above, but in the currency of the Foreign Currency Contingent Payment Debt Instruments. The relevant amounts must then be translated into U.S. dollars. The rules applicable to Foreign Currency Contingent Payment Debt Instruments are complex and U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of Foreign Currency Contingent Payment Debt Instruments.

Foreign Currency Certificates

The following discussion summarises certain U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Certificates the payments of interest or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**foreign currency Certificates**")

The rules applicable to foreign currency Certificates could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Certificate to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Certificates are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Certificates.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Certificate will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Certificate during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the relevant taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. Holder or cash method U.S. Holder accruing original issue discount may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the partial accrual period in the relevant taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortisable bond premium on a foreign currency Certificate are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realised with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above. Accrued market discount (other than market discount currently included in income) taken into account upon the receipt of any partial principal payment or upon the sale, retirement or other disposition of a Certificate is translated into U.S. dollars at the spot rate on such payment or disposition date.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realised on amortised bond premium with respect to any period by treating the bond premium amortised in the period in the same manner as on the sale, exchange or retirement of the foreign currency Certificate. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Certificate with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium.

A U.S. Holder's tax basis in a foreign currency Certificate, and the amount of any subsequent adjustment to the Holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Certificate, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. Holder who purchases a foreign currency Certificate with previously owned foreign currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Certificate on the date of purchase.

Gain or loss realised upon the sale, exchange or retirement of a foreign currency Certificate that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between: (i) the U.S. dollar value of the foreign currency principal amount of the Certificate, determined on the date the payment is received or the Certificate is disposed of; and (ii) the U.S. dollar value of the foreign currency principal amount of the Certificate, determined on the date the U.S. Holder acquired the Certificate. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Certificates described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of the foreign currency Certificate. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Certificate is properly reflected. Any gain or loss realised by these U.S. Holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, discount on a short-term Certificate not previously included in the Holder's income **provided that** the Certificate is not a Foreign Currency Contingent Payment Debt Instrument. Holders should consult their tax advisors with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Certificate accrue.

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Certificate equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Certificate that is traded on an established securities market is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations **provided that** the Certificates are traded on an established securities market. This election cannot be changed without the consent of the IRS. If either: (i) the Certificate is not traded on an established securities market; or (ii) it is and the Holder is an accrual method taxpayer that does not make the election described above with respect to such Certificate, exchange gain or loss may result from currency fluctuations between the trade date and the settlement date of the purchase or sale. Any gain or loss realised by a U.S. Holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Certificates) will be ordinary income or loss.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Certificates and the proceeds from a sale or other disposition of the Certificates. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle them to a refund, **provided that** the required information is furnished to the IRS.

Reporting Requirements

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Certificates as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of the Certificates constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS.

U.S. Holders should consult their tax advisors regarding the application of these rules as well as any additional filing or reporting obligations that may apply to the acquisition, ownership or disposition of the Certificates. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a U.S. Holder's particular situation. U.S. Holders should consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of the Certificates, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

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**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Certificates (including secondary market transactions) in certain circumstances. The issuance and subscription of Certificates should, however, be exempt.

Under the Commission's Proposal, 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 the 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: (i) by transacting with a person established in a participating Member State; or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. 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.

ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), impose certain restrictions on: (i) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Part 4, Title I of ERISA; (ii) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts and Keogh plans; (iii) any entities whose underlying assets could be deemed to include plan assets by reason of a plan's investment in such entities (each of the foregoing, a "**Plan**"); and (iv) persons who have certain specified relationships to a Plan or its assets ("**parties in interest**" under ERISA and "**disqualified persons**" under the Code; collectively, "**Parties in Interest**"). ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

ERISA and Section 4975 of the Code prohibit a broad range of transactions involving plan assets and Parties in Interest, unless a statutory or administrative exemption is available. Parties in Interest that participate in a prohibited transaction may be subject to penalties imposed under ERISA and/or excise taxes imposed pursuant to Section 4975 of the Code, unless a statutory or administrative exemption is available. These prohibited transactions generally are set forth in Section 406 of ERISA and Section 4975 of the Code. Certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the prohibited transaction rules of ERISA or the Code but may be subject to similar rules under other applicable laws or documents. Accordingly, assets of such plans may be invested in the Certificates without regard to the prohibited transaction considerations under ERISA and the Code described below, subject to the provisions of other applicable federal, state or non-U.S. law ("**Similar Law**").

The term "**plan assets**" is defined in Section 3(42) of ERISA. The U.S. Department of Labor, the governmental agency primarily responsible for the administration of ERISA, has issued a final regulation (29 C.F.R. Section 2510.3-101), which, together with Section 3(42) of ERISA, set out the standards that will apply for determining what constitutes the assets of a Plan (collectively, the "**Plan Asset Regulation**"). Under the Plan Asset Regulation, if a Plan invests in an "**equity interest**" of an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation in the entity by "benefit plan investors" (which are essentially Plans) is not "**significant**". The Plan Assets Regulation generally defines equity participation in an entity by "**benefit plan investors**" as "**significant**" if 25 per cent. or more of the value of any class of equity interest in the entity is held by "benefit plan investors". If the assets of the Trust were deemed to be plan assets of a Plan, the Trustee, and any other party with discretionary control over such assets, would be subject to certain fiduciary obligations under ERISA and certain transactions that the Trust might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA or Section 4975 of the Code and might have to be rescinded.

Each initial purchaser of the Certificates (or any interest in a Certificate) and each subsequent transferee will be deemed to have acknowledged, represented and agreed, by its purchase or holding of Certificates, that (A) it is not and for so long as it holds Certificates will not be: (i) a Plan; or (ii) a governmental, church or non-U.S. plan unless, under this subsection (ii), its purchase and holding of the Certificates would not result in a violation of any Similar Law, and (B) it and any person causing it to acquire any of the Certificates agrees to indemnify and hold harmless the Trust, the Trustee Administrator, the Trustee, the Company and the Arrangers and Dealers and their respective affiliates from any cost, damage or loss incurred by them as a result of it being or being deemed to be a Plan.

ERISA Transfer Restrictions

Each purchaser or transferee of the Certificates (or any interest in a Certificate) will be deemed to have acknowledged, represented and agreed that (a) it is not and is not acting on behalf of: (i) a Plan; or (ii) a governmental, church or non-U.S. plan unless, under this subsection (ii), the purchase and holding of the Certificate would not violate the applicable provisions of any Similar Law and (b) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a dealer agreement (the "**Dealer Agreement**") dated 9 May 2016, agreed with the Trustee and the Company a basis upon which they or any of them may from time to time agree to purchase Certificates for their own account or for resale to investors and other purchasers at varying pricing relating to prevailing market prices at the time of resale as determined by any Dealer or for resale at a fixed offering price. Any such agreement will extend to those matters stated under "*Form of the Certificates* " and "*Terms and Conditions of the Certificates*".

In accordance with the terms of the Dealer Agreement, the Trustee and the Company will pay each relevant Dealer a commission as agreed between the Trustee, the Company and such Dealers in respect of Certificates subscribed by it. The Trustee and the Company has agreed in the Dealer Agreement to reimburse the Dealers for certain of their expenses in connection with the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Dealer Agreement entitles the relevant Dealer(s) to terminate any agreement that they make to subscribe Certificates in certain circumstances prior to payment for such Certificates being made to the Trustee.

In order to facilitate the offering of any Series of the Certificates, certain persons participating in the offering of the Series may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Certificates during and after the offering of the Series. Specifically, such persons may over-allot or create a short position in the Certificates for their own account by selling more Certificates than have been sold to them by the Trustee. Such persons may also elect to cover any such short position by purchasing Certificates in the open market. In addition, such persons may stabilise or maintain the price of the Certificates by bidding for or purchasing Certificates in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Certificates are reclaimed if Certificates previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Certificates to the extent that it discourages re-sales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations, stabilising activities may only be carried on by the Stabilising Manager(s) named in the relevant subscription agreement (or persons acting on behalf of any Stabilising Manager(s)) or, as the case may be, named in the relevant Pricing Supplement, and only for a limited period following the Issue Date of the relevant Series of Certificates.

Transfer Restrictions

As a result of the following restrictions, purchasers of Certificates who are in the United States or who are U.S. persons are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Certificates.

The Certificates have not been and will not be registered under 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 or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, the Trustee is relying on the exemption from the registration requirements of the Investment Company Act provided by Section 3(c)(7). Accordingly, the Certificates are being offered and sold: (i) in the United States only to persons reasonably believed to be QIBs that are also QPs in reliance on Rule 144A of the Securities Act; or (ii) to non U.S. persons in an offshore transaction in reliance on Regulation S.

Any reoffer, resale, pledge, transfer or other disposal, or attempted reoffer, resale, pledge, transfer or other disposal, made other than in compliance with the restrictions noted below shall not be recognised by the Company or the Trustee.

Restricted Certificates

Each purchaser of a beneficial interest in the Restricted Certificates, by accepting delivery of this Base Prospectus and the Restricted Certificates, will be deemed to have acknowledged, represented and agreed that:

(i) It is: (a) a QIB that is also a QP; (b) not a broker dealer that owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers; (c) not a participant directed employee plan, such as a 401(k) plan; (d) acquiring such Restricted Certificates for its own account, or for the account of one or more QIBs, each of which is also a QP; (e) not formed for the purpose of investing in the Restricted Certificates or the Trustee; and (f) aware, and each beneficial owner of the Restricted Certificates has been advised, that the sale of the Restricted Certificates to it is being made in reliance on Rule 144A and the Trustee is relying on the exemption from the registration requirements of the Investment Company Act provided by section 3(c)(7);

(ii) It will provide notice of the transfer restrictions to any subsequent transferees. In addition, it understands that the Trustee may receive a list of participants holding positions in the Restricted Certificates from one or more book entry depositories;

(iii) (a) The Restricted Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except: (i) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of one or more QIBs, each of which is also a QP; or (ii) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and (b) it will, and each subsequent holder of the Restricted Certificates is required to, notify any purchaser of the Restricted Certificates from it of the resale restrictions on the Restricted Certificates;

(iv) It understands that the Restricted Certificates sold in this offering constitute "**restricted securities**" within the meaning of Rule 144 under the Securities Act, and for so long as they remain "restricted securities" such Restricted Certificates may not be transferred except as described in paragraph (iii) above;

(v) It understands that the Trustee has the power to compel any beneficial owner of Restricted Certificates that is a U.S. person and is not a QIB and also a QP to sell its interest in the Restricted Certificates, or may sell such interest on behalf of such owner. The Trustee has the right to refuse to honour the transfer of an interest in the Restricted Certificates to a U.S. person who is not both a QIB and a QP. Any purported transfer of the Restricted Certificates to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void *ab initio*;

(vi) The Restricted Certificates, unless the Trustee determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

"THE CERTIFICATE REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "**QIB**") WITHIN THE MEANING OF RULE 144A AND A QUALIFIED PURCHASER (A "**QP**") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**") PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS A QP WHOM THE HOLDER HAS INFORMED, IN EACH CASE,

THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE CERTIFICATES REPRESENTED HEREBY IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE TRUSTEE, THE COMPANY OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS CERTIFICATE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (1) IT IS A QIB THAT IS ALSO A QP; (2) IT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN; (4) IT IS HOLDING THE CERTIFICATES REPRESENTED HEREBY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS A QP; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE TRUSTEE OR THE CERTIFICATES REPRESENTED HEREBY; (6) IT UNDERSTANDS THAT THE TRUSTEE MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES AND (7) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS CERTIFICATE IT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT A QIB AND A QP, THE TRUSTEE MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS CERTIFICATE TO A PERSON WHO IS (I) A U.S. PERSON WHO IS A QIB AND A QP THAT IS, IN EACH CASE, OTHERWISE QUALIFIED TO PURCHASE THE CERTIFICATES REPRESENTED HEREBY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THE CERTIFICATES REPRESENTED HEREBY TO THE TRUSTEE OR AN AFFILIATE OF THE TRUSTEE OR TRANSFER ITS INTEREST IN THIS CERTIFICATE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE TRUSTEE AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE FACE AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE TRUSTEE HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THE CERTIFICATES REPRESENTED HEREBY TO A U.S. PERSON WHO IS NOT A QIB AND A QP. THE TRUSTEE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST IN THE CERTIFICATES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT, DURING THE PERIOD IT HOLDS ANY INTEREST IN THIS CERTIFICATE (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**") APPLIES, OR ANY ENTITY WHOSE UNDERLYING

ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH, A "BENEFIT PLAN INVESTOR"), AND NO PART OF THE ASSETS TO BE USED BY IT TO PURCHASE OR HOLD SUCH CERTIFICATES OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR AND (B) IF IT IS, OR IS ACTING ON BEHALF OF A GOVERNMENTAL, CHURCH OR NON U.S. PLAN, OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLAN SUCH ACQUISITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A NON EXEMPT VIOLATION OF ANY LAWS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AND WILL NOT SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO ANY LAWS, RULES OR REGULATIONS APPLICABLE TO SUCH PLAN AS A RESULT OF THE INVESTMENT IN THE CERTIFICATES BY SUCH PLAN. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. IN THE EVENT THAT THE TRUSTEE DETERMINES THAT THIS CERTIFICATE IS HELD BY A BENEFIT PLAN INVESTOR, THE TRUSTEE MAY CAUSE A SALE OR TRANSFER IN THE MANNER DESCRIBED IN THE BASE PROSPECTUS.

THE TRUSTEE MAY COMPEL EACH BENEFICIAL OWNER OF THE CERTIFICATES REPRESENTED HEREBY THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A QIB AND A QP.";

(vii) that (a) it is not and is not acting on behalf of: (i) a Plan, or (ii) a governmental, church or non-U.S. plan or entity whose underlying assets are deemed to include the assets of any such plan, unless, under this subsection (ii), the purchase and holding of the Certificate would not result in a violation of any Similar Law or subject the Trust or any transaction thereby to any such Similar Law and (b) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.

(viii) It acknowledges that the Trustee, the Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Restricted Certificates is no longer accurate, it shall promptly notify the Trustee, the Company and the Dealers. If it is acquiring any Certificates as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and

(ix) It understands that Restricted Certificates will be represented by interests in one or more Restricted Global Certificates. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Unrestricted Global Certificate, it will be required to provide a Transfer Agent or the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Certificates

Each purchaser of a beneficial interest in the Unrestricted Certificates and each subsequent purchaser of Unrestricted Certificates, by accepting delivery of this Base Prospectus and the Unrestricted Certificates, will be deemed to have represented, agreed and acknowledged that:

(i) It is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and it is not an affiliate of the Trustee, the Company or a person acting on behalf of the Trustee, the Company or such an affiliate;

(ii) It is, or at the time Unrestricted Certificates are purchased it will be, the beneficial owner of such Unrestricted Certificates;

(iii) The Unrestricted Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that if it should offer, sell, pledge or otherwise transfer Unrestricted Certificates prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Unrestricted Certificates), it will do so only except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of a QIB that is also a QP or (b) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.

(iv) It understands that the Unrestricted Certificates, unless otherwise determined by the Trustee in accordance with applicable law, will bear a legend substantially in the following form:

"THE CERTIFICATE REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF WITHIN THE UNITED STATES OR TO A U.S. PERSON EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS PARAGRAPH OF THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE CERTIFICATES OF THE SERIES OF WHICH THIS CERTIFICATE FORMS PART.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST IN THE CERTIFICATES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT, DURING THE PERIOD IT HOLDS ANY INTEREST IN THIS CERTIFICATE (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**") APPLIES, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH, A "BENEFIT PLAN INVESTOR"), AND NO PART OF THE ASSETS TO BE USED BY IT TO PURCHASE OR HOLD SUCH CERTIFICATES OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR AND (B) IF IT IS, OR IS ACTING ON BEHALF OF A GOVERNMENTAL, CHURCH OR NON U.S. PLAN, OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLAN SUCH ACQUISITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A NON EXEMPT VIOLATION OF ANY LAWS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AND WILL NOT SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO ANY LAWS, RULES OR REGULATIONS APPLICABLE TO SUCH PLAN AS A RESULT OF THE INVESTMENT IN THE CERTIFICATES BY SUCH PLAN. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. IN THE EVENT THAT THE TRUSTEE DETERMINES THAT THIS CERTIFICATE IS HELD BY A BENEFIT PLAN INVESTOR, THE TRUSTEE MAY CAUSE A SALE OR TRANSFER IN THE MANNER DESCRIBED IN THE BASE PROSPECTUS.";

(v) that (a) it is not and is not acting on behalf of: (i) a Plan, or (ii) a governmental, church or non-U.S. plan or entity whose underlying assets are deemed to include the assets of any such plan, unless, under this subsection (ii), the purchase and holding of the Certificate would not result in a violation of any Similar Law or subject the Trust or any transaction thereby to any such Similar Law and (b) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.

(vi) It acknowledges that the Trustee, the Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Unrestricted Certificates is no longer accurate, it shall promptly notify the Trustee, the Company and the Dealers; and

(vii) It understands that Unrestricted Certificates will be evidenced by an Unrestricted Global Certificate. Before any interest in a Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent or the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

Selling Restrictions

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for or purchase Certificates and this Base Prospectus shall not be construed as an invitation or solicitation to any member of the public in the Cayman Islands to subscribe for or purchase Certificates. This Base Prospectus has not been filed with or reviewed by the Cayman Islands Monetary Authority or any other regulatory authority in the Cayman Islands, and no such authority in the Cayman Islands accepts any liability for the content hereof. This Base Prospectus may not be circulated in or into the Cayman Islands or made available to the general public in the Cayman Islands. The Certificates may not be transferred or sold to or purchased by any member of the general public in the Cayman Islands.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules Module of the DFSA Rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and regulations of Japan.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi**

Investor") who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 10 or Article 11 of the "Offers of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates to a Saudi Investor will be made in compliance with the KSA Regulations.

The offer of Certificates shall not therefore constitute a "public offer" pursuant to the KSA Regulations. Investors are informed that Article 17 of the KSA Regulations places restrictions on secondary market activity with respect to the Certificates, including as follows:

(i) a Saudi Investor (referred to as a "**transferor**") who has acquired Certificates pursuant to a private placement may not offer or sell Certificates to any person (referred to as a "**transferee**") unless the offer or sale is made through an authorised person where one of the following requirements is met:

  (a) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyals one million or an equivalent amount;

  (b) the Certificates are offered or sold to a sophisticated investor; or

  (c) the Certificates are being offered or sold in such other circumstances as the CMA may prescribe for these purposes;

(ii) if the requirement of paragraph (i)(a) above cannot be fulfilled because the price of the Certificates being offered or sold to the transferee has declined since the date of the original private placement, the transferor may offer or sell the Certificates to the transferee if their purchase price during the period of the original private placement was equal to or exceeded Saudi Riyals 1 million or an equivalent amount;

(iii) if the requirement in paragraph (ii) above cannot be fulfilled, the transferor may offer or sell Certificates if he/she sells his entire holding of Certificates to one transferee; and

(iv) the provisions of paragraphs (i), (ii) and (iii) above shall apply to all subsequent transferees of the Certificates.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"); and

(ii) 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), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 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 Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

Republic of Italy

The offering of the Certificates has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and accordingly, no Certificates may be offered, sold or delivered, nor may copies of the Base Prospectus of any other document relating to any Certificate be distributed in Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sale or deliver any Certificates or distribute any copies of this Base Prospectus or any other document relating to the Certificates in the Republic of Italy except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 ("**Regulation No. 11971**"), all as amended from time to time; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any such offer, sale or delivery of the Certificates or distribution of copies of this Base Prospectus or any other document relating to the Certificates in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB regulation No. 16190 of 29 October 2007, all as amended from time time;

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

in compliance with any other applicable laws and regulations including any limitation or requirement imposed from time to time by CONSOB, the Bank of Italy or any other competent authority.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Certificates which have a maturity of less than one year: (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any

Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Company; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States, and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer and sell Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Certificates on a syndicated basis, the relevant Lead Manager, of all Certificates of the Series of which such Certificates are a part, within the United States or to, or for the account or benefit of, U.S. persons other than in offshore transactions pursuant to Regulation S or pursuant to Rule 144A under the Securities Act to QIBs who are also QPs. Accordingly, neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree that it will have sent to each dealer to which it sells its Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented, warranted, undertaken and agreed and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Certificates in the United States.

Each Dealer has represented, warranted, undertaken and agreed and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree that it has offered and sold and will offer and sell the Certificates in the United States only to persons whom it reasonably believes are QIBs who are also QPs who can represent that: (A) they are QIBs who are QPs within the meaning of Rule 144A; (B) they are not broker dealers who own and invest on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers; (C) they are not a participant directed employee plan, such as a 401(k) plan; (D) they are acting for their own account, or the account of one or more QIBs each of which is also a QP; (E) they are not formed for the purpose of investing in the Certificates or the Trustee; (F) they understand that the Trustee may receive a list of participants holding positions in its securities from one or more book entry depositories; and (G) they will provide notice of the transfer restrictions set forth in this Base Prospectus to any subsequent transferees.

In addition, until 40 days after the commencement of the offering, an offer or sale of Certificates within the United States by a dealer (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 Rule 144A under the Securities Act.

The Certificates (and any interest in a Certificate) may not be sold to or held by or on behalf of any: (i) employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to Title I of ERISA; (ii) plan (as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) that is subject to Section 4975 of the Code; (iii) any entity whose underlying assets could be deemed to include "plan assets" by reason of a plan's investment in such entities for purposes of ERISA; or (iv) any governmental plan (as defined in Section 3(32) of ERISA), church plan (as defined in Section 3(33) of ERISA), non U.S. plan (as described in Section 4(b)(4) of ERISA), or entity whose underlying assets are deemed to include the assets of any such plan, that is subject to rules similar to ERISA and the Code under other applicable laws or documents ("**Similar Law**"), unless, under this subsection (iv), its purchase and holding of the Certificates would not result in a violation of any such Similar Law or subject the Trustee or any transactions thereby to any such Similar Law.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will, to the best of its knowledge and belief, comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Trustee, the Company nor any of the other Dealers shall have any responsibility therefor.

Neither the Trustee, the Company nor any of the Dealers represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Series, the relevant Dealer(s) will be required to comply with such other restrictions as the Trustee, the Company and the relevant Dealer(s) shall agree and as shall be set out in the relevant subscription agreement or, as the case may be, in the relevant Final Terms or the Pricing Supplement (as applicable).

GENERAL INFORMATION

Authorisation

The establishment of the Programme was authorised by a resolution of the board of directors of the Trustee dated 8 May 2016. The Trustee has obtained or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates. The entry into the Transaction Documents to which it is a party was authorised by a resolution of the Board of Directors of the Company dated 28 April 2016.

Listing of the Certificates

It is expected that each Series of the Certificates (other than Non-PD Certificates) which is to be admitted to the Official List and to trading on the Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Certificate initially representing the Certificates of such Series. Application has been made to the U.K. Listing Authority for Certificates issued under the Programme (other than Non-PD Certificates) to be admitted to the Official List and to the London Stock Exchange for such Certificates to be admitted to trading on the Regulated Market. The listing of the Programme in respect of such Certificates is expected to be granted on or before 9 May 2016.

Application has also been made to the DFSA for certain Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the DFSA Official List and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai.

Non-PD Certificates may be issued pursuant to the Programme.

Dealers transacting with the Company

Certain of the Dealers 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 Company and its affiliates in the ordinary course of business for which they may receive fees. In particular, in the ordinary course of their business activities, the Dealers 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 Company and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Company and its affiliates routinely hedge their credit exposure to the Company and its affiliates consistent with their customary risk management policies. Typically, such Dealers 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 issued under the Programme. Any such short positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers 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.

Significant or Material Change

There has been no significant change in the financial or trading position of the Company or the Group since 31 December 2015. There has been no material adverse change in the prospects of the Company or the Group since 31 December 2015.

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

Litigation

Apart from the legal proceedings disclosed on pages 150 to 151 of this Base Prospectus, there are, and have been, no other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Group is aware) during the twelve months preceding the date of this Base Prospectus that may have, or have had, significant effects on the Trustee's or the Group's financial position or profitability.

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Series of Certificates allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, as applicable). In addition, the Trustee may make an application for any Certificates in registered form to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Certificates and the CUSIP and/or CINS numbers for each Series of Certificates, together with the relevant ISIN and (if applicable) Common Code, will be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Company and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Auditors

The audited consolidated financial statements of the Company as at and for the year ended 31 December 2015, and as at and for the year ended 31 December 2014 have been audited by KPMG LLP, independent auditors, as stated in their audit report appearing herein. The registered office of KPMG LLP is P.O. Box 3800, Level 32, Emirates Towers, Sheikh Zayed Road, Dubai, UAE.

The audited consolidated financial statements of EZW as at and for the year ended 31 December 2014 have been audited by PricewaterhouseCoopers (Dubai Branch), as stated in their audit report appearing herein. PricewaterhouseCoopers (Dubai Branch) has given, and not withdrawn, its written consent to the inclusion in this Base Prospectus of its audit report prepared in connection with the EZW Financial Statements. PricewaterhouseCoopers (Dubai Branch) are independent auditors registered to practice as auditors with the Ministry of Economy in the UAE as stated in their audit report appearing herein. The registered office of PricewaterhouseCoopers (Dubai Branch) is Emaar Square, Building 4, Level 8, P.O Box 11987, Dubai, UAE.

Documents available for inspection

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will, when published, be available during normal business hours for inspection from the registered office of the Trustee and from the specified office of the Paying Agent for the time being in London:

- the constitutional documents of the Trustee and the Company;
- the Master Purchase of Services Agreement, each Supplemental Purchase of Services Agreement, the Service Agency Agreement (and each Services Plan), the Purchase Undertaking, the Sale Undertaking, each Sale Agreement entered into in connection with the Purchase Undertaking or Sale Undertaking, the Agency Agreement, the Master Declaration of Trust and any Supplemental Declaration of Trust and the forms of the Global Certificates and Definitive Certificates;
- the DPW Financial Statements, together with the audit reports prepared in connection therewith;
- the EZW Financial Statements, together with the audit report prepared in connection therewith;
- the most recently published audited consolidated financial statements of the Company and the most recently published unaudited interim condensed consolidated financial statements (if any) of the Company, together with any audit or review reports prepared in connection therewith.

- a copy of this Base Prospectus;
- any future offering circulars, prospectuses, information memoranda and supplements, including Final Terms and Pricing Supplements (save that a Pricing Supplement will only be available for inspection by a holder of a Non-PD Certificate and such holder must produce evidence satisfactory to the Trustee, the Company and the Issuing and Paying Agent as to its holding of such Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and on the Dubai Financial Service Authority's website at https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents.

Shari'a Boards

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Shari'a Advisory Board of Citi Islamic Investment Bank E.C., the Shari'a Supervision Board of Dubai Islamic Bank and Dar Al Sharia, the Shari'a Supervisory Board of First Gulf Bank P.J.S.C and the Executive Shariah Committee of HSBC Saudi Arabia Limited.

The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.

Dr. Nazih Hammad

Dr. Nazih Hammad is a graduate of the Faculty of Sharia at the University of Damascus, Syria and holds a Ph. D. in Islamic Jurisprudence from Cairo University. He has taught in Faculty of Sharia at Um Alqura University, Makkah for 17 years. Dr. Nazih Hammad is the author of several research papers and books on Islamic jurisprudence and banking and finance.

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 and comparative religions from McGill University, Canada. He has served in Bahrain Mosques from 1981-1990 where he taught Tafsir, Hadith and Fiqh in Bahrain since 1976. He has published several articles and books on various Islamic subjects including banking and finance.

Dr. Mohammed Ali Elgari

Dr. Mohammed Ali Elgari holds a PhD from the University of California. He is a Professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia and former director of the Centre for Research in Islamic Economics, in the same university. He authored several books in Islamic finance and published tens of articles on the subject both in Arabic and English. Dr. Elgari is the recipient of the Islamic Development Bank prize in Islamic Banking and Finance for the year 1424H (2004).

The Shari'a Supervision Board of Dubai Islamic Bank and Dar Al Sharia

Dr Hussain Hamed Hassan (Chairman)

Dr Hussain holds a PhD and is the head of the Sharia Board of Dubai Islamic Bank 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/faculties worldwide, including in Makkah, Islamabad, Kazakhstan and Libya. He is member of AAOIFI and the Islamic Financial Services Board, the International Fiqh Academy of the Organisation of the Islamic Conference, 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. Zoeir holds a PhD in Islamic Economy and is a member of many Islamic Banks across the Middle East and Africa. He has authored numerous researches and studies in Islamic Finance and banking. Dr. Zoeir is also Sharia inspector, Secretary General of Board of Sharia at Dubai Islamic Bank, Chief Editor of Islamic Economics magazine.

Dr. Muhammad Qaseem

Dr. Muhammad Qaseem holds a PhD (Islamic Studies) from the Faculty of Usul ud Din, is the country head of Sharia of Dubai Islamic Bank Pakistan Limited (DIBPL) and has served as Sharia Board member of many other institutions. He also has written various articles on Islamic Banking. He has also been teaching various courses in various BA and MA programmes at the International Islamic University, Islamabad (IIUI). Dr. Muhammad Qaseem has many academic contributions, articles and literary and translation work.

Dr. Muhammad Abdulrahim Sultan Al- Ulama

Dr. Muhammad Sultan Al-Ulama holds a PhD in Islamic jurisprudence, is an assistant professor in various universities and a member of numerous academic committees. In addition to his contribution to worldwide seminars and conferences in the area of Islamic finance, he has published numerous articles and reports.

Dr. Youssif Abdullah bin Saleh Al Shibly

Dr. Youssif Al Shibly holds a PhD and is a comparative Fiqh professor in Saudi Arabia. He has contributed and presented many courses and training sessions to judges in Saudi Arabia. Dr. Al Shibly has also worked in Islamic institution in Washington, served as Sharia Board member of many other institutions and has published more than 17 reports and researches.

The Executive Shariah Committee of HSBC Saudi Arabia Limited

Sheikh Nizam S. Yaquby

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*"

Dr. Mohamed Ali Elgari

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*"

The Shari'a Supervisory Board of First Gulf Bank P.J.S.C

Professor Dr Abdul Aziz Al Qassar

Prof. Dr. Abdul Aziz Al Qassar is a Professor of Comparative Jurisprudence at the Faculty of Sharia and Islamic Studies at Kuwait University; he received a doctorate degree in comparative jurisprudence from the Faculty of Sharia and Law - Al-Azhar University - Cairo - Arab Republic of Egypt in 1997.

As a faculty member at the Faculty of Sharia and Islamic Studies at Kuwait University from 1997 to this time, he served as Associate Dean for Academic Affairs and Graduate Studies and Research at the Faculty of Sharia and Islamic Studies at Kuwait University from the period 2001-2005, and a member of the Fatwa and Shariah in many institutions and Islamic banks in Kuwait and abroad, a lecturer in Islamic finance, has many research and religious studies in Islamic jurisprudence and contemporary financial transactions.

Dr. Mohamed A. Elgari

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*"

Dr. Mohd Daud Bakar

Dr. Daud is the Founder and Group Chairman of Amanie Advisors, a global boutique Shariah advisory firm with offices located in Kuala Lumpur, Dubai, Luxembourg, Cairo, Kazakhstan, Oman, Australia, South Korea and Dublin. He is also the founder and chairman of Amanie Nexus Sdn Bhd (Kuala Lumpur). Prior to this; he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he went on to complete his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made many presentations in various conferences both local and overseas.

Dr Daud is currently the chairman of the Shariah Advisory Council of the Central Bank of Malaysia, the SACSC and the Shariah Supervisory Council of Labuan Financial Services Authority. He is also a member of the Shariah Board of Dow Jones Islamic Market Index (New York), Oasis Asset Management (Cape Town, South Africa), The National Bank of Oman, Financial Guidance (USA), BNP Paribas (Bahrain), Morgan Stanley (Dubai), Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia), Bank of London and Middle East (London), Noor Islamic Bank (Dubai), Islamic Bank of Asia (Singapore), and in other financial institutions both local and abroad. Apart from that, Dr Mohd Daud is also actively advising, locally and overseas, on capital markets product structuring such as sukuk. Recently, Dr Mohd Daud has been honored with "The Asset Triple A Industry Leadership Award" at The Asset Triple A Islamic Finance Award 2014 by The Asset magazine and been named as the recipient of the "Tokoh Perdana" (Most Outstanding Individual") award in conjunction with the national-level Maulidur Rasul 1435 Hijrah/2014 (Prophet Muhammad's birthday) granted by Yang Di-Pertuan Agong Tuanku Abdul Halim Mu'adzam Shah, His Majesty the King of Malaysia.

ANNEX A
EZW GROUP

Historical Results of Operations

Results of operations for the year ended 31 December 2013 and 31 December 2014

The following table summarises EZW's results of operations for the year ended 31 December 2013 and 31 December 2014.

	Year ended 31 December	
	2013	**2014**
	(Audited) (AED in thousands)	
Revenue	1,580,381	1,753,893
Cost of sales	(344,074)	(358,562)
Gross profit	1,236,307	1,395,331
Other operating income	83,872	108,209
General and administrative expenses	(188,782)	(191,758)
Selling and marketing expenses	(49,190)	(55,273)
Operating profit	1,082,207	1,256,509
Waiver of loan from the parent company	5,164,545	–
Finance income	247,067	71,077
Finance costs	(483,331)	(317,062)
Net finance costs	(236,264)	(245,985)
Share of profit from an associate	4,041	4,527
Profit before tax	6,014,529	1,015,051
Income tax expense	(455)	(444)
Profit for the year from continuing operations	6,014,074	1,014,607
Discontinued operations:		
Loss for the year from discontinued operations[1]	(33,625)	–
Profit for the year	**5,980,449**	**1,014,607**

[1] Loss for the year from discontinued operations is from the sale of the EZW Group's subsidiary EZW Gazeley Holdings Limited in June 2013.

Revenue

	Year ended 31 December	
	2014	**2013**
	(AED in thousands)	
Lease rental income	1,445,378	1,315,521
Licence and registration fees	130,611	121,333
Administrative services	130,346	103,613
Management fee income	47,558	39,914
Total	**1,753,893**	**1,580,381**

EZW's revenue for the year ended 31 December 2013 was AED 1,580.4 million as compared to AED 1,753.9 million in the year ended 31 December 2014, an increase of AED 173.5 million, or 11.0 per cent. This was principally the result of price and volume growth in lease rental income and an increase in the volume of services in administrative services.

Cost of sales

	Year ended 31 December	
	2014	2013
	(AED in thousands)	
Utilities	102,907	90,484
Amortisation land use right	90,726	90,726
Depreciation	88,713	87,625
Repairs and maintenance	62,944	61,603
Others direct operating costs	13,272	13,636
Total	**358,562**	**344,074**

EZW's cost of sales for the year ended 31 December 2013 was AED 344.1 million as compared to AED 358.6 million in the year ended 31 December 2014, an increase of AED 14.5 million, or 4.2 per cent. This was principally as a result of an increase in utility costs resulting from higher occupancy rates.

Other Operating Income

	Year ended 31 December	
	2014	2013
	(AED in thousands)	
Penalty on early termination of long term lease	23,430	–
Lease transfer, sub-lease income and lease commission	22,343	14,828
Public health services	13,050	11,778
Courier service income	11,672	6,075
Outdoor advertisement revenue	5,361	383
Rent on occupancy post termination	5,030	4,296
Sale of property from repossessed facility	4,779	10,467
Facility manager operating fee income	4,382	4,403
Recovery from contractors in lieu of revenue lost	–	18,701
Others	18,162	12,941
Total	**108,209**	**83,872**

EZW's other operating income for the year ended 31 December 2013 were AED 83.9 million as compared to AED 108.2 million in the year ended 31 December 2014 an increase of AED 24.3 million, or 29.0 per cent.

General and Administrative Expenses

EZW's general and administrative expenses (which principally comprise staff costs) for the year ended 31 December 2013 were AED 188.8 million as compared to AED 191.8 million in the year ended 31 December 2014, which reflected a marginal increase of AED 3.0 million, or 1.6 per cent.

Operating Profit

EZW's operating profit for the year ended 31 December 2013 was AED 1,082.2 million as compared to AED 1,256.5 million in the year ended 31 December 2014, an increase of AED 174.3 million, or 16.1 per cent.

Waiver of Loan from the Parent Company

EZW recognized a gain of AED 5,164.5 million for the year ended 31 December 2013 as a result of a waiver of loan from its parent company.

Net Finance Costs

EZW's net finance costs for the year ended 31 December 2013 were AED 236.3 million as compared to AED 246 million for the year ended 31 December 2014, an increase of AED 9.7 million, or 4.1 per cent. This was principally a result of the waiver of loan from parent company in 2013 which reduced EZW's interest costs in 2014. Additionally, with the proceeds of the sale of EZW's subsidiary EZW Gazeley Holdings Limited in June 2013, EZW paid down bank borrowings, which helped reduce interest on bank borrowings from AED 183.0 million in 2013 to AED 79.3 million in 2014. EZW also recognised a foreign exchange gain of AED 189.0 million in 2013 as a result of the sale of EZW Gazeley Holdings Limited.

Profit for the Year from Continuing Operations

EZW's profit for the year from continuing operations for the year ended 31 December 2013 were AED 6,014.1 million as compared to AED 1,014.6 million in the year ended 31 December 2014, a decrease of AED 4,999.5 million, or 492.8 per cent. This was principally as a result of the gain recognized of AED 5,164.5 million for the year ended 31 December 2013 as a result of a waiver of loan from parent company. Without this gain EZW's profit for the year from continuing operations for the year ended 31 December 2013 was AED 849.6 million as compared to AED 1,014.6 million in the year ended 31 December 2014, an increase of AED 165.0 million, or 19.4 per cent.

Liquidity and Capital Resources

The EZW Group historically met its ongoing capital requirements through cash generated from operations, as well as debt financing from banks or capital markets or the issuance of equity to the extent necessary.

Cashflow

The following table summarises EZW's cashflow for the year ended 31 December 2013 and 31 December 2014.

	Year ended 31 December	
	2013	**2014**
	(AED in thousands)	
Net cash from operating activities	1,319,690	1,600,145
Net cash from/(used in) investing activities	404,205	(534,162)
Net cash used in financing activities	(2,301,160)	(705,214)
Net increase (decrease) in cash and cash equivalents	(577,265)	360,769
Net foreign exchange translation difference	(1,758)	(359)
Cash and cash equivalents at the beginning of the period	958,065	379,042
Cash and cash equivalents at the end of the period	**379,042**	**739,452**

Cash generated from operating activities

EZW's cash generated from operating activities for the year ended 31 December 2014 were AED 1,600.1 million, an increase of AED 280.4 million, or 21.2 per cent., compared to AED 1,319.7 million in the year ended 31 December 2013. This was principally as a result of increase in operating income and decrease in supplier advance payments.

Cash (used in)/generated from investing activities

EZW's cash used in investing activities for the year ended 31 December 2014 was AED 534.2 million.

EZW's cash generated from investing activities for the year ended 31 December 2013 was AED 404.2 million. This was principally as a result of proceeds from the sale of its subsidiary EZW Gazeley Holdings Limited in June 2013.

Cash used in financing activities

EZW's cash used in financing activities for the year ended 31 December 2014 was AED 705.2 million.

EZW's cash used in financing activities for the year ended 31 December 2013 was AED 2,301.2 million. This was primarily as a result of higher debt repayments during 2013 from the proceeds of the sale of EZW Gazeley Holdings Limited in June 2013.

Capital Expenditures

EZW expects to grow its capital expenditures in the next five years to approximately AED 3,800 million. This is mainly driven by reduced capital expenditures in the last few years, but as EZW's capacity has become more constrained, it is also looking to invest into increasing its capacity further.

Indebtedness

The EZW Group issued through its subsidiary JAFZ Sukuk (2019) Limited sukuk trust certificates for a nominal value of U.S.$650 million (AED 2.4 billion) on 19 June 2012. The sukuk is listed on NASDAQ Dubai and the Irish Stock Exchange, matures in 2019 and bears a profit commission at an average coupon rate of 7 per cent. per annum to be paid semi-annually. The carrying amounts of this sukuk are denominated in U.S. dollars.

The EZW Group obtained a syndicated term loan facility from a consortium of banks which bore interest at a rate of three months EIBOR plus 2.75 per cent. per annum, paid quarterly. Effective 22 September 2014, the interest rate on term loan was revised to EIBOR plus 1.85 per cent. per annum. During the year ended 31 December 2014, the EZW Group made repayments towards the term loan of AED 452.7 million (2013: AED 1.8 billion).

Off-Balance Sheet Arrangements

The EZW Group does not have any off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on its financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

The EZW Group's interest rate risk arises from sukuk borrowing and bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the EZW Group to fair value interest rate risk. The EZW Group management did not set a ratio of variable rate borrowings to fixed rate borrowings.

The EZW Group manages its cash flow interest rate risk by using various derivatives to hedge its risk. These are mainly interest rate caps and some of these caps are at rates above EZW's current rates.

If the interest rate on the non-hedged portion of bank borrowing of AED 1.1 billion (as of 31 December 2014) had been 1 per cent. higher/lower with all other variables held constant, profit for the year would have been AED 10.9 million lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

If the interest rate on the hedged portion of bank borrowing of AED 1.1 billion (as of 31 December 2014) had been 1 per cent. higher with all other variables held constant, profit for the year would have been AED 10.5 million lower. If the interest rate had been 1 per cent. lower with all other variables held constant, profit for the year would have been AED 10.5 million higher.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The EZW Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees and derivatives, while there is no credit risk arising from due from related parties. Credit risk is managed on a EZW Group basis. The EZW Group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history.

Currency risk

The EZW Group operates internationally but it has limited foreign exchange risk as nearly all of its assets and operations are located in the UAE.

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DP World Limited and its subsidiaries

Consolidated financial statements
31 December 2015

DP World Limited and its subsidiaries

Consolidated financial statements

31 December 2015

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Independent auditors' report

The Shareholders
DP World Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of DP World Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

KPMG

Independent auditors' report (continued)

Opinion

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

KPMG

KPMG LLP
Rohit Rajvanshi
Dubai, UAE
Date: 17 March 2016

DP World Limited and its subsidiaries

Consolidated statement of profit or loss

for the year ended 31 December 2015

		Year ended 31 December 2015			Year ended 31 December 2014		
	Note	**Before separately disclosed items USD'000**	**Separately disclosed items (Note 12) USD'000**	**Total USD'000**	Before separately disclosed items USD'000	Separately disclosed items (Note 12) USD'000	Total USD'000
Revenue	*8*	**3,967,739**	**75,171**	**4,042,910**	3,411,014	52,337	3,463,351
Cost of sales		**(2,009,145)**	**(75,171)**	**(2,084,316)**	(1,958,295)	(52,337)	(2,010,632)
Gross profit		**1,958,594**	**-**	**1,958,594**	1,452,719	-	1,452,719
General and administrative expenses		**(590,284)**	**(653)**	**(590,937)**	(385,878)	(19,400)	(405,278)
Other income		**26,979**	**16,867**	**43,846**	22,363	9,153	31,516
Profit on sale and termination of business	*12*	**-**	**(610)**	**(610)**	-	-	-
Share of profit/ (loss) from equity-accounted investees (net of tax)	*17*	**52,702**	**-**	**52,702**	77,961	(1,754)	76,207
Results from operating activities		**1,447,991**	**15,604**	**1,463,595**	1,167,165	(12,001)	1,155,164
Finance income	*10*	**104,969**	**9,705**	**114,674**	89,765	1,582	91,347
Finance costs	*10*	**(492,087)**	**(23,352)**	**(515,439)**	(372,841)	(4,122)	(376,963)
Net finance costs		**(387,118)**	**(13,647)**	**(400,765)**	(283,076)	(2,540)	(285,616)
Profit before tax		**1,060,873**	**1,957**	**1,062,830**	884,089	(14,541)	869,548
Income tax expense	*11*	**(90,988)**	**-**	**(90,988)**	(127,418)	40,000	(87,418)
Profit for the year	*9*	**969,885**	**1,957**	**971,842**	756,671	25,459	782,130
Profit attributable to:							
Owners of the Company		**882,576**	**355**	**882,931**	675,430	25,143	700,573
Non-controlling interests		**87,309**	**1,602**	**88,911**	81,241	316	81,557
		969,885	**1,957**	**971,842**	756,671	25,459	782,130
Earnings per share							
Basic earnings per share – US cents	*25*	**106.33**		**106.38**	81.38		84.41
Diluted earnings per share – US cents	*25*	**103.96**		**105.87**	80.65		83.61

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of other comprehensive income
for the year ended 31 December 2015

	Note	2015 USD'000	2014 USD'000
Profit for the year		**971,842**	782,130
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences - foreign operations *		**(541,752)**	(452,563)
Net change in fair value of available - for-sale financial assets		**(283)**	(1,895)
Share of other comprehensive income of equity-accounted investees	*17*	**(211)**	(10,906)
Cash flow hedges - effective portion of changes in fair value		**13,532**	(67,705)
Related tax on fair value of cash flow hedges		**(4,646)**	16,000
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations	*27*	**(5,990)**	(69,817)
Related tax		**(1,030)**	3,059
Other comprehensive income for the year, net of tax		**(540,380)**	(583,827)
Total comprehensive income for the year		**431,462**	198,303
Total comprehensive income attributable to:			
Owners of the Company		**348,162**	129,769
Non-controlling interests		**83,300**	68,534
		431,462	198,303

* 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 (refer to note 2(d)).

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of financial position
as at 31 December 2015

	Note	**31 December 2015 USD'000**	31 December 2014 USD'000
Assets			
Non-current assets			
Property, plant and equipment	*13*	**6,969,126**	6,356,160
Investment properties	*14*	**1,177,229**	-
Land use rights	*15*	**2,654,621**	-
Goodwill	*15*	**1,460,386**	1,448,194
Port concession rights	*15*	**3,019,910**	2,779,268
Investment in equity-accounted investees	*17*	**2,408,321**	2,534,320
Other investments	*18*	**68,736**	70,015
Accounts receivable and prepayments	*19*	**249,056**	194,491
Total non-current assets		**18,007,385**	13,382,448
Current assets			
Inventories		**61,520**	58,277
Accounts receivable and prepayments	*19*	**753,627**	740,943
Bank balances and cash	*20*	**1,436,595**	3,723,073
Total current assets		**2,251,742**	4,522,293
Total assets		**20,259,127**	17,904,741

DP World Limited and its subsidiaries

Consolidated statement of financial position (continued)

as at 31 December 2015

	Note	31 December 2015 USD'000	31 December 2014 USD'000
Equity			
Share capital	21	**1,660,000**	1,660,000
Share premium	22	**2,472,655**	2,472,655
Shareholders' reserve	22	**2,000,000**	2,000,000
Retained earnings		**4,722,382**	3,918,177
Hedging and other reserves	22	**(83,320)**	(88,245)
Actuarial reserve	22	**(411,541)**	(404,072)
Translation reserve	22	**(1,593,342)**	(1,061,117)
Total equity attributable to equity holders of the Company		**8,766,834**	8,497,398
Non-controlling interests	23	**367,764**	529,262
Total equity		**9,134,598**	9,026,660
Liabilities			
Non-current liabilities			
Deferred tax liabilities	11	**940,636**	897,378
Employees' end of service benefits	26	**97,762**	74,127
Pension and post-employment benefits	27	**180,887**	210,683
Interest bearing loans and borrowings	28	**7,527,231**	5,603,658
Accounts payable and accruals	29	**463,057**	538,214
Total non-current liabilities		**9,209,573**	7,324,060
Current liabilities			
Income tax liabilities	11	**147,320**	162,495
Pension and post-employment benefits	27	**10,009**	10,175
Interest bearing loans and borrowings	28	**143,047**	251,330
Accounts payable and accruals	29	**1,614,580**	1,130,021
Total current liabilities		**1,914,956**	1,554,021
Total liabilities		**11,124,529**	8,878,081
Total equity and liabilities		**20,259,127**	17,904,741

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements. The consolidated financial statements were authorised for issue on 17 March 2016.

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

....
Yuvraj Narayan
Chief Financial Officer

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of changes in equity

for the year ended 31 December 2015

	Attributable to equity holders of the Company									
	Share capital USD'000	Share premium USD'000	Shareholders' reserve USD'000	Retained earnings USD'000	Hedging and other reserves USD'000	Actuarial reserve USD'000	Translation reserve USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at 1 January 2015	**1,660,000**	**2,472,655**	**2,000,000**	**3,918,177**	**(88,245)**	**(404,072)**	**(1,061,117)**	**8,497,398**	**529,262**	**9,026,660**
Total comprehensive income for the year										
Profit for the year	-	-	-	882,931	-	-	-	882,931	88,911	971,842
Total other comprehensive income, net of tax	-	-	-	-	4,925	(7,469)	(532,225)	(534,769)	(5,611)	(540,380)
Total comprehensive income for the year	-	-	-	882,931	4,925	(7,469)	(532,225)	348,162	83,300	431,462
Transactions with owners, recognised directly in equity										
Dividends paid (refer to note 24)	-	-	-	(195,050)	-	-	-	(195,050)	-	(195,050)
Total transactions with owners	-	-	-	(195,050)	-	-	-	(195,050)	-	(195,050)
Changes in ownership interests in subsidiaries without change of control										
Acquisition of non-controlling interests without change in control	-	-	-	116,324	-	-	-	116,324	(241,903)	(125,579)
Transactions with non-controlling interests, recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(11,845)	(11,845)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	8,950	8,950
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(2,895)	(2,895)
Balance as at 31 December 2015	**1,660,000**	**2,472,655**	**2,000,000**	**4,722,382**	**(83,320)**	**(411,541)**	**(1,593,342)**	**8,766,834**	**367,764**	**9,134,598**

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of changes in equity (continued)

	Share capital USD'000	Share premium USD'000	Shareholders' reserve USD'000	Retained earnings USD'000	Hedging and other reserves USD'000	Actuarial reserve USD'000	Translation reserve USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
	Attributable to equity holders of the Company									
Balance as at 1 January 2014	1,660,000	2,472,655	2,000,000	3,408,504	(31,384)	(343,269)	(620,706)	8,545,800	475,741	9,021,541
Total comprehensive income for the year										
Profit for the year	-	-	-	700,573	-	-	-	700,573	81,557	782,130
Total other comprehensive income, net of tax	-	-	-	-	(69,590)	(60,803)	(440,411)	(570,804)	(13,023)	(583,827)
Total comprehensive income for the year	-	-	-	700,573	(69,590)	(60,803)	(440,411)	129,769	68,534	198,303
Transactions with owners, recognised directly in equity										
Dividends paid (refer to note 24)	-	-	-	(190,900)	-	-	-	(190,900)	-	(190,900)
Additional contribution by owners	-	-	-	-	12,729	-	-	12,729	-	12,729
Total transactions with owners	-	-	-	(190,900)	12,729	-	-	(178,171)	-	(178,171)
Transactions with non-controlling interests, recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(22,323)	(22,323)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	7,047	7,047
Derecognition of non-controlling interests on loss of control	-	-	-	-	-	-	-	-	(2,160)	(2,160)
Additional non-controlling interests created on account of conversion of loan	-	-	-	-	-	-	-	-	2,423	2,423
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(15,013)	(15,013)
Balance as at 31 December 2014	1,660,000	2,472,655	2,000,000	3,918,177	(88,245)	(404,072)	(1,061,117)	8,497,398	529,262	9,026,660

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements. The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of cash flows
for the year ended 31 December 2015

	Note	2015 USD'000	2014 USD'000
Cash flows from operating activities			
Profit for the year		**971,842**	782,130
Adjustments for:			
Depreciation and amortisation	*9*	**480,125**	420,985
Impairment loss	*9*	**653**	-
Share of profit from equity-accounted investees (net of tax)		**(52,702)**	(76,207)
Finance costs	*10*	**515,439**	376,963
(Gain)/ loss on sale of property, plant and equipment and port concession rights		**(17,094)**	3,419
Profit on sale and termination of business		**610**	-
Finance income	*10*	**(114,674)**	(91,347)
Income tax expense	*11*	**90,988**	87,418
Gross cash flows from operations		**1,875,187**	1,503,361
Change in inventories		**(2,985)**	(8,302)
Change in accounts receivable and prepayments		**44,739**	(48,019)
Change in accounts payable and accruals		**119,121**	74,401
Change in provisions, pensions and post-employment benefits		**(107,843)**	(35,861)
Cash generated from operating activities		**1,928,219**	1,485,580
Income taxes paid		**(147,472)**	(131,365)
Net cash from operating activities		**1,780,747**	1,354,215
Cash flows from investing activities			
Additions to property, plant and equipment	*13*	**(1,167,395)**	(715,312)
Additions to investment properties	*14*	**(108,307)**	-
Additions to port concession rights	*15*	**(113,419)**	(91,717)
Addition to other investments	*18*	**-**	(10,000)
Proceeds from disposal of property, plant and equipment and port concession rights		**73,505**	6,228
Net cash outflow on acquisition of subsidiaries	*35(i)*	**(2,586,846)**	(32,031)
Net cash outflow on acquisition of non-controlling interests without change in control	*35(ii)*	**(125,579)**	-
Cash derecognised on loss of control of a subsidiary		**-**	(2,890)
Interest received		**34,399**	40,470
Dividends received from equity-accounted investees		**74,748**	152,036
Additional investment in equity-accounted investees		**(57,385)**	(38,301)
Net loan advanced to equity-accounted investees		**(48,293)**	(9,282)
Net cash used in investing activities		**(4,024,572)**	(700,799)

Consolidated statement of cash flows (continued)
for the year ended 31 December 2015

	Note	2015 USD'000	2014 USD'000
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		**(714,417)**	(234,047)
Drawdown of interest bearing loans and borrowings		**1,282,644**	309,932
Proceeds from issue of convertible bonds		**-**	1,000,000
Transaction cost paid on convertible bonds		**-**	(10,900)
Interest paid		**(373,117)**	(323,908)
Dividend paid to the owners of the Company		**(195,050)**	(190,900)
Dividend paid to non-controlling interests		**(11,845)**	(22,323)
Net cash (used in)/ from financing activities		**(11,785)**	527,854
Net (decrease)/ increase in cash and cash equivalents		**(2,255,610)**	1,181,270
Cash and cash equivalents as at 1 January		**3,723,073**	2,571,063
Effect of exchange rate fluctuations on cash held		**(30,868)**	(29,260)
Cash and cash equivalents as at 31 December	*20*	**1,436,595**	3,723,073

At 31 December 2015, the undrawn committed borrowing facilities of USD 2,861,930 thousand (2014: USD 3,627,235 thousand) were available to the Group, in respect of which all conditions precedent had been met.

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

1 Reporting entity

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 of the Company 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 of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements were approved by the Board of Directors on 17 March 2016.

(b) Basis of measurement

The consolidated 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.

The methods used to measure fair values are discussed further in note 5.

(c) Funding and liquidity

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Operating and Financial Review. In addition, note 6 sets out the Group's objectives, policies and processes for managing the Group's financial risk including capital management and note 31 provides quantitative details of the Group's exposure to credit risk, liquidity risk and interest rate risk from financial instruments.

The Board of Directors remain satisfied with the Group's funding and liquidity position. At 31 December 2015, the Group has net debts of USD 6,233,683 thousand (2014: USD 2,131,915 thousand). The Group's credit facility covenants are currently well within the covenant limits. The Group generated gross cash of USD 1,875,187 thousand (2014: USD 1,503,361 thousand) from operating activities and its interest cover for the year is 5 times (2014: 5.6 times) (calculated using adjusted EBITDA and net finance costs before separately disclosed items).

Based on the above, the Board of Directors have concluded that the going concern basis of preparation continues to be appropriate.

2 Basis of preparation (continued)

(d) Functional and presentation currency

The functional currency of the Company is UAE Dirhams. Each entity in the Group determines its functional currency based on the currency that mainly influences revenue and costs as required under IFRS. The financial statements of each entity are measured and recorded using that functional currency.

These consolidated financial statements are presented in United States Dollars ("USD"), which in the opinion of management is the most appropriate presentation currency of the company in view of the global presence of the Group. All financial information presented in USD is rounded to the nearest thousand.

UAE Dirham is pegged to USD and there are no differences on translation from functional to presentation currency.

(e) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Provision for income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax payments based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Impairment of available-for-sale financial assets

Available-for-sale financial assets are impaired when objective evidence of impairment exists. A significant or prolonged decline in the fair value of an investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(c) Fair value of derivatives and financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are 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 consideration of inputs such as market risk, credit risk and volatility.

(d) Consolidation of entities in which the Group holds less than 50% shareholding

Note 36 describes that Doraleh Container Terminal SARL is a subsidiary of the Group even though the Group has only 33.33% ownership and voting rights. The Directors of the Company assessed whether or not the Group has the practical ability to direct the relevant activities of this entity unilaterally. After assessment, the Directors concluded that the Group has a sufficient dominant voting interest to direct the relevant activities and therefore the Group can consolidate this entity as its subsidiary.

(e) Non-consolidation of entities in which the Group holds more than 50% shareholding

Note 36 describes that Antwerp Gateway N.V and Asian Terminals Inc. are equity accounted investees of the Group even though the Group has majority in ownership and voting rights. The Directors of the Company assessed whether or not the Group has the practical ability to direct the relevant activities of this entity unilaterally. After assessment, the Directors concluded that the underlying joint venture agreement with the other shareholder does not provide significant control to the Group and therefore investment in these entities are equity accounted and not consolidated.

(f) Contingent liabilities

There are various factors that could result in a contingent liability being disclosed if the probability of any outflow in settlement is not remote. The assessment of the outcome and financial effect is based upon management's best knowledge and judgement of current facts as at the reporting date.

(g) Useful life of property, plant and equipment and port concession rights with finite life

The useful life of property, plant and equipment and port concession rights with finite life is determined by the Group's management based on their estimate of the period over which an asset or port concession right is expected to be available for use by the Group. This estimate is reviewed and adjusted if appropriate at each financial year end. This may result in a change in the useful economic lives and therefore depreciation and amortisation expense in future periods.

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(h) Impairment testing of goodwill and port concession rights

The Group determines whether goodwill and port concession rights with indefinite life are impaired, at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated or in which the port concession rights with indefinite life exist. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(i) Impairment of accounts receivable

An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For 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. Any difference between the amounts actually collected in future periods and the amounts expected, will be recognised in the consolidated statement of profit or loss.

(j) Pension and post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

(k) Business combinations

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired and liabilities assumed, involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management.

(l) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(m) Valuation of investment properties

The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less accumulated depreciation and impairment, if any.

(n) Operating lease commitments–Group as a lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group 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.

3 Changes in accounting policies

There has been no changes in accounting policies and the Group has consistently applied the accounting policies set out in note 4 to all periods presented in these consolidated financial statements.

4 Significant accounting policies

The accounting policies set out below have been applied consistently in the years presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of consolidation

(i) Business combinations

Business combinations (including business combinations under common control) are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets (including previously unrecognised port concession rights) acquired and liabilities (including contingent liabilities and excluding future restructuring) assumed.

4 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations (continued)

In an acquisition, if the purchase price is lower than the fair value of the assets acquired, the resulting gain will be recognised immediately in the statement of consolidated statement of profit or loss.

In case of business combinations under common control, if the purchase price is lower than the fair value of the assets acquired, the resulting gain will be recognised directly in equity.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit or loss.

(ii) Subsidiaries

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Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(iii) Change in ownership interests in subsidiaries without loss of control

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid and relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

(iv) Disposal of subsidiaries (loss of control)

On the loss of control, the Group derecognises the assets and liabilities of a subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is re-measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

4 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets, which is generally at fair value.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so, causes the non-controlling interests to have a debit balance.

(vi) Structured entities

The Group has established DP World Sukuk Limited (a limited liability company incorporated in the Cayman Islands) as a structured entity ("SE") for the issue of Sukuk Certificates. These certificates are listed on Nasdaq Dubai and London Stock Exchange. The Group does not have any direct or indirect shareholding in this entity.

The Group has also incorporated JAFZ Sukuk (2019) Limited as a SE for issuing New JAFZ Sukuk which are currently listed on Nasdaq Dubai and the Irish Stock Exchange

A SE is consolidated based on an evaluation of the substance of its relationship with the Group and its risks and rewards. The SE was established by the Group under the terms that impose strict limitations on the decision-making powers of the SE's management thereby resulting into the majority of the benefits related to the SE's operations and net assets being received by the Group. Consequently, the Group is also exposed to risks incident to the SE's activities and retains the majority of the residual or ownership risks related to the SE or its assets. Therefore, the Group concludes that it controls the SE. Refer to accounting policy on non-derivative financial liabilities in note 4 (c) (ii).

(vii) Investments in associates and joint ventures (equity-accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the equity-accounted investees subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Investments in associates and joint ventures (equity-accounted investees) (continued)

The financial statements of the equity-accounted investees are prepared for the same reporting period as the Group. The transactions between the Group and its equity-accounted investees are made at normal market prices.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

Upon loss of significant influence, the Group measures and recognises any retained investment at its fair value. The difference between the carrying amount of the equity–accounted investees upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognised as profit or loss in the consolidated statement of profit or loss.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Functional and presentation currency

These consolidated financial statements are presented in USD, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency).

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date and exchange differences, if any, are recognised in the income statement.

Non-monetary items in a foreign currency that are measured at historical cost are translated to the functional currency using the exchange rate at the date of initial transaction and are not retranslated at a later date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

4 Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Foreign currency transactions and balances (continued)

Foreign currency differences arising on retranslation of monetary items are recognised in the consolidated statement of profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in consolidated statement of other comprehensive income as explained below.

(iii) Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy), that have functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date.

(b) The income and expenses of foreign operations are translated to USD at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(c) All resulting foreign exchange differences arising on translation are recognised in the other comprehensive income and presented in the translation reserve in equity. However, if the foreign operation is not a wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statement of profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated statement of profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

4 Significant accounting policies (continued)

(b) Foreign currency (continued)

(iv) Hedge of a net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the consolidated statement of profit or loss. When the hedged net investment is disposed of, the associated cumulative amount in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss as part of the gain or loss on disposal.

(c) Financial instruments

(i) Non-derivative financial assets

Initial recognition and measurement

The Group classifies non-derivative financial assets into the following categories: held to maturity financial assets, loans and receivables and available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

All non-derivative financial assets are recognised initially at fair value, plus, any directly attributable transaction costs.

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group's non-derivative financial assets comprise investments in an unquoted infrastructure fund, debt securities held to maturity, trade and other receivables, due from related parties and cash and cash equivalents.

Subsequent measurement

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

Held to maturity financial assets

If the Group has a positive intent and ability to hold debt securities to maturity, then these are classified as held-to-maturity. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the consolidated statement of profit or loss. Gains and losses are also recognised in the consolidated statement of profit or loss when these financial assets are derecognised.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and receivables comprise bank balances and cash, due from related parties, trade receivables and other receivables.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Bank balances and cash

Bank balances and cash in the consolidated statement of financial position comprise cash in hand, bank balances and deposits.

For the purpose of consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above and cash classified as held for sale, net of bank overdrafts. Bank overdrafts form an integral part of the Group's cash management and is included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Available-for-sale investments

Available-for-sale financial assets comprise equity securities. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and are not classified in any of the above categories of financial assets. Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in the consolidated statement of other comprehensive income and presented in other reserves in equity. When an investment is derecognised, the balance accumulated in equity is reclassified to the consolidated statement of profit or loss.

De-recognition of non-derivative financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

(ii) Non -derivative financial liabilities

Initial recognition and measurement

The Group's non-derivative financial liabilities consist of loans and borrowings, bank overdrafts, amounts due to related parties, and trade and other payables. The Group determines the classification of its financial liabilities at initial recognition.

All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

The Group initially recognises debt securities issued and subordinated liabilities on the date they originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Non -derivative financial liabilities (continued)

Subsequent measurement

The subsequent measurement of non-derivative financial liabilities depends on their classification as follows:

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognised in the consolidated statement of profit or loss. If discounted present value of the cash flows (including any fees paid) under a new term arrangement is at least 10% different from the discounted present value of the remaining cash flows of the original liability, this is accounted for as an extinguishment of the old liability and the recognition of a new liability. Furthermore, qualitative assessment to assess extinguishment is also performed. Some of the factors considered in performing a qualitative assessment include change in interest basis, extension of debt tenure, change in collateral arrangements and change in the currency of lending.

Convertible bond

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial liability, represents the value of the option that bond holders can convert into ordinary shares.

At inception, the net proceeds of the convertible issue are split between the liability element and the derivative component, representing the fair value of the embedded option. The latter has not been recorded within equity due to the existence of cash settlement terms with the Company.

The debt component of the convertible bond is initially recognised at the fair value of a similar liability that does not have an equity conversion option. Subsequent to initial recognition, the debt component is measured at amortised cost using the effective interest rate method.

The embedded derivative is initially recognised at the difference between the fair value of the convertible bond as a whole and the fair value of the debt component (including interest). Subsequent to initial recognition, the embedded derivative component is re-measured at fair value at each reporting date with the change in the fair value recognised in the consolidated statement of profit or loss.

De-recognition of non-derivative financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derivative financial instruments

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency and interest rate risk exposures. On initial designation of the derivatives as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objective and strategy in undertaking the hedge transaction and hedged risk together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk and whether the actual results of each hedge are within the acceptable range.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment that could affect the consolidated statement of profit or loss, then such hedges are classified as cash flow hedges.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to set off on a net basis, or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 4(k) (ii)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Property, plant and equipment includes any other costs (self-constructed assets) which are directly attributable to bringing the asset to a working condition for its intended use. Such property, plant and equipment, does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within 'other income' in the consolidated statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement.

Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. On an average, the Group incurs such expenditure every 10 years. At the completion of maintenance dredging, the channel has an average service potential of 10 years. Any unamortised expense is written-off on the commencement of any new dredging activities. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

4 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amounts of the replaced parts are derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated statement of profit or loss as incurred.

(iii) Depreciation

Land and capital work in progress is not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value.

The estimated useful lives of assets are as follows:

Assets	**Useful life (years)**
Buildings	5 – 50
Plant and equipment	3 – 25
Vessels	10 – 30
Dredging (included in Land and Buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 4 (k) (ii)).

(iv) 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, the assets are substantially ready for their intended use or sale. Borrowing costs may include:

(a) interest expense calculated using the effective interest method as described in IAS 39;

(b) finance charges in respect of finance leases recognised in accordance with IAS 17; and

(c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4 Significant accounting policies (continued)

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied for own use by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

When investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are taken into profit or loss.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	**Useful life (years)**
Buildings	20 – 35
Infrastructure	5 – 50

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 fair value for disclosure purposes of the investment property is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

(f) Land use rights

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

4 Significant accounting policies (continued)

(g) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. In an acquisition, if the purchase price is lower than the fair value of the assets acquired, the resulting gain will be recognised immediately in the statement of consolidated statement of profit or loss.

Subsequent measurement
Goodwill is measured at cost less accumulated impairment losses (refer to note 4(k) (ii)).

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

(h) Port concession rights

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to associates and joint ventures). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

(i) Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition. Other port concession rights acquired separately are measured on initial recognition at cost.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 4(k) (ii)). Internally generated port concession rights, excluding capitalised development costs, are recognised in the consolidated statement of profit or loss as incurred. The useful lives of port concession rights are assessed to be either finite or indefinite.

4 Significant accounting policies (continued)

(h) Port concession rights (continued)

(i) Port concession rights arising on business combinations (continued)

Port concession rights with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired.

The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight line basis.

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(ii) Port concession rights arising from Service Concession Arrangements (IFRIC 12)

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 '*Service Concession Arrangements*'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is de-recognised.

The estimated useful lives for port concession rights range within a period of 5 – 50 years (including the concession rights relating to associates and joint ventures).

(i) Inventories

Inventories mainly consist of spare parts and consumables. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4 Significant accounting policies (continued)

(j) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Group as a lessee

Assets held by the Group under leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Assets held under operating leases are not recognised in the Group's consolidated statement of financial position. Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease. On initial recognition, the leased assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

(iii) Leasing and sub-leasing transactions

A series of leasing and sub-leasing transactions between the Group and third parties, which are closely interrelated, negotiated as a single transaction, and which take place concurrently or in a continuous sequence are considered linked and accounted for as one transaction when the overall economic effect cannot be understood without reference to the series of transactions as a whole.

These leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated statement of profit or loss based on its economic substance.

4 Significant accounting policies (continued)

(j) Leases (continued)

(iv) Leases of land in port concession

Leases of land have not been classified as finance leases as the Group believes that the substantial risks and rewards of ownership of the land have not been transferred. The existence of a significant exposure of the lessor to performance of the asset through contingent rentals is the basis of concluding that substantially all the risks and rewards of ownership have not passed.

(k) Impairment

(i) Financial assets

(a) Loans and receivables and held to maturity investments

The Group considers evidence of impairment for loans and receivables and held to maturity investment securities at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised in the consolidated statement of profit or loss and reflected in an allowance account against loans and receivables or held to maturity investments. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of profit or loss.

(b) Available-for-sale financial assets

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. A significant or prolonged decline in the fair value of an equity investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the other reserve in equity to the consolidated statement of profit or loss. The cumulative loss that is reclassified from equity to the consolidated statement of profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the consolidated statement of profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in consolidated statement of other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash generating unit. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

4 Significant accounting policies (continued)

(k) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

For goodwill and port concession rights that have indefinite lives or that are not yet available for use, recoverable amount is estimated annually and when circumstances indicate, the carrying value may be impaired. Goodwill acquired in a business combination is allocated to groups of cash generating units that are expected to benefit from the synergies of the combination. An impairment loss in respect of goodwill is not reversed.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Assets held for sale

Assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter, generally the assets (or disposal group) are measured at the lower of their carrying amount or fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the consolidated statement of profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Port concession rights and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Any excess payment received over par value is treated as share premium.

4 Significant accounting policies (continued)

(n) Employee benefits

(i) Pension and post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan in which the company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the statement of profit or loss during which the services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

When the actuarial calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Where the present value of the deficit contributions exceeds the IAS 19 deficit an additional liability is recognised.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

4 Significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

(iii) Short-term service benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

Provision for an onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerized stevedoring, other containerized revenue, non-containerized revenue, service concession revenue and lease rentals. Non-containerized revenue mainly includes logistics and handling of break bulk cargo.

4 Significant accounting policies (continued)

(p) Revenue (continued)

The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from providing containerized stevedoring, other containerized services and non-containerized services is recognised on the delivery and completion of those services.

Service concession arrangements (IFRIC 12)

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

Lease rentals and related services

A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the condensed consolidated statement of financial position. Revenue from administrative service, license, registration and consultancy is recognised as the service is provided.

(q) Finance income and expense

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated statement of profit or loss.

Finance income and expense also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 4(b) (ii)).

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

4 Significant accounting policies (continued)

(r) Income tax (continued)

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the temporary differences arising on the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- the temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is not probable that they will reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and consolidated statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

In the consolidated statement of profit or loss of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated statement of profit or loss and disclosed in the notes to the consolidated financial statements.

4 Significant accounting policies (continued)

(t) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after adjusting for interest on the convertible bond and other consequential changes in income or expense that would result from the assumed conversion) by the weighted average number of ordinary shares outstanding during the year including the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (also refer to note 25).

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors ('Chief Operating Decision Maker') to assess performance.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets (primarily Company's head office), head office expenses and income tax assets and liabilities.

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

(v) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4 Significant accounting policies (continued)

(w) New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- ***IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)***

  IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and general hedge accounting requirements.

  IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

- ***IFRS 15 Revenue from contracts with customers***

  IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

  The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

- ***IFRS 16 Leases***

  IASB has introduced a new leases Standard, IFRS 16, which supersedes IAS 17 leases. The Group is required to apply IFRS 16 with effect from 1 January 2019.

  The new standard requires the lessee to recognise the operating lease commitment on the balance sheet. The Group, as a lessee, has substantial operating leases and commitments as disclosed in note 32. The standard would require future lease commitments to be recognised as a liability, with a corresponding right of use asset. This will impact the EBITDA and debt to equity ratios of the Group. In addition, depending on the stage of lease, there would be a different pattern of expense recognition on leases. Currently, lease expenses are recognised in cost of sales, however in future the lease expense would be an amortisation and finance expense.

  The Group is in the process of collating its leases and computing the impact. The impact of this standard's application is expected to be significant.

5 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have got the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the investment properties have been performed using income capitalization, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market.

(iii) Port concession rights

Port concession rights acquired in a business combination are accounted at their fair values. The fair value is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iv) Investments in debt securities and available-for-sale financial assets

The fair values of equity and debt securities are determined by reference to their quoted closing bid price at the reporting date. The fair value of the unquoted infrastructure investment fund classified as available-for-sale is based on the independent valuation of the fund. The fair value of debt securities held to maturity is determined based on the discounted cash flows at a market related discount rate. The fair value of debt securities held to maturity is determined for disclosure purposes only.

(v) Trade and other receivables/ payables

The fair value of trade and other receivables and trade and other payables approximates to the carrying values due to the short term maturity of these instruments.

(vi) Derivatives

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.

5 Determination of fair values (continued)

(vii) Embedded derivative option liability of convertible bond

The fair value of the embedded derivative option liability of convertible bond is based on a valuation model with market assumptions.

(viii) Convertible bond

The 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 the convertible bond at the reporting date.

(ix) Non-derivative financial liabilities

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.

The fair value of bank balances and cash, and bank overdrafts approximates to the carrying value due to the short term maturity of these instruments.

6 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

(a) credit risk
(b) liquidity risk
(c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements. Also refer to note 31 for further details.

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6 Financial risk management (continued)

Risk management framework (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to associates and joint ventures in very limited circumstances and always only for the Group's share of the obligation. The provision of guarantees always requires the approval of senior management.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

6 Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

(i) Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE Dirhams) is approximately 64% (2014: 65%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated and using cross currency swaps. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

Interest on borrowings is denominated in the currency of the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using forward foreign currency contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using forward contracts and currency swaps in order to fix the cost when converted to the functional currency. The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2015, after taking into account the effect of interest rate swaps, approximately 90% (2014: 93%) of the Group's borrowings are at a fixed rate of interest.

6 Financial risk management (continued)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve and translation reserve. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

	2015	2014
	USD'000	USD'000
Total interest bearing loans and borrowings (refer to note 28)	**7,670,278**	5,854,988
Less: cash and cash equivalents (refer to note 20)	**(1,436,595)**	(3,723,073)
Total net debt	**6,233,683**	2,131,915
Total equity	**9,134,598**	9,026,660
Adjusted EBITDA (refer to note 7)	**1,928,116**	1,588,150
Net finance cost before separately disclosed items	**387,118**	283,076
Net debt/ equity	**0.68**	0.24
Net debt/ adjusted EBITDA	**3.23**	1.34
Interest cover before separately disclosed items	**5.00**	5.61

7 Segment information

The internal management reports which are prepared under IFRS are reviewed by the Board of Directors ('Chief Operating Decision Maker') based on the location of the Group's assets and liabilities. 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 also reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

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

7 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**	
	2015 USD'000	2014 USD'000	**2015 USD'000**	2014 USD'000	**2015 USD'000**	2014 USD'000	**2015 USD'000**	2014 USD'000	**2015 USD'000**	2014 USD'000	**2015 USD'000**	2014 USD'000
(Including separately disclosed items)												
Revenue	**489,374**	448,990	**642,137**	628,312	**2,911,399**	2,386,049	**-**	-	**-**	-	**4,042,910**	3,463,351
Segment results from operations *	**212,540**	185,924	**120,936**	144,518	**1,291,882**	975,819	**(252,751)**	(238,515)	**-**	-	**1,372,607**	1,067,746
Finance income	**-**	-	**-**	-	**-**	-	**114,674**	91,347	**-**	-	**114,674**	91,347
Finance costs	**-**	-	**-**	-	**-**	-	**(515,439)**	(376,963)	**-**	-	**(515,439)**	(376,963)
Profit/ (loss) for the year	**212,540**	185,924	**120,936**	144,518	**1,291,882**	975,819	**(653,516)**	(524,131)	**-**	-	**971,842**	782,130

* Segment results from operations comprise profit for the year before net finance cost.

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

7 Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Segment assets	**3,798,105**	3,859,205	**1,992,483**	1,606,160	**14,922,804**	10,244,279	**9,823,975**	11,934,822	**(10,278,240)**	(9,739,725)	**20,259,127**	17,904,741
Segment liabilities	**344,585**	303,648	**569,667**	228,742	**3,433,642**	2,966,587	**8,935,589**	7,134,174	**(3,246,910)**	(2,814,943)	**10,036,573**	7,818,208
Tax liabilities *	**-**	-	**-**	-	**-**	-	**1,087,956**	1,059,873	**-**	-	**1,087,956**	1,059,873
Total liabilities	**344,585**	303,648	**569,667**	228,742	**3,433,642**	2,966,587	**10,023,545**	8,194,047	**(3,246,910)**	(2,814,943)	**11,124,529**	8,878,081
Capital expenditure	**81,705**	46,106	**74,052**	62,310	**1,230,470**	663,432	**2,894**	35,181	**-**	-	**1,389,121**	807,029
Depreciation	**24,941**	25,672	**53,422**	56,550	**269,776**	224,366	**7,791**	5,642	**-**	-	**355,930**	312,230
Amortisation/ impairment	**43,482**	44,893	**15,261**	12,083	**66,105**	51,779	**-**	-	**-**	-	**124,848**	108,755
Share of profit/ (loss) of equity-accounted investees before separately disclosed items	**111,113**	97,433	**(67,978)**	(37,518)	**9,567**	18,046	**-**	-	**-**	-	**52,702**	77,961
Tax expense	**-**	-	**-**	-	**-**	-	**90,988**	87,418	**-**	-	**90,988**	87,418

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

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

7 Segment information (continued)

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		Head office		Inter-segment		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue before separately disclosed items	**414,203**	396,653	**642,137**	628,312	**2,911,399**	2,386,049	**-**	-	**-**	-	**3,967,739**	3,411,014
Adjusted EBITDA	**280,963**	256,489	**189,619**	217,250	**1,611,506**	1,259,866	**(153,972)**	(145,455)	**-**	-	**1,928,116**	1,588,150
Finance income	**-**	-	**-**	-	**-**	-	**104,969**	89,765	**-**	-	**104,969**	89,765
Finance costs	**-**	-	**-**	-	**-**	-	**(492,087)**	(372,841)	**-**	-	**(492,087)**	(372,841)
Tax expense	**-**	-	**-**	-	**-**	-	**(90,988)**	(127,418)	**-**	-	**(90,988)**	(127,418)
Depreciation and amortisation	**(68,423)**	(70,565)	**(68,683)**	(68,633)	**(335,228)**	(276,145)	**(7,791)**	(5,642)	**-**	-	**(480,125)**	(420,985)
Adjusted net profit/ (loss) for the year before separately disclosed items	**212,540**	185,924	**120,936**	148,617	**1,276,278**	983,721	**(639,869)**	(561,591)	**-**	-	**969,885**	756,671
Adjusted for separately disclosed items	**-**	-	**-**	(4,099)	**15,604**	(7,902)	**(13,647)**	37,460	**-**	-	**1,957**	25,459
Profit/ (loss) for the year	**212,540**	185,924	**120,936**	144,518	**1,291,882**	975,819	**(653,516)**	(524,131)	**-**	-	**971,842**	782,130

8 Revenue

	2015 USD'000	2014 USD'000
Revenue consists of:		
Containerized stevedoring revenue	**1,506,735**	1,502,990
Containerized other revenue	**1,239,744**	1,166,079
Non-containerized revenue	**802,314**	741,945
Service concession revenue (refer to note 12)	**75,171**	52,337
Lease rentals and related services	**418,946**	-
	4,042,910	3,463,351

The Group does not have any customer which contributes more than 10 per cent of the Group's total revenue.

9 Profit for the year

	2015 USD'000	2014 USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**818,203**	701,566
Depreciation and amortisation	**480,125**	420,985
Operating lease rentals	**375,743**	363,787
Impairment loss (refer to note 12)	**653**	-

10 Finance income and costs

	2015 USD'000	2014 USD'000
Finance income		
Interest income	**53,469**	59,110
Exchange gains	**51,500**	30,655
Finance income before separately disclosed items	**104,969**	89,765
Separately disclosed items (refer to note 12)	**9,705**	1,582
Finance income after separately disclosed items	**114,674**	91,347
Finance costs		
Interest expense	**(381,951)**	(325,059)
Exchange losses	**(103,356)**	(41,026)
Other net financing expense in respect of pension plans	**(6,780)**	(6,756)
Finance costs before separately disclosed items	**(492,087)**	(372,841)
Separately disclosed items (refer to note 12)	**(23,352)**	(4,122)
Finance costs after separately disclosed items	**(515,439)**	(376,963)
Net finance costs after separately disclosed items	**(400,765)**	(285,616)

11 Income tax

The major components of income tax expense for the year ended 31 December:

	2015	2014
	USD'000	USD'000
Current income tax expense		
Current year	**146,162**	93,270
Adjustment for prior periods	**(15,445)**	(6,066)
	130,717	87,204
Deferred tax (credit)/ expense	**(39,729)**	214
	90,988	87,418
Income tax expense	**90,988**	87,418
Share of income tax of equity-accounted investees	**54,014**	28,693
Total tax expense	**145,002**	116,111
Income tax expense before separately disclosed items	**90,988**	127,418
Tax on separately disclosed items (refer to note 12)	**-**	(40,000)
Income tax expense	**90,988**	87,418

Income tax balances included in the Consolidated Statement of Financial Position:

Current income tax receivable (included within accounts receivable and prepayments)	**24,731**	22,640
Current income tax liabilities	**147,320**	162,495

Current tax assets and liabilities have been offset if certain criteria are met.

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	**Applicable corporate tax rate**
Asia Pacific and Indian subcontinent	16.5% to 34.0%
Australia and Americas	1.0% to 36.0%
Middle East, Europe and Africa	0% to 34.0%

11 Income tax (continued)

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2015 **USD'000**	2014 USD'000
Net profit before tax		**1,062,830**	869,548
		=======	======
Tax at the company's domestic rate of 0% (2014: 0%)		**-**	-
Income tax on foreign earnings		**124,289**	121,655
Current year losses not recognised for deferred tax asset		**9,027**	29,762
Brought forward losses utilised		**(1,153)**	(16,847)
Tax charge on equity-accounted investees		**54,014**	28,693
Effect of rate change		**(34,341)**	(228)
Deferred tax in respect of fair value adjustments		**(6,696)**	(7,205)
Others		**15,675**	6,558
		---------	---------
Tax expense before prior year adjustments		**160,815**	162,388
Tax over provided in prior periods:			
-current tax		**(15,445)**	(6,066)
-deferred tax		**(368)**	(211)
		---------	---------
Total tax expense from operations before separately disclosed items	**(A)**	**145,002**	156,111
Adjustment for separately disclosed items		**-**	(40,000)
		---------	---------
Total tax expense		**145,002**	116,111
		=====	=====
Net profit before tax		**1,062,830**	869,548
Adjustment for separately disclosed items		**(1,957)**	14,541
Adjustment for share of income tax of equity-accounted investees		**54,014**	28,693
		--------	----------
Adjusted profit before tax and before separately disclosed items	**(B)**	**1,114,887**	912,782
		======	======
Effective tax rate before separately disclosed items	**(A/B)**	**13.01%**	17.10%
		=====	=====

Unrecognised deferred tax assets

Deferred tax assets are not recognised on trading losses of USD 649,508 thousand (2014: USD 693,469 thousand) where utilisation is uncertain, either because they have not been agreed with tax authorities, or because the likelihood of future taxable profits is not sufficiently certain, or because of the impact of tax holidays on infrastructure projects. Under current legislation, USD 446,958 thousand (2014: USD 474,982 thousand) of these trading losses can be carried forward indefinitely.

Deferred tax assets are also not recognised on capital and other losses of USD 271,638 thousand (2014: USD 286,425 thousand) due to the fact that their utilisation is uncertain.

11 Income tax (continued)

Movement in temporary differences during the year:

	1 January 2015 USD'000	Recognised in consolidated statement of profit or loss USD'000	Acquisitions in the period USD'000	Translation and other movements USD'000	31 December 2015 USD'000
Deferred tax liabilities					
Property, plant and equipment	**120,511**	**(6,932)**	**3,470**	**(7,778)**	**109,271**
Investment in equity-accounted investees	**43,070**	**(2,647)**	**-**	**(265)**	**40,158**
Fair value of acquired intangibles	**377,588**	**(32,717)**	**107,513**	**(27,215)**	**425,169**
Others	**432,941**	**7,108**	**-**	**(1,889)**	**438,160**
Total before set off	**974,110**	**(35,188)**	**110,983**	**(37,147)**	**1,012,758**
Set off of tax	**(76,732)**				**(72,122)**
Net deferred tax liabilities	**897,378**				**940,636**
Deferred tax assets					
Property, plant and equipment	**4,965**	**(1,847)**	**-**	**(514)**	**2,604**
Pension and post-employment benefits	**9,250**	**(540)**	**-**	**(1,525)**	**7,185**
Financial instruments	**19,275**	**-**	**-**	**(5,631)**	**13,644**
Provisions	**4,335**	**(1,131)**	**15**	**(380)**	**2,839**
Tax value of losses carried forward recognised	**27,693**	**7,340**	**-**	**(1,885)**	**33,148**
Others	**11,383**	**719**	**93**	**599**	**12,794**
Total before set off	**76,901**	**4,541**	**108**	**(9,336)**	**72,214**
Set off of tax	**(76,732)**				**(72,122)**
Net deferred tax assets (included within non -current account receivables and prepayments)	**169**				**92**

Deferred tax assets and liabilities have been offset if certain criteria are met.

12 Separately disclosed items

	2015 USD'000	2014 USD'000
Revenue:		
Construction contract revenue relating to service concessions	**75,171**	52,337
Cost of sales:		
Construction contract costs relating to service concessions	**(75,171)**	(52,337)
General and administrative expenses:		
Impairment of property, plant and equipment	**(653)**	-
Acquisition related costs	**-**	(19,400)
Other income:		
Gain on disposal of land	**16,867**	-
Gain on final settlement of contingent consideration	**-**	9,153
Share of loss from equity-accounted investees	**-**	(1,754)
Loss on sale and termination of business	**(610)**	-
Finance income:		
Ineffective interest rate swap gain	**390**	1,582
Net gain on restructuring of loan	**9,315**	-
Finance costs:		
Finance costs related to convertible bond	**(16,175)**	-
Transaction cost written off on termination of loan	**(7,177)**	-
Ineffective interest rate swap loss	**-**	(4,122)
Income tax credit	**-**	40,000
	1,957	25,459

Construction contract revenue and costs: In accordance with IFRIC 12 '*Service Concession Arrangements'*, the Group has recorded revenue of USD 75,171 thousand (2014: USD 52,337 thousand) 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.

Impairment of assets relates to the impairment of property, plant and equipment in a subsidiary in the 'Middle East, Europe and Africa' region (2014: Nil).

Acquisition related costs: Nil (2014: represents advisory, legal, accounting, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the 'Middle East, Europe and Africa' region).

Other income represents gain on sale of land in a subsidiary in the 'Middle East, Europe and Africa' region. (2014: related to the gain on final settlement of contingent consideration related to the acquisition of additional interest in a subsidiary during 2012 in the 'Middle East, Europe and Africa' region).

12 Separately disclosed items (continued)

Share of loss from equity-accounted investees: Nil (2014: USD 655 thousand related to the share of ineffective hedge in a joint venture in the 'Middle East, Europe and Africa' region and USD 1,099 thousand related to the share of restructuring costs in a joint venture in the 'Australia and Americas' region).

Loss on sale and termination of business represents the loss on sale of a subsidiary in the 'Middle East, Europe and Africa' region (2014: Nil).

Ineffective interest rate swap gain relates to an ineffective hedge in a subsidiary in the 'Middle East, Europe and Africa' region (2014: related to an ineffective hedge in a subsidiary in the 'Asia Pacific and Indian subcontinent' region).

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 (2014: Nil).

Finance costs related to convertible bond represents the accretion of USD 28,466 thousand (2014: Nil) liability component as at the reporting date to the amount that will be payable on redemption of the convertible bond offset with USD 12,291 thousand (2014: Nil) of change in the fair value of convertible bond option.

Transaction cost written off on termination of loan relates to a subsidiary in the 'Middle East, Europe and Africa' region (2014: Nil).

Ineffective interest rate swap loss: Nil (2014 related to an ineffective hedge in a subsidiary in the 'Middle East, Europe and Africa' region).

Income tax credit: Nil (2014 related to the release of a tax provision in connection with the restructuring and sale of subsidiaries in the 'Australia and Americas' region. The provision has been released following closure of a review by the tax authorities).

13 Property, plant and equipment

	Land and buildings USD'000	Plant and equipment USD'000	Vessels USD'000	Capital work- in-progress USD'000	Total USD'000
Cost					
As at 1 January 2015	**3,424,782**	**3,739,307**	**274,767**	**889,842**	**8,328,698**
Acquired through business combination	**27,809**	**27,153**	**-**	**12,723**	**67,685**
Additions during the year	**6,322**	**36,588**	**5,358**	**1,119,127**	**1,167,395**
Transfers from capital work-in-progress	**584,673**	**286,747**	**34,222**	**(905,642)**	**-**
Transfer (to)/ from investment properties	**(28,327)**	**-**	**-**	**82**	**(28,245)**
Disposals	**(51,204)**	**(44,373)**	**(20,058)**	**(36)**	**(115,671)**
Translation adjustment	**(79,380)**	**(118,240)**	**(14,740)**	**(59,138)**	**(271,498)**
As at 31 December 2015	**3,884,675**	**3,927,182**	**279,549**	**1,056,958**	**9,148,364**
Depreciation and impairment					
As at 1 January 2015	**782,140**	**1,130,022**	**60,376**	**-**	**1,972,538**
Charge for the year	**109,734**	**203,474**	**19,050**	**-**	**332,258**
Impairment loss	**-**	**653**	**-**	**-**	**653**
Transfer to investment properties	**(4,587)**	**-**	**-**	**-**	**(4,587)**
Translation adjustment	**(16,803)**	**(39,663)**	**(5,793)**	**-**	**(62,259)**
On disposals	**(963)**	**(42,709)**	**(15,693)**	**-**	**(59,365)**
As at 31 December 2015	**869,521**	**1,251,777**	**57,940**	**-**	**2,179,238**
Net book value as at 31 December 2015	**3,015,154**	**2,675,405**	**221,609**	**1,056,958**	**6,969,126**

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group ("the Crane French Lease Arrangements"). At 31 December 2015, cranes with aggregate net book value amounting to USD 241,494 thousand (2014: USD 257,233 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

At 31 December 2015, property, plant and equipment with a carrying amount of USD 2,315,238 thousand (2014: USD 2,342,980 thousand) are pledged to secure bank loans (refer to note 28). At 31 December 2015, the net carrying value of the leased plant and equipment and other assets was USD 120,306 thousand (2014: USD 150,999 thousand).

Borrowing costs capitalised to property, plant and equipment amounted to USD 20,299 thousand (2014: USD 31,390 thousand) with a capitalisation rate in the range of 2.94% to 5.13% per annum (2014: 2.94% to 5.13% per annum).

13 Property, plant and equipment (continued)

	Land and buildings USD'000	Plant and equipment USD'000	Vessels USD'000	Capital work- in-progress USD'000	Total USD'000
Cost					
As at 1 January 2014	3,308,139	2,928,954	244,802	1,405,545	7,887,440
Acquired through business combination	-	3,876	65,580	2,054	71,510
Additions during the year	13,410	25,297	48,154	628,451	715,312
Transfers from capital work-in-progress	181,932	904,299	605	(1,086,836)	-
Translation adjustment	(73,679)	(64,771)	(37,589)	(37,497)	(213,536)
Disposals	(5,020)	(58,348)	(46,785)	-	(110,153)
Transferred to equity-accounted investees as capital contribution	-	-	-	(21,875)	(21,875)
As at 31 December 2014	3,424,782	3,739,307	274,767	889,842	8,328,698
Depreciation and impairment					
As at 1 January 2014	694,229	1,017,552	105,874	-	1,817,655
Charge for the year	107,137	189,282	15,811	-	312,230
Translation adjustment	(16,524)	(20,413)	(14,524)	-	(51,461)
On disposals	(2,702)	(56,399)	(46,785)	-	(105,886)
As at 31 December 2014	782,140	1,130,022	60,376	-	1,972,538
Net book value as at 31 December 2014	2,642,642	2,609,285	214,391	889,842	6,356,160

14 Investment properties

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
Cost				
As at 1 January 2015	-	-	-	-
Acquired through business combination	31,407	745,006	293,579	1,069,992
Additions during the year	-	108,307	-	108,307
Transfers	-	88,454	(88,454)	-
Transfer from/ (to) property, plant and equipment	-	28,327	(82)	28,245
Translation adjustment	(1,029)	-	(27)	(1,056)
As at 31 December 2015	30,378	970,094	205,016	1,205,488
Depreciation and impairment				
As at 1 January 2015	-	-	-	-
Depreciation charge for the year	-	23,672	-	23,672
Transfer from property, plant and equipment	-	4,587	-	4,587
As at 31 December 2015	-	28,259	-	28,259
Net book value:				
As at 1 January 2015	-	-	-	-
As at 31 December 2015	30,378	941,835	205,016	1,177,229

Land:

At 31 December 2015, the fair value of land was estimated to be USD 65,069 thousand (2014: Nil) compared to the carrying value of USD 30,378 thousand (2014: Nil).

Building and infrastructure:

At 31 December 2015, the fair value of buildings and infrastructure was USD 1,942,275 thousand (2014: Nil) compared to the carrying value of USD 941,835 thousand. The buildings and infrastructure are constructed on a land for which the Economic zones and logistics park business obtained land use rights for a period of 99 years.

Investment properties under development:

Investment properties under development mainly include infrastructure development, staff accommodation and the convention centre complex in Jebel Ali Free Zone, UAE. These properties will be capitalised upon completion and their carrying value approximates the fair value as at reporting date.

Key assumptions used in the determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have got the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the investment properties have been performed using income capitalization, comparable and residual methods of valuation.

14 Investment properties (continued)

Key assumptions used in the determination of the fair value of investment properties (continued)

The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market.

The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent (per square metre per annum)
- Rent growth per annum
- Historical and estimated long term occupancy rate
- Yields, discount rates and terminal capitalization rates

The fair value of investment properties are categorised under level 3 hierarchy (refer to note 31) and the Group considers the current use of these properties as their highest and best use.

15 Land use rights, goodwill and port concession rights

	Land use rights USD'000	Goodwill USD'000	Port concession rights and other intangible assets USD'000	Total USD'000
Cost				
As at 1 January 2015	-	1,448,194	3,754,188	5,202,382
Acquired through business combinations	2,677,717	114,513	411,585	3,203,815
Additions	-	-	113,419	113,419
Disposals	-	-	(3,838)	(3,838)
Translation adjustment	-	(102,321)	(233,187)	(335,508)
As at 31 December 2015	2,677,717	1,460,386	4,042,167	8,180,270
Amortisation and impairment				
As at 1 January 2015	-	-	974,920	974,920
Charge for the year	23,096	-	101,099	124,195
On disposals	-	-	(3,733)	(3,733)
Translation adjustment	-	-	(50,029)	(50,029)
As at 31 December 2015	23,096	-	1,022,257	1,045,353
Net book value:				
As at 31 December 2015	2,654,621	1,460,386	3,019,910	7,134,917

Port concession rights include concession agreements which are mainly accounted for as part of business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

At 31 December 2015, port concession rights with a carrying amount of USD 146,535 thousand (2014: USD 175,131 thousand) are pledged to secure bank loans (refer to note 28).

15 Land use rights, goodwill and port concession rights (continued)

	Land use rights USD'000	Goodwill USD'000	Port concession rights and other intangible assets USD'000	Total USD'000
Cost				
As at 1 January 2014	-	1,532,238	3,799,653	5,331,891
Additions	-	-	91,717	91,717
Disposals	-	-	(9,742)	(9,742)
Acquired through business combinations	-	4,297	31,541	35,838
Translation adjustment	-	(88,341)	(158,981)	(247,322)
As at 31 December 2014	-	1,448,194	3,754,188	5,202,382
Amortisation and impairment				
As at 1 January 2014	-	-	895,172	895,172
Charge for the year	-	-	108,755	108,755
On disposals	-	-	(4,362)	(4,362)
Translation adjustment	-	-	(24,645)	(24,645)
As at 31 December 2014	-	-	974,920	974,920
Net book value:				
As at 31 December 2014	-	1,448,194	2,779,268	4,227,462

16 Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units ("CGU"), which are reportable business units, for the purpose of impairment testing.

Impairment testing is done at operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		**Carrying amount of port concession rights with indefinite useful life**		**Discount rates**	**Perpetuity growth rate**
	2015 USD'000	2014 USD'000	**2015 USD'000**	2014 USD'000		
Cash-generating units aggregated by operating segment						
Asia Pacific and Indian subcontinent	**161,427**	169,124	**-**	-	7.00% - 12.00%	2.50%
Australia and Americas	**314,325**	235,170	**-**	-	6.00% - 18.50%	2.50%
Middle East, Europe and Africa	**984,634**	1,043,900	**923,392**	979,201	5.50% - 16.50%	2.50% - 2.60%
Total	**1,460,386**	1,448,194	**923,392**	979,201		

16 Impairment testing (continued)

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

Discount rates – These represent the cost of capital adjusted for the respective location risk factors. The Group uses the post-tax industry average Weighted Average Cost of Capital which reflects the country specific risk adjusted discount rate.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

Perpetuity growth rate – In management's view, the perpetuity growth rate is the minimum growth rate expected to be achieved beyond the eight year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in impairment.

17 Investment in equity-accounted investees

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

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Total**	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Cash and cash equivalents	**386,429**	352,234	**102,991**	136,146	**204,006**	165,784	**693,426**	654,164
Other current assets	**226,744**	167,963	**97,990**	111,017	**150,528**	163,159	**475,262**	442,139
Non-current assets	**7,262,814**	7,952,900	**2,078,861**	2,565,924	**2,440,019**	2,574,955	**11,781,694**	13,093,779
Total assets	**7,875,987**	8,473,097	**2,279,842**	2,813,087	**2,794,553**	2,903,898	**12,950,382**	14,190,082
Current financial liabilities	**10,780**	20,746	**84,154**	89,106	**36,187**	48,376	**131,121**	158,228
Other current liabilities	**357,476**	582,136	**200,634**	205,465	**199,323**	208,253	**757,433**	995,854
Non-current financial liabilities	**1,098,965**	1,250,111	**1,434,621**	1,643,284	**543,778**	479,931	**3,077,364**	3,373,326
Other non-current liabilities	**637,175**	651,141	**77,751**	102,391	**510,608**	552,012	**1,225,534**	1,305,544
Total liabilities	**2,104,396**	2,504,134	**1,797,160**	2,040,246	**1,289,896**	1,288,572	**5,191,452**	5,832,952
Net assets (100%)	**5,771,591**	5,968,963	**482,682**	772,841	**1,504,657**	1,615,326	**7,758,930**	8,357,130
Group's share of net assets in equity-accounted investees							**2,408,321**	2,534,320

17 Investment in equity-accounted investees (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue	**1,581,984**	1,527,146	**594,147**	688,368	**533,198**	576,798	**2,709,329**	2,792,312
Depreciation and amortisation	**(311,700)**	(312,266)	**(120,351)**	(155,764)	**(67,130)**	(69,103)	**(499,181)**	(537,133)
Other expenses	**(602,004)**	(620,175)	**(416,822)**	(513,948)	**(408,382)**	(435,961)	**(1,427,208)**	(1,570,084)
Interest expense	**(89,845)**	(107,316)	**(305,295)**	(239,853)	**(23,688)**	(28,213)	**(418,828)**	(375,382)
Other finance income	**27,004**	44,191	**10,846**	10,334	**3,842**	1,141	**41,692**	55,666
Income tax expense	**(139,358)**	(124,275)	**802**	54,565	**(20,319)**	(3,620)	**(158,875)**	(73,330)
Net profit/ (loss)	**466,081**	407,305	**(236,673)**	(156,298)	**17,521**	41,042	**246,929**	292,049
Group's share of profit/ (loss) (before separately disclosed items)	**111,113**	97,433	**(67,978)**	(37,517)	**9,567**	18,045	**52,702**	77,961
Group's share of other comprehensive income							**(211)**	(10,906)

18 Other investments

	2015 **USD'000**	2014 USD'000
Debt securities held to maturity (refer to note (a) below)	**8,198**	9,204
Available-for-sale financial assets (refer to note (b) below)	**60,538**	60,811
	68,736	70,015

(a) The movement in debt securities held to maturity mainly relates to redemption of USD 1,001 thousand (2014: USD 1,001 thousand) during the year.

(b) Available-for-sale financial assets consist of an unquoted investment in an Infrastructure Fund in UAE and a listed equity instrument in Hong Kong.

The movement schedule for available-for-sale financial assets is as follows:

	2015 **USD'000**	2014 USD'000
As at 1 January	**60,811**	52,716
Additions during the year	**-**	10,000
Change in fair value recognised in consolidated statement of other comprehensive income	**(283)**	(1,895)
Foreign exchange movement	**10**	(10)
As at 31 December	**60,538**	60,811

Analysis of other investments by currency is shown as follows:

Currencies	**2015** **USD'000**	2014 USD'000
HKD	**9,202**	8,927
USD	**59,501**	61,051
AUD	**33**	37
	68,736	70,015

19 Accounts receivable and prepayments

	2015 Non-current USD'000	**2015 Current USD'000**	**2015 Total USD'000**
Trade receivables (net)	**-**	**359,009**	**359,009**
Advances paid to suppliers	**-**	**62,010**	**62,010**
Other receivables and prepayments	**56,496**	**252,778**	**309,274**
Employee benefit assets (refer to note 27)	**60**	**-**	**60**
Due from related parties (refer to note 30)	**192,500**	**79,830**	**272,330**
	249,056	**753,627**	**1,002,683**

	2014 Non-current USD'000	2014 Current USD'000	2014 Total USD'000
Trade receivables (net)	-	301,673	301,673
Advances paid to suppliers	-	30,373	30,373
Other receivables and prepayments	73,203	305,291	378,494
Employee benefit assets (refer to note 27)	262	-	262
Due from related parties (refer to note 30)	121,026	103,606	224,632
	194,491	740,943	935,434

The Group's exposure to credit and currency risk are disclosed in note 31.

20 Bank balances and cash

	2015 USD'000	2014 USD'000
Cash at banks and in hand	**334,447**	381,173
Short-term deposits	**1,033,771**	3,281,606
Deposits under lien	**68,377**	60,294
Bank balances and cash	**1,436,595**	3,723,073
Cash and cash equivalents for consolidated statement of cash flows	**1,436,595**	3,723,073

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.

21 Share capital

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

	2015 USD'000	2014 USD'000
Authorised		
1,250,000,000 of USD 2.00 each	**2,500,000**	2,500,000
	=======	=======
Issued and fully paid		
830,000,000 of USD 2.00 each	**1,660,000**	1,660,000
	=======	=======

22 Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

Other reserves

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on available-for-sale investments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in consolidated statement of other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

23 Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	2015 USD'000 Middle East, Europe and Africa region	**2015 USD'000 Other individually immaterial subsidiaries ***	**2015 USD'000 Total**	2014 USD'000 Middle East, Europe and Africa region	2014 USD'000 Other individually immaterial subsidiaries *	2014 USD'000 Total
Balance sheet information:						
Non-current assets	**313,730**			465,648		
Current assets	**222,454**			247,567		
Non-current liabilities	**(40,807)**			(138,487)		
Current liabilities	**(73,058)**			(119,770)		
Net assets (100%)	**422,319**			454,958		
Carrying amount of fair value adjustments	**-**			284,550		
Total	**422,319**			739,508		
Carrying amount of NCI as at 31 December	**281,795**	**85,969**	**367,764**	419,004	110,258	529,262

23 Non-controlling interests ('NCI') (continued)

	2015 USD'000 Middle East, Europe and Africa region	**2015 USD'000 Other individually immaterial subsidiaries ***	**2015 USD'000 Total**	2014 USD'000 Middle East, Europe and Africa region	2014 USD'000 Other individually immaterial subsidiaries *	2014 USD'000 Total
Statement of profit or loss information:						
Revenue	**366,272**			386,297		
Profit after tax	**115,953**			97,075		
Other comprehensive income, net of tax	**5,385**			(5,705)		
Total comprehensive income (100%), net of tax	**121,338**			91,370		
Profit allocated to NCI	**74,183**	**14,728**	**88,911**	61,169	20,387	81,556
Other comprehensive income allocated to NCI	**3,487**	**(9,098)**	**(5,611)**	(1,646)	(11,376)	(13,022)
Total comprehensive income attributable to NCI	**77,670**	**5,630**	**83,300**	59,523	9,011	68,534
Cash flow statement information:						
Cash flows from operating activities	**119,645**			147,214		
Cash flows from investing activities	**(2,803)**			(11,953)		
Cash flows from financing activities	**(53,123)**			(54,022)		
Dividends paid to NCI	**-**			-		

* There are no material subsidiaries in the other operating segments of the Group with NCI.

24 Dividends

	2015	2014
	USD'000	USD'000
Declared and paid during the year:		
Final dividend: 23.5 US cents per share/ 23 US cents per share	**195,050**	190,900
	======	======
Proposed for approval at the annual general meeting *(not recognised as a liability as at 31 December):*		
Final dividend: 30 US cents per share/ 23.5 US cents per share	**249,000**	195,050
	======	=====

25 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.

	2015 Before separately disclosed items USD'000	**2015 Adjusted for separately disclosed items USD'000**	2014 Before separately disclosed items USD'000	2014 Adjusted for separately disclosed items USD'000
Profit attributable to the ordinary shareholders of the Company **(a)**	**882,576**	**882,931**	675,430	700,573
Add: costs related to convertible bonds saved as a result of the conversion	**18,599**	**34,774**	9,900	9,900
	---------	---------	--------	--------
Profit attributable to the ordinary shareholders of the Company after conversion (b)	**901,175**	**917,705**	685,330	710,473
	======	======	======	======
Weighted average number of basic shares outstanding as at 31 December **(c)**	**830,000,000**	**830,000,000**	830,000,000	830,000,000
Weighted average numbers of shares due to conversion of convertible bond	**36,846,510**	**36,846,510**	19,786,071	19,786,071
	-------------	-------------	-------------	-------------
Total weighted average number of ordinary share (diluted) outstanding as at – (d)	**866,846,510**	**866,846,510**	849,786,071	849,786,071
	=========	=========	=========	=========
Basic earnings per share US cents - (a/c)	**106.33**	**106.38**	81.38	84.41
	====	=====	====	====
Diluted earnings per share US cents - (b/d)	**103.96**	**105.87**	80.65	83.61
	====	====	====	====

26 Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2015	2014
	USD'000	USD'000
As at 1 January	**74,127**	61,740
Acquired through business combinations	**7,892**	3,721
Provision made during the year *	**25,897**	13,895
Amounts paid during the year	**(10,154)**	(5,229)
As at 31 December	**97,762**	74,127

* The provision for expatriate staff gratuities, included in Employees' end of service benefits, is calculated in accordance with the regulations of the Jebel Ali Free Zone Authority. This is based on the liability that would arise if employment of all staff were terminated at the reporting date.

The UAE government had introduced Federal Labour Law No.7 of 1999 for pension and social security. Under this Law, employers are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

27 Pension and post-employment benefits

The Group participates in a number of pension schemes throughout the world. The principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

The Group also operates a number of smaller defined benefit and defined contribution schemes. In addition, the Group participates in various industry multi-employer schemes, the most significant of which is the Merchant Navy Officers' Pension Fund (the "MNOPF Scheme") and is in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

The board of a pension fund in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans if appropriate.

These defined benefit funds expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

27 Pension and post-employment benefits (continued)

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2015 USD'000	2014 USD'000
Non-current		
Defined benefit schemes net liabilities	**179,136**	208,166
Liability in respect of long service leave	**475**	588
Liability for other non-current deferred compensation	**1,216**	1,667
	180,827	210,421
Current		
Liability for current deferred compensation	**10,009**	10,175
Net liabilities	**190,836**	220,596
Net liabilities		
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets (included within non-current receivables (refer to note 19)	**(60)**	(262)
Employee benefits liabilities: Non-current	**180,887**	210,683
Employee benefits liabilities: Current	**10,009**	10,175
	190,836	220,596

The defined benefit pension schemes net liabilities of USD 179,136 thousand (2014: USD 208,166 thousand) is in respect of the total Group schemes shown on page 70 and 71.

The current portion of employee benefits liabilities includes a liability of USD 8,053 thousand (2014: USD 7,877 thousand) in respect of annual leave, USD 457 thousand (2014: USD 829 thousand) in respect of long service leave, and USD 1,499 thousand (2014: USD 1,469 thousand) in respect of sick leave and other miscellaneous employee benefit items.

An expense of USD 34,458 thousand (2014: USD 31,952 thousand) has been recognised in the consolidated statement of profit or loss for the long term employee benefit schemes. USD 8,200 thousand (2014: USD 7,600 thousand) in respect of defined benefit schemes, USD 11,500 thousand (2014: USD 12,300 thousand) in respect of defined contribution schemes and USD 14,758 thousand (2014: USD 12,052 thousand) in respect of other employee benefits.

A net finance cost of USD 6,780 thousand (2014: USD 6,756 thousand) in respect of defined benefit funds has been recognised in the consolidated statement of profit or loss.

27 Pension and post-employment benefits (continued)

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2015 USD'000	2014 USD'000
Actuarial (gain)/ loss recognised in the year	**(81,210)**	202,472
Return on plan assets lesser/ (greater) than the discount rate	**59,900**	(171,000)
Change in share in multi-employer scheme	**(1,400)**	29,745
Movement in minimum funding liability	**28,700**	8,600
	5,990	69,817

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2015 by qualified independent actuaries. The principal assumptions are included in the table below.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme 2015	**MNOPF scheme 2015**	**Other schemes 2015**
Discount rates	**3.70%**	**3.70%**	**3.90%**
Discount rates bulk annuity asset	**3.50%**	**-**	**-**
Expected rates of salary increases	**-**	**-**	**3.20%**
Pension increases: deferment	**2.80%**	**2.20%**	**3.00%**
payment	**2.80%**	**3.10%**	**3.00%**
Inflation	**3.20%**	**3.20%**	**3.20%**

	P&O UK scheme 2014	MNOPF scheme 2014	Other schemes 2014
Discount rates	3.60%	3.60%	3.70%
Discount rates bulk annuity asset	3.35%	-	-
Expected rates of salary increases	2.50%	-	3.20%
Pension increases: deferment	2.80%	2.15%	3.00%
payment	2.80%	3.05%	3.00%
Inflation	3.15%	3.15%	3.20%

From 1 December 2011, changes have been made to the benefits provided by the P&O UK scheme. These include a restriction to pay increases equal to the lower of Retail Price Index and 2.5% in a Scheme Year. This restriction is reflected in the pay increase assumption above and there is no allowance for promotional increases. The P&O UK Scheme was closed to future accrual on 31 December 2015, so future pay increases will no longer be relevant after this date.

The assumptions for pensioner longevity under both the P&O UK scheme and the MNOPF scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

27 Pension and post-employment benefits (continued)

Actuarial valuations and assumptions (continued)

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	**Age 65 in 20 years' time**	**Age 65 now**	**Age 65 in 20 years' time**
2015				
P&O UK scheme	**23.4**	**26.5**	**25.8**	**28.9**
MNOPF scheme	**22.7**	**25.6**	**26.3**	**29.3**
	===	===	===	===
2014				
P&O UK scheme	23.3	26.3	25.6	28.7
MNOPF scheme	22.6	25.4	26.2	29.2
	===	===	===	===

At 31 December 2015 the weighted average duration of the defined benefit obligation was 15.8 years (2014: 16 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2015 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	**18,200**
0.1% increase in inflation assumption and related assumptions	**8,000**
0.25% p.a. increase in the long term rate of mortality improvement	**11,700**
	======

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme USD'000	**MNOPF scheme USD'000**	**Other schemes USD'000**	**Group schemes fair value USD'000**
2015				
Equities	**453,937**	**81,065**	**95,885**	**630,887**
Bonds	**178,658**	**139,309**	**113,621**	**431,588**
Other	**30,677**	**-**	**33,790**	**64,467**
Value of insured pensioner liability	**1,131,211**	**-**	**-**	**1,131,211**
	------------	-----------	---------	------------
	1,794,483	**220,374**	**243,296**	**2,258,153**
	=======	======	=====	=======
2014				
Equities	500,311	75,904	87,600	663,815
Bonds	183,136	139,996	120,200	443,332
Other	30,549	-	38,700	69,249
Value of insured pensioner liability	1,273,496	-	-	1,273,496
	------------	-----------	---------	------------
	1,987,492	215,900	246,500	2,449,892
	=======	======	=====	=======

With the exception of the insured pensioner liability all material investments have quoted prices in active markets.

27 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations and fair value of scheme assets for the period ended 31 December 2015:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Present value of obligation at 1 January 2015	(2,070,600)	(246,300)	(327,758)	(2,644,658)
Employer's interest cost	(71,200)	(8,600)	(11,722)	(91,522)
Employer's current service cost	(500)	-	(4,100)	(4,600)
Gain due to settlements	13,500	-	-	13,500
Contributions by scheme participants	-	-	(1,100)	(1,100)
Effect of movement in exchange rates	98,800	11,700	15,981	126,481
Benefits paid	97,800	10,900	10,400	119,100
Experience gains on scheme liabilities	35,600	9,000	5,000	49,600
Change in share in multi-employer scheme	-	-	5,300	5,300
Actuarial gain on scheme liabilities due to change in demographic assumptions	-	-	1,910	1,910
Actuarial gains on scheme liabilities due to change in financial assumptions	25,400	2,600	1,700	29,700
Present value of obligation at 31 December 2015	(1,871,200)	(220,700)	(304,389)	(2,396,289)

	P&O UK scheme USD'000	MNOPF Scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Fair value of scheme assets at 1 January 2015	1,987,492	215,900	246,500	2,449,892
Interest income on assets	68,500	7,600	9,100	85,200
Return on plan assets (lesser)/ greater than the discount rate	(66,700)	8,600	(1,800)	(59,900)
Loss due to settlements	(12,800)	-	-	(12,800)
Contributions by employer	13,200	10,900	16,200	40,300
Contributions by scheme participants	-	-	1,100	1,100
Effect of movement in exchange rates	(94,809)	(11,026)	(12,504)	(118,339)
Benefits paid	(97,800)	(10,900)	(10,400)	(119,100)
Change in share in multi-employer scheme	-	-	(3,900)	(3,900)
Administration costs incurred during the year	(2,600)	(700)	(1,000)	(4,300)
Fair value of scheme assets at 31 December 2015	1,794,483	220,374	243,296	2,258,153
Defined benefit schemes net liabilities	(76,717)	(326)	(61,093)	(138,136)
Minimum funding liability	-	(30,500)	(10,500)	(41,000)
Net liability recognised in the consolidated statement of financial position at 31 December 2015	(76,717)	(30,826)	(71,593)	(179,136)

27 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations and fair value of scheme assets for the period ended 31 December 2014:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Present value of obligation at 1 January 2014	(2,068,600)	(216,300)	(255,900)	(2,540,800)
Employer's interest cost	(87,300)	(9,200)	(11,400)	(107,900)
Employer's current service cost	(600)	-	(3,700)	(4,300)
Contributions by scheme participants	-	-	(1,200)	(1,200)
Effect of movement in exchange rates	125,500	14,800	18,659	158,959
Benefits paid	109,800	9,400	11,400	130,600
Experience gains/ (loss) on scheme liabilities	13,900	300	(24,017)	(9,817)
Change in share of multi-employer scheme	-	(24,037)	(53,508)	(77,545)
Actuarial loss on scheme liabilities due to change in demographic assumptions	(2,900)	-	-	(2,900)
Actuarial losses on scheme liabilities due to change in financial assumptions	(160,400)	(21,263)	(8,092)	(189,755)
Present value of obligation at 31 December 2014	(2,070,600)	(246,300)	(327,758)	(2,644,658)

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Fair value of scheme assets at 1 January 2014	1,995,300	174,600	208,400	2,378,300
Interest income on assets	84,300	7,600	9,400	101,300
Return on plan assets greater than the discount rate	125,500	29,700	15,800	171,000
Contributions by employer	14,200	8,500	8,900	31,600
Contributions by scheme participants	-	-	1,200	1,200
Effect of movement in exchange rates	(120,008)	(12,900)	(14,500)	(147,408)
Benefits paid	(109,800)	(9,400)	(11,400)	(130,600)
Change in share of multi-employer scheme	-	18,300	29,500	47,800
Administration costs incurred during the year	(2,000)	(500)	(800)	(3,300)
Fair value of scheme assets at 31 December 2014	1,987,492	215,900	246,500	2,449,892
Defined benefit schemes net liabilities	(83,108)	(30,400)	(81,258)	(194,766)
Minimum funding liability	-	(13,400)	-	(13,400)
Net liability recognised in the consolidated statement of financial position at 31 December 2014	(83,108)	(43,800)	(81,258)	(208,166)

27 Pension and post-employment benefits (continued)

Where a surplus arises on a scheme in accordance with IAS19 and IFRIC14, the surplus is recognised as an asset only if it represents an unconditional economic benefit available to the Group in the future. Any surplus in excess of this benefit is not recognised in the statement of financial position. A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability on the MNOPF Scheme:

	2015	2014
	USD'000	USD'000
Minimum funding liability as on 1 January	**(13,400)**	(5,500)
Employer's interest cost	**(458)**	(156)
Actuarial loss during the year	**(28,700)**	(8,600)
Effect of movement in exchange rates	**1,558**	856
Minimum funding liability as on 31 December	**(41,000)**	(13,400)

It is anticipated that the Group will make the following contributions to the pension schemes in 2016:

	P&O UK scheme	**MNOPF scheme**	**Other schemes**	**Total group schemes**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Pension scheme contributions	**12,406**	**7,127**	**10,907**	**30,440**

P&O UK Scheme

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the latest completed regular valuation report for the scheme being at 31 March 2013, using the projected unit credit method.

As a result of the valuation P&O committed to regular monthly deficit payments from April 2013 of USD 1,087 thousand until November 2021.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

Merchant Navy Officers' Pension Fund ("MNOPF")

The MNOPF Scheme is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated.

The scheme was divided into two sections, the Old Section and the New Section, both of which are closed to new members.

27 Pension and post-employment benefits (continued)

Merchant Navy Officers' Pension Fund ("MNOPF") (continued)

The Old Section has been closed to benefit accrual since 1978. The Old Scheme completed a buy-out of all its members benefit obligations in July 2014, following which the Old Section was wound up. Therefore, no further liabilities were assigned to the Group in respect of the Old Scheme. The Group could not identify its share of the underlying assets and liabilities of the Old Section on a consistent and reasonable basis and therefore accounted for contributions and payments to the Old Section under IAS19 as if it were a defined contribution scheme until the scheme was wound up during the year.

The most recent formal actuarial valuation of the New Section was carried out as at 31 March 2015. This resulted in a deficit of USD 4,446 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2015 actuarial valuation.

Following the valuation the Trustee and Employers have agreed contributions, in addition to those arising from the 31 March 2003, 31 March 2006 and 31 March 2009 valuations, which will be paid to the Section by participating employers over the period to 30 September 2023. These contributions include an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. The Group's aggregated outstanding contributions from these valuations are payable as follows: 2016 USD 7,127 thousand, 2017 to 2020 USD 6,154 thousand per annum and 2021 to 2023 USD 1,154 thousand per annum.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the New Section at 31 December 2015 is estimated at 5.33%.

Merchant Navy Ratings' Pension Fund ("MNRPF")

The Merchant Navy Ratings' Pension Fund ("the MNRPF Scheme") is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual.

The most recent formal actuarial valuation was carried out as at 31 March 2014. The Group's deficit contributions arising from this valuation totalled USD 41,941 thousand (equating to 7.3% share of the net deficit). Deficit contributions of USD 7,437 thousand were paid into the Scheme in 2015. Negotiations are ongoing for a repayment period for the remaining USD 34,086 thousand deficit. (on which 6% per annum interest will be charged).

Certain Group companies, which are no longer current employers in the MNRPF had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustees could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed the decision, it was not overturned.

28 Interest bearing loans and borrowings

This note provides information about the terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 31.

	2015 USD'000	2014 USD'000
Non-current liabilities		
Secured bank loans	**1,106,519**	982,245
Mortgage debenture stock	**2,111**	2,220
Unsecured bank loans	**1,135,690**	589,695
Unsecured bond issues	**4,468,329**	3,241,454
Convertible bond	**781,799**	752,271
Unsecured loans	**11,952**	9,870
Finance lease liabilities	**20,831**	25,903
	7,527,231	5,603,658
Current liabilities		
Secured bank loans	**119,022**	227,697
Unsecured bank loans	**14,179**	14,984
Unsecured loans	**2,400**	1,200
Finance lease liabilities	**7,446**	7,449
	143,047	251,330
Total	**7,670,278**	5,854,988

28 Interest bearing loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

Currency	***Notes***	**Nominal interest rate**	**Year of maturity**	**Face value USD'000**	**2015 Carrying amount USD'000**
Secured bank loans					
USD		Variable	2016- 2030	272,352	**272,352**
USD		3.00%	2019	2,298	**2,298**
USD		5.98%-8.00%	2022	32,764	**32,764**
EUR		Variable	2016-2022	51,661	**51,661**
EUR		4.25%	2031	7,977	**7,977**
PKR		Variable	2019	54,288	**54,288**
GBP		Variable	2019-2024	804,201	**804,201**
Unsecured bank loans					
SAR		Variable	2017	7,124	**7,124**
CAD		Variable	2018	89,619	**89,619**
INR		Variable	2017-2020	92,161	**92,161**
USD		4.14%	2024	7,519	**7,519**
USD		Variable	2017- 2021	953,446	**953,446**
Mortgage debenture stock					
GBP		3.50%	Undated	2,111	**2,111**
Unsecured loans					
EUR		2.50%-4.00%	Indefinite duration	11,320	**11,320**
USD		7.00%-8.00%	Payable on demand	3,032	**3,032**
Unsecured bond					
USD		7.875%	2027	8,000	**7,949**
Unsecured sukuk bonds					
USD	*(a)*	*	2017	1,500,000	**1,496,588**
USD	*(b)*	**	2019	650,000	**729,460**
Unsecured MTNs					
USD	*(a)*	6.85%	2037	1,750,000	**1,739,238**
USD	*(c)*	3.25%	2020	500,000	**495,094**
Unsecured convertible bond					
USD	*(d)*	1.75%	2024	1,000,000	**781,799**
Finance lease liabilities in various currencies		2.50% - 13.58%	2017-2054	28,277	**28,277**
				7,828,150	**7,670,278**

* The profit rate on this Islamic Bond is 6.25%
** The profit rate on this Islamic Bond is 7.00%

28 Interest bearing loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

Currency	*Notes*	Nominal interest rate	Year of maturity	Face value USD'000	2014 Carrying amount USD'000
Secured bank loans					
USD		Variable	2015-2020	360,563	360,563
USD		3%	2019	3,046	3,046
USD		5.65% - 8%	2022	37,000	37,000
EUR		Variable	2023	2,726	2,726
EUR		Variable	2015-2031	80,347	80,347
EUR		6.32%	2015	327	327
PKR		Variable	2019	65,002	65,002
ZAR		9.5%	2017	292	292
GBP		Variable	2031	658,805	658,805
GBP		7.5%	2017	1,834	1,834
Unsecured bank loans					
SAR		Variable	2017	11,151	11,151
CAD		Variable	2018	115,692	115,692
INR		Variable	2017-2019	46,800	46,800
USD		4.14%	2024	8,166	8,166
USD		Variable	2018-2021	422,870	422,870
Mortgage debenture stock					
GBP		3.5%	Undated	2,220	2,220
Unsecured loans					
EUR		2.5%-4%	Indefinite duration	9,870	9,870
USD		7.5%	Payable on demand	1,200	1,200
Unsecured bond					
USD		7.875%	2027	8,000	7,943
Unsecured sukuk bonds					
USD	*(a)*	*	2017	1,500,000	1,494,487
Unsecured MTNs					
USD	*(a)*	6.85%	2037	1,750,000	1,739,024
Unsecured convertible bond					
USD	*(d)*	1.75%	2024	1,000,000	752,271
Finance lease liabilities in various currencies		2.62% - 13.58%	2015-2054	33,352	33,352
				6,119,263	5,854,988

* The profit rate on this Islamic Bond is 6.25%.

28 Interest bearing loans and borrowings (continued)

(a) The Group has issued conventional bond of USD 1,750,000 thousand as Medium Term Note and a Sukuk (Islamic Bond) of USD 1,500,000 thousand. The Medium Term Note and Sukuk are currently listed on Nasdaq Dubai and the London Stock Exchange (LSE).

(b) The Group has acquired through business combination JAFZ Sukuk of USD 650,000 thousand which is currently listed on Nasdaq Dubai and Irish Stock Exchange.

(c) During the year, the Group has issued unsecured Global Medium Term Note ('GMTN') of USD 500,000 thousand which is currently listed on London Stock Exchange and Nasdaq Dubai.

(d) On 19 June 2014, the Group issued 10 year USD 1 billion unsecured convertible bonds convertible into 36.85 million ordinary shares of DP World Limited. These bonds are currently listed on the Frankfurt Stock Exchange with a coupon rate of 1.75% per annum. These bonds include investor put option which can be exercised at par in June 2018 (Year 4) and in June 2021 (Year 7). There is also an issuer call option which can be exercised on or after July 2017 (Year 3), subject to a 130% trigger on the conversion price of USD 27.14.

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 13 and note 15). The deposits under lien amounting to USD 68,377 thousand (2014: USD 60,294 thousand) are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 20).

At 31 December 2015, the undrawn committed borrowing facilities of USD 2,861,930 thousand (2014: USD 3,627,235 thousand) were available to the Group, in respect of which all conditions precedent had been met.

Finance lease liabilities

The Group classifies certain property, plant and equipment as finance leases where it retains all risks and rewards incidental to the ownership. The net carrying values of these assets are disclosed in note 13.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Future minimum lease payments USD'000	**Interest USD'000**	**2015 Present value of minimum lease payments USD'000**
Less than one year	**9,242**	**(1,796)**	**7,446**
Between one and five years	**20,259**	**(3,121)**	**17,138**
More than five years	**7,988**	**(4,295)**	**3,693**
At 31 December	**37,489**	**(9,212)**	**28,277**

	USD'000	USD'000	2014 USD'000
Less than one year	9,087	(2,064)	7,023
Between one and five years	26,793	(3,955)	22,838
More than five years	8,836	(5,345)	3,491
At 31 December	44,716	(11,364)	33,352

The finance leases do not contain any escalation clauses and do not provide for contingent rents.

29 Accounts payable and accruals

	Non-current USD'000	**Current USD'000**	**2015 Total USD'000**
Trade payables	**-**	**186,872**	**186,872**
Other payables and accruals	**161,791**	**1,288,002**	**1,449,793**
Provisions *	**1,086**	**95,195**	**96,281**
Fair value of derivative financial instruments	**300,180**	**6,224**	**306,404**
Amounts due to related parties (refer to note 30)	**-**	**38,287**	**38,287**
As at 31 December	**463,057**	**1,614,580**	**2,077,637**

	Non-current USD'000	Current USD'000	2014 Total USD'000
Trade payables	-	126,848	126,848
Other payables and accruals	205,108	890,879	1,095,987
Provisions *	1,028	92,653	93,681
Fair value of derivative financial instruments	332,078	11,844	343,922
Amounts due to related parties (refer to note 30)	-	7,797	7,797
As at 31 December	538,214	1,130,021	1,668,235

* During the current year, additional provision of USD 41,303 thousand was made (2014: USD 57,817 thousand) and an amount of USD 38,703 thousand was utilised (2014: USD 19,565 thousand).

30 Related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over it in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence i.e. part of the same Parent Group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, the Parent Company, Ultimate Parent Company and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. The terms and conditions of the related party transactions were made on an arm's length basis.

The Ultimate Parent Company operates a Shared Services Unit ("SSU") which recharges the proportionate costs of services provided to the Group.

30 Related party transactions (continued)

Business combinations under common control

On 16 March 2015, the Group acquired 100% ownership of EZW from its Parent Company (refer to note 35).

In the previous year, the Group had acquired Dubai Trade FZE and World Security FZE. These business combinations were accounted under common control acquisitions (refer to note 35).

Other related party transactions

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

	Equity-accounted investees USD'000	**Other related parties USD'000**	**2015 Total USD'000**
Expenses charged:			
Concession fee	**-**	**50,925**	**50,925**
Shared services	**-**	**699**	**699**
Other services	**-**	**44,621**	**44,621**
Revenue earned:			
Management fee income	**24,328**	**29,032**	**53,360**
Interest income	**19,244**	**-**	**19,244**
Liabilities settled and recharged:	**-**	**-**	**-**
	=====	=====	=====

	Equity-accounted investees USD'000	Other related parties USD'000	2014 Total USD'000
Expenses charged:			
Concession fee	-	48,169	48,169
Shared services	-	212	212
Other services	-	24,838	24,838
Revenue earned:			
Management fee income	21,437	-	21,437
Interest income	18,463	-	18,463
Liabilities settled and recharged:	-	5,179	5,179
	=====	====	====

30 Related party transactions (continued)

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

	Due from related parties		Due to related parties	
	2015	2014	**2015**	2014
	USD'000	USD'000	**USD'000**	USD'000
Ultimate Parent Company	**2,222**	2,188	**210**	188
Parent Company	**19,868**	54,426	**312**	-
Equity-accounted investees	**226,937**	148,797	**27,218**	303
Other related parties	**23,303**	19,221	**10,547**	7,306
	272,330	224,632	**38,287**	7,797

Guarantees issued on behalf of equity-accounted investees are disclosed in note 34 (a).

Compensation of key management personnel

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

	2015	2014
	USD'000	USD'000
Short-term benefits and bonus	**10,621**	10,318
Post-retirement benefits	**831**	677
	11,452	10,995

31 Financial instruments

The Group has exposure to the following risks arising from financial instruments:

(a) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2015	2014
	USD'000	USD'000
Available-for-sale financial assets	**60,538**	60,811
Held-to-maturity investments	**8,198**	9,204
Derivative assets	**408**	129
Loans and receivables	**861,112**	791,617
Bank balances	**1,436,595**	3,723,073
	2,366,851	4,584,834

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:

31 Financial instruments (continued)

(a) Credit risk (continued)

(i) Exposure to credit risk (continued)

	2015	2014
	USD'000	USD'000
Asia Pacific and Indian subcontinent	**16,423**	13,895
Australia and Americas	**52,904**	40,903
Middle East, Europe and Africa	**289,682**	246,875
	359,009	301,673

The ageing of trade receivables (net) at the reporting date was:

	2015	2014
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	**204,134**	187,700
Past due on the reporting date		
Past due 0-30 days	**97,878**	90,580
Past due 31-60 days	**34,510**	19,775
Past due 61-90 days	**13,084**	2,519
Past due > 90 days	**9,403**	1,099
	359,009	301,673

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2015	2014
	USD'000	USD'000
As at 1 January	**44,370**	47,299
Acquired through business combinations	**18,590**	-
Provision recognised during the year	**4,072**	(6,175)
Provision reversed during the year	**-**	3,246
As at 31 December	**67,032**	44,370

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 59% (2014: 58%) of the trade receivables.

31 Financial instruments (continued)

(b) Liquidity risk

2015

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Non derivative financial liabilities						
Secured bank loans	**1,225,541**	**(1,659,994)**	**(189,163)**	**(166,101)**	**(443,844)**	**(860,886)**
Unsecured bond issues	**4,468,329**	**(7,370,790)**	**(276,009)**	**(1,729,655)**	**(1,624,421)**	**(3,740,705)**
Convertible Bond	**781,799**	**(1,149,479)**	**(17,500)**	**(17,500)**	**(52,500)**	**(1,061,979)**
Mortgage debenture stocks	**2,111**	**(3,884)**	**(74)**	**(74)**	**(222)**	**(3,514)**
Unsecured loans and loan stock	**14,352**	**(15,016)**	**(15,016)**	**-**	**-**	**-**
Finance lease liabilities	**28,277**	**(37,489)**	**(9,242)**	**(4,052)**	**(16,207)**	**(7,988)**
Unsecured other bank loans	**1,149,869**	**(1,251,020)**	**(76,434)**	**(576,275)**	**(507,734)**	**(90,577)**
Trade and other payables	**1,542,219**	**(1,544,057)**	**(1,403,426)**	**(92,936)**	**(23,647)**	**(24,048)**
Financial guarantees and letters of credit*	**-**	**(217,229)**	**-**	**-**	**-**	**-**
Derivative financial liabilities						
Interest rate swaps used for hedging	**85,463**	**(172,143)**	**(35,518)**	**(27,908)**	**(66,831)**	**(41,886)**
Embedded derivative option	**220,941**	**-**	**-**	**-**	**-**	**-**
Total	**9,518,901**	**(13,421,101)**	**(2,022,382)**	**(2,614,501)**	**(2,735,406)**	**(5,831,583)**

* Refer to note 34 for further details.

31 Financial instruments (continued)

(b) Liquidity risk (continued)

2015

The following table indicates the periods in which the undiscounted cash flows associated with derivatives that are expected to occur. The timing of these cash flows are not materially different from the impact on the consolidated statement of profit or loss.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Interest rate swaps						
Liabilities	(85,463)	(172,143)	(35,518)	(27,908)	(66,831)	(41,886)
Forward exchange contracts used for hedge						
Assets	408	1,260	1,064	196	-	-
Embedded derivative option						
Liabilities	(220,941)	-	-	-	-	-
Total	(305,996)	(170,883)	(34,454)	(27,712)	(66,831)	(41,886)

31 Financial instruments (continued)

(b) Liquidity risk (continued)

2014

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and includes the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Non derivative financial liabilities						
Secured bank loans	1,209,942	(1,513,949)	(186,328)	(179,947)	(448,348)	(699,326)
Unsecured bond issues	3,241,454	(6,198,631)	(214,255)	(214,255)	(1,908,911)	(3,861,210)
Convertible Bond	752,271	(1,166,979)	(17,500)	(17,500)	(52,500)	(1,079,479)
Mortgage debenture stocks	2,220	(4,162)	(78)	(78)	(233)	(3,773)
Unsecured loans and loan stock	11,070	(11,537)	(11,537)	-	-	-
Finance lease liabilities	33,352	(44,716)	(9,087)	(16,927)	(9,866)	(8,836)
Unsecured other bank loans	604,679	(733,867)	(61,523)	(85,216)	(454,663)	(132,465)
Trade and other payables	1,194,827	(1,197,812)	(1,003,342)	(124,900)	(49,777)	(19,793)
Financial guarantees and letters of credit*	-	(278,044)	-	-	-	-
Derivative financial liabilities						
Interest rate swaps used for hedging	109,912	(150,268)	(37,201)	(28,635)	(61,630)	(22,802)
Forward exchange contracts used for hedging	778	(3,129)	(2,116)	(1,013)	-	-
Embedded derivative option	233,232	-	-	-	-	-
Total	7,393,737	(11,303,094)	(1,542,967)	(668,471)	(2,985,928)	(5,827,684)

* Refer to note 34 for further details.

31 Financial instruments (continued)

(b) Liquidity risk (continued)

2014

The following table indicates the periods in which the undiscounted cash flows associated with derivatives that are expected to occur. The timing of these cash flows are not materially different from the impact on the consolidated statement of profit or loss.

	Carrying amount USD'000	Expected cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Interest rate swaps						
Assets	129	129	129	-	-	-
Liabilities	(109,912)	(150,268)	(37,201)	(28,635)	(61,630)	(22,802)
Forward exchange contracts						
Liabilities	(778)	(3,129)	(2,116)	(1,013)	-	-
Embeddded derivative option						
Liabilities	(233,232)	-	-	-	-	-
Total	(343,793)	(153,268)	(39,188)	(29,648)	(61,630)	(22,802)

31 Financial instruments (continued)

(c) Market risk

(i) Currency risk

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD * USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	Others USD'000	2015 Total USD'000
Cash and cash equivalents	926,858	189,988	100,199	69,784	61,362	30,112	58,292	1,436,595
Trade receivables	218,107	38,913	45,079	5,024	10,858	33,456	7,572	359,009
Secured bank loans and debenture stock	(307,414)	(806,312)	(59,638)	-	-	-	(54,288)	(1,227,652)
Unsecured bank loans and loan stock	(963,997)	-	(11,320)	-	(92,161)	(89,619)	(7,124)	(1,164,221)
Trade payables	(109,942)	(24,589)	(24,183)	(2,231)	(20,316)	(1,949)	(3,662)	(186,872)
Net consolidated statement of financial position exposures	(236,388)	(602,000)	50,137	72,577	(40,257)	(28,000)	790	(783,141)

* The functional currency of the Company is UAE Dirham. UAE Dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

31 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Exposure to currency risk (continued)

The Group's financial instruments in different currencies were as follows:

	USD * USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	Others USD'000	2014 Total USD'000
Cash and cash equivalents	3,190,374	93,729	86,415	63,249	94,962	30,206	164,138	3,723,073
Trade receivables	182,570	34,099	37,721	6,810	8,503	16,991	14,979	301,673
Secured bank loans and mortgage debenture stock	(400,609)	(662,858)	(83,400)	-	-	-	(65,295)	(1,212,162)
Unsecured bank loans and loan stock	(432,237)	-	(9,870)	-	(46,799)	(115,692)	(11,151)	(615,749)
Trade payables	(33,640)	(18,104)	(24,016)	(2,987)	(25,363)	(1,705)	(21,033)	(126,848)
Net consolidated statement of financial position exposures	2,506,458	(553,134)	6,850	67,072	31,303	(70,200)	81,638	2,069,987

* The functional currency of the Company is UAE Dirham. UAE Dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

31 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The following exchange rates were applied during the year:

Significant foreign currencies	Average rate during 2015	2014	Reporting date spot rate 2015	2014
GBP	**0.654**	0.607	**0.675**	0.642
EUR	**0.901**	0.754	**0.918**	0.824
AUD	**1.332**	1.110	**1.367**	1.222
INR	**64.122**	61.021	**66.189**	63.035
CAD	**1.278**	1.104	**1.388**	1.160

(ii) Sensitivity analysis

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group determines its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		**Consolidated statement of other comprehensive income**	
	USD'000	USD'000	**USD'000**	USD'000
	2015	2014	**2015**	2014
GBP	**3,900**	3,276	**(76,254)**	(61,459)
EUR	**214**	466	**5,571**	761
AUD	**(5)**	(3)	**8,064**	7,452
INR	**174**	291	**(4,473)**	3,478
CAD	**407**	549	**(3,111)**	(7,800)

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

31 Financial instruments (continued)

(c) Market risk (continued)

(ii) Interest rate risk

(i) Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amount 2015 USD'000	2014 USD'000
Fixed rate instruments		
Financial assets	**8,198**	9,204
Financial liabilities (loans and borrowings)	**(5,345,426)**	(4,091,032)
Interest rate swaps hedging floating rate debt	**(1,550,076)**	(1,336,405)
	(6,887,304)	(5,418,233)
Variable rate instruments		
Financial assets (short term deposits)	**1,033,771**	3,281,606
Financial liabilities (loans and borrowings)	**(2,324,852)**	(1,763,956)
Interest rate swaps	**1,550,076**	1,336,405
	258,995	2,854,055

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		**Consolidated statement of other comprehensive income**	
	100 bp increase USD'000	**100 bp decrease USD'000**	**100 bp increase USD'000**	**100 bp decrease USD'000**
2015				
Variable rate instruments	**2,590**	**(2,590)**	**-**	**-**
Interest rate swaps	**2,942**	**(2,942)**	**15,501**	**(15,501)**
Cash flow sensitivity (net)	**5,532**	**(5,532)**	**15,501**	**(15,501)**
2014				
Variable rate instruments	28,541	(28,541)	-	-
Interest rate swaps	1,670	(1,670)	13,364	(13,364)
Cash flow sensitivity (net)	30,211	(30,211)	13,364	(13,364)

31 Financial instruments (continued)

(d) Fair value

Fair value versus carrying amount

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

	2015		2014	
	Carrying amount USD'000	**Fair value USD'000**	Carrying amount USD'000	Fair value USD'000
Assets carried at fair value				
Available-for-sale financial assets	**60,538**	**60,538**	60,811	60,811
Derivative assets	**408**	**408**	129	129
	60,946	**60,946**	60,940	60,940
Assets carried at amortised cost				
Held to maturity investments	**8,198**	**8,137**	9,204	9,126
Loans and receivables	**861,112**	**861,112**	791,617	791,617
Cash and cash equivalents	**1,436,595**	**1,436,595**	3,723,073	3,723,073
	2,305,905	**2,305,844**	4,523,894	4,523,816
Liabilities carried at fair value				
Interest rate swaps used for hedging	**(85,463)**	**(85,463)**	(109,912)	(109,912)
Forward foreign currency contracts	**-**	**-**	(778)	(778)
Embedded derivative option	**(220,941)**	**(220,941)**	(233,232)	(262,168)
	(306,404)	**(306,404)**	(343,922)	(372,858)
Liabilities carried at amortised cost				
Secured bank loans*	**(1,225,541)**	**(1,225,541)**	(1,209,942)	(1,209,942)
Mortgage debenture stocks	**(2,111)**	**(1,231)**	(2,220)	(1,295)
Unsecured bond issues	**(4,468,329)**	**(4,624,106)**	(3,241,454)	(3,600,996)
Convertible bond	**(781,799)**	**(813,764)**	(752,271)	(799,749)
Unsecured loan stock and other loans	**(14,352)**	**(14,352)**	(11,070)	(11,070)
Finance lease liabilities	**(28,277)**	**(28,277)**	(33,352)	(33,352)
Unsecured bank and other loans*	**(1,149,869)**	**(1,149,869)**	(604,679)	(604,679)
Trade and other payables	**(1,542,219)**	**(1,542,219)**	(1,194,827)	(1,194,827)
	(9,212,497)	**(9,399,359)**	(7,049,815)	(7,455,910)

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

31 Financial instruments (continued)

(d) Fair value (continued)

Fair value hierarchy

The table below analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements. It doesn't include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

- 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)

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000
31 December 2015			
Available-for-sale financial assets	**9,202**	**51,336**	**-**
Debt securities held to maturity	**-**	**8,137**	**-**
Derivative financial assets	**-**	**408**	**-**
Derivative financial liabilities	**-**	**(85,463)**	**-**
Embedded derivative in convertible bond*	**-**	**(220,941)**	**-**
Mortgage debenture stocks	**-**	**(1,231)**	**-**
Unsecured bond issues	**(4,624,106)**	**-**	**-**
Convertible bond	**-**	**(813,764)**	**-**
	(4,614,904)	**(1,061,518)**	**-**
31 December 2014			
Available-for-sale financial assets	8,927	51,884	-
Debt securities held to maturity	-	9,126	-
Derivative financial assets	-	129	-
Derivative financial liabilities	-	(110,690)	-
Embedded derivative in convertible bond*	-	(262,168)	-
Mortgage debenture stocks	-	(1,295)	-
Unsecured bond issues	(3,600,996)	-	-
Convertible bond	-	(799,749)	-
	(3,592,069)	(1,112,763)	-

The fair values disclosed above is computed in line with the fair valuation accounting policy (refer to note 5).

* The fair value of the embedded derivative liability of convertible bond has been calculated using a valuation model with market assumptions.

32 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:

	2015	2014
	USD'000	USD'000
Within one year	**311,551**	334,730
Between one to five years	**1,226,541**	1,192,415
Between five to ten years	**1,341,951**	1,351,756
Between ten to twenty years	**1,960,524**	1,730,306
Between twenty to thirty years	**1,446,799**	1,028,329
Between thirty to fifty years	**1,238,454**	1,162,777
Between fifty to seventy years	**1,034,857**	914,908
More than seventy years	**892,035**	937,781
	9,452,712	8,653,002

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 addition, there are also leases of plant, equipment and vehicles. 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 as at 31 December are as follows:

	2015	2014
	USD'000	USD'000
Within one year	**334,035**	23,075
Between one to five years	**632,029**	49,081
More than five years	**643,717**	19,596
	1,609,781	91,752

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.

33 Capital commitments

	2015 **USD'000**	2014 USD'000
Estimated capital expenditure contracted for as at 31 December	**671,637**	698,258
	======	======

34 Contingencies

(a) The Group has the following contingent liabilities at 31 December:

	2015 **USD'000**	2014 USD'000
Payment guarantees	**37,367**	46,067
Performance guarantees	**126,658**	194,234
Letters of credit	**749**	10,075
Guarantees issued on behalf of equity-accounted investees (refer to note 30)	**52,455**	27,668
	=====	=====

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) The Group through its 100% owned subsidiary Mundra International Container Terminal Private Limited ("MICT") has developed and is operating the container terminal at the Mundra port in Gujarat.

In 2006, MICT received a show cause notice from Gujarat Maritime Board ("GMB") requiring MICT to demonstrate that the undertaking given by its parent company, P&O Ports (Mundra) Private Limited, with regard to its shareholding in MICT has not been breached in view of P&O Ports being taken over by the Group. GMB, MICT and Adani Ports and Special Economic Zone ("APSEZ") have signed consent terms accepting an amicable settlement of all disputes between the parties. Presently steps are underway to file the signed consent terms and withdraw the court proceedings.

(c) Chennai Port Trust ("CPT") had raised a demand for an amount of USD 18,059 thousand (2014: USD 18,962 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-transhipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 9,648 thousand (2014: USD 10,131 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.

34 Contingencies (continued)

(d) 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.

35 Acquisitions

2015 acquisitions:

(i) Acquisitions of new subsidiaries

(a) On 9 March 2015, the Group acquired 55.9% shares of Alinport (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 has resulted in recognition of non-controlling interest of USD 8,950 thousand.

(b) On 16 March 2015, the Group acquired 100% ownership of 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 USD'000	**Fair value recognised on acquisition USD'000**
Assets		
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**
Bank balances and cash	**606,222**	**606,222**
Liabilities		
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)**
Net assets	**2,385,325**	**2,715,837**
Total cost of acquisition		**2,715,837**

From the date of acquisition, EZW has contributed profit of USD 231,447 thousand to the Group. If the acquisition had taken place at the beginning of the year, the profit of the Group would have increased by USD 57,900 thousand and revenue would have increased by USD 105,084 thousand.

35 Acquisitions (continued)

(c) On 18 August 2015, the Group has acquired 100% ownership of Maher Terminal's Fairview Container Terminal (Fairview) in Prince Rupert (DP World Prince Rupert Inc.), British Columbia, Canada from Deutsche Bank for a total consideration of USD 451,177 thousand (cash acquired on acquisition USD 2,064 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 USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	**36,164**	**36,164**
Port concession rights	**-**	**397,481**
Accounts receivables and prepayments	**17,562**	**17,562**
Inventories	**1,838**	**1,838**
Bank balances and cash	**2,064**	**2,064**
Liabilities		
Pension and post-employment benefits	**(1,281)**	**(1,281)**
Income tax liabilities	**(1,764)**	**(1,764)**
Deferred tax liabilities	**(2,113)**	**(105,458)**
Accounts payable and accruals	**(9,942)**	**(9,942)**
Net assets	**42,528**	**336,664**
Goodwill arising on acquisition		**114,513**
Total cost of acquisition		**451,177**

From the date of acquisition, Fairview has contributed a loss of USD 2,230 thousand to the Group. If the acquisition had taken place at the beginning of the year, the profit of the Group would have increased by USD 13,015 thousand and revenue would have increased by USD 64,004 thousand.

(d) On 30 September 2015, the Group acquired 100% ownership of inland terminals at Stuttgart and at Mannheim in Germany, for a total consideration of USD 19,558 thousand (cash acquired on acquisition USD 2,761 thousand).

(ii) Acquisitions without change of control

(e) On 26 August 2015, the Group completed the acquisition of the remaining 25% non-controlling interest in its subsidiary Constanta South Container Terminal SRL for a consideration of USD 66,696 thousand, resulting in a loss of USD 36,331 thousand which has been recorded in equity, as there has not been any change in control.

(f) On 30 October 2015, the Group acquired the remaining 49% of non-controlling interest in Southampton Container Terminals Limited for a consideration of USD 58,883 thousand, resulting in a gain of USD 152,655 thousand which has been recorded in equity, as there has not been any change in control.

35 Acquisitions (continued)

2014 acquisitions:

(a) In June 2014, the Group acquired 100% interest in Dubai Trade FZE for a total consideration of USD 9,500 thousand (cash acquired on acquisition USD 7,498 thousand) from its Parent Company Port & Free Zone World FZE (refer to note 30).

(b) In September 2014, DPW Group acquired 57% stake in Remolcadores de Puerto y Altura, S.A., a Spanish operator of offshore support vessels for the energy industry for USD 12,000 thousand (cash acquired on acquisition USD 445 thousand).

(c) In October 2014, DPW Group acquired 100% stake in World Security FZE, a provider of security services for a total consideration of USD 24,045 thousand (cash acquired on acquisition USD 5,571 thousand) from Istithmar World Ventures LLC (an entity owned by the ultimate Parent Company) (refer to note 30).

36 Significant group entities

The extent of the Group's ownership in its various subsidiaries, associates and joint ventures and their principal activities are as follows:

(a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Management and operation of seaports, airports and leasing of port equipment
Thunder FZE	100%	United Arab Emirates	Holding company
Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operation of seaports
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holding Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Ports Cooperative U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperative U.A.	100%	Netherlands	Holding company
DPI Terminals Holdings C.V.	100%	Netherlands	Holding company

36 Significant group entities (continued)

(b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Antwerp N.V.	100%	Belgium	Multi-purpose terminal operations and ancillary container services
DP World (Canada) Inc.	100%	Canada	Container terminal operations and stevedoring
DP World Prince Rupert Inc.	100%	Canada	Container terminal operations and stevedoring
DP World Sokhna S.A.E.	100%	Egypt	Container terminal operations
DP World Germersheim, GmbH and Co. KG	100%	Germany	Container terminal operations
DP World Germany B.V.	100%	Germany	Inland container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Pvt. Ltd	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
Dubai Ports World Middle East LLC	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo SA	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal SARL	33.33%*	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	60%	Republic of Suriname	Container terminal operations

36 Significant group entities (continued)

(b) Significant subsidiaries – Ports (continued)

Legal Name	Ownership interest	Country of incorporation	Principal activities
Suriname Port Services N.V.	60%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar S.A.	90%	Senegal	Container terminal operations
DP World Tarragona S.A.	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri Anonim Şirketi	100%	Turkey	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
DP World Fujairah FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations

(c) Associates and joint ventures – Ports

Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World Djen Djen Spa	50%	Algeria	Container terminal operations
DP World Australia (Holding) Pty Ltd	25%	Australia	Container terminal operations
Antwerp Gateway N.V	60%**	Belgium	Container terminal operations
Caucedo Investment Inc.	50%	British Virgin Islands	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	33.33%	Brazil	Container terminal operations
Eurofos S.A.R.L	50%	France	Container terminal operations
Generale de Manutention Portuaire S.A	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations

36 Significant group entities (continued)

(c) Associates and joint ventures – Ports (continued)

Vishaka Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Pusan Newport Co. Ltd	42.10%	Korea	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co. Ltd	29%	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminals Co Ltd	24.50%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Asian Terminals Inc	50.54%***	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

(d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
Container Rail Road Services Private Limited	100%	India	Container rail freight operations
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services

36 Significant group entities (continued)

(d) Other non-port business (continued)

Port Secure FZCO	40%	Republic of Djibouti	Port security services
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port management and operation
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
World Security FZE	100%	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
LG Park Freehold Limited	100%	United Kingdom	Management and operation of logistics park

* Although the Group only has a 33.33% effective ownership interest in Doraleh Container Terminal SARL, this entity is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

** Although the Group has more than 60% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity accounted investee. The underlying shareholder agreement does not provide significant control to the Group.

*** Although the Group has more than 50% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity accounted investee. The underlying shareholder agreement does not provide significant control to the Group.

DP World Limited
and its subsidiaries

Consolidated financial statements
31 December 2014

DP World Limited and its subsidiaries

Consolidated financial statements
31 December 2014

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Independent auditors' report

The Shareholders
DP World Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of DP World Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

KPMG

Independent auditors' report (continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

KPMG LLP
Rohit Rajvanshi
Dubai, UAE
Dated: 19 March 2015

DP World Limited and its subsidiaries

Consolidated statement of profit or loss

for the year ended 31 December 2014

		Year ended 31 December 2014			Year ended 31 December 2013		
	Note	**Before separately disclosed items**	**Separately disclosed items (Note 12)**	**Total**	Before separately disclosed items	Separately disclosed items (Note 12)	Total
		USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
Revenue	*8*	**3,411,014**	**52,337**	**3,463,351**	3,073,248	-	3,073,248
Cost of sales		**(1,958,295)**	**(52,337)**	**(2,010,632)**	(1,849,087)	-	(1,849,087)
Gross profit		**1,452,719**	**-**	**1,452,719**	1,224,161	-	1,224,161
General and administrative expenses		**(385,878)**	**(19,400)**	**(405,278)**	(311,243)	(101,433)	(412,676)
Other income		**22,363**	**9,153**	**31,516**	21,458	-	21,458
Profit on sale and termination of businesses	*12*	**-**	**-**	**-**	-	158,188	158,188
Share of profit/ (loss) from equity-accounted investees (net of tax)	*16*	**77,961**	**(1,754)**	**76,207**	84,366	(4,305)	80,061
Results from operating activities		**1,167,165**	**(12,001)**	**1,155,164**	1,018,742	52,450	1,071,192
Finance income	*10*	**89,765**	**1,582**	**91,347**	84,493	-	84,493
Finance costs	*10*	**(372,841)**	**(4,122)**	**(376,963)**	(369,439)	-	(369,439)
Net finance costs		**(283,076)**	**(2,540)**	**(285,616)**	(284,946)	-	(284,946)
Profit before tax		**884,089**	**(14,541)**	**869,548**	733,796	52,450	786,246
Income tax expense	*11*	**(127,418)**	**40,000**	**(87,418)**	(59,558)	(4,900)	(64,458)
Profit for the year	*9*	**756,671**	**25,459**	**782,130**	674,238	47,550	721,788
Profit attributable to:							
Owners of the Company		**675,430**	**25,143**	**700,573**	604,421	35,215	639,636
Non-controlling interests		**81,241**	**316**	**81,557**	69,817	12,335	82,152
		756,671	**25,459**	**782,130**	674,238	47,550	721,788
Earnings per share							
Basic earnings per share – US cents	*24*	**81.38**		**84.41**	72.82		77.06
Diluted earnings per share – US cents	*24*	**80.65**		**83.61**	72.82		77.06

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of other comprehensive income
for the year ended 31 December 2014

	Note	2014 USD'000	2013 USD'000
Profit for the year		**782,130**	721,788
		----------	----------
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences - foreign operations **		**(452,563)**	(133,211)
Foreign exchange profit recycled to consolidated statement of profit or loss on disposal of businesses		**-**	(4,316)
Net change in fair value of available-for-sale financial assets	*17*	**(1,895)**	3,160
Share of other comprehensive income of equity-accounted investees		**(10,906)**	17,772
Cash flow hedges – effective portion of changes in fair value		**(67,705)**	96,743
Related tax on fair value of cash flow hedges		**16,000**	(18,863)
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations	*26*	**(69,817)**	38,880
Related tax		**3,059**	(1,480)
		---------	---------
Other comprehensive income for the year, net of tax		**(583,827)**	(1,315)
		----------	----------
Total comprehensive income for the year		**198,303**	720,473
		======	======
Total comprehensive income attributable to:			
Owners of the Company		**129,769**	628,586
Non-controlling interests		**68,534**	91,887
		----------	----------
		198,303	720,473
		======	======

** 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 currently pegged to the presentation currency (refer to note 2(d)).

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of financial position
as at 31 December 2014

		31 December 2014	31 December 2013
	Note	**USD'000**	USD'000
Assets			
Non-current assets			
Property, plant and equipment	*13*	**6,356,160**	6,069,785
Goodwill	*14*	**1,448,194**	1,532,238
Port concession rights	*14*	**2,779,268**	2,904,481
Investment in equity-accounted investees	*16*	**2,534,320**	2,700,703
Deferred tax assets	*11*	**169**	4,393
Other investments	*17*	**70,015**	62,923
Accounts receivable and prepayments	*18*	**194,322**	181,110
		-------------	-------------
Total non-current assets		**13,382,448**	13,455,633
		-------------	-------------
Current assets			
Inventories		**58,277**	51,717
Accounts receivable and prepayments	*18*	**740,943**	680,694
Bank balances and cash	*19*	**3,723,073**	2,572,470
		-------------	-------------
Total current assets		**4,522,293**	3,304,881
		-------------	-------------
Total assets		**17,904,741**	16,760,514
		========	========

DP World Limited and its subsidiaries

Consolidated statement of financial position (continued)
as at 31 December 2014

	Note	31 December 2014 USD'000	31 December 2013 USD'000
Equity			
Share capital	20	1,660,000	1,660,000
Share premium	21	2,472,655	2,472,655
Shareholders' reserve	21	2,000,000	2,000,000
Retained earnings		3,918,177	3,408,504
Hedging and other reserves	21	(88,245)	(31,384)
Actuarial reserve	21	(404,072)	(343,269)
Translation reserve	21	(1,061,117)	(620,706)
Total equity attributable to equity holders of the Company		8,497,398	8,545,800
Non-controlling interests	22	529,262	475,741
Total equity		9,026,660	9,021,541
Liabilities			
Non-current liabilities			
Deferred tax liabilities	11	897,378	935,586
Employees' end of service benefits	25	74,127	61,740
Pension and post-employment benefits	26	210,683	169,778
Loans and borrowings	27	5,603,658	4,776,690
Accounts payable and accruals	28	538,214	281,246
Total non-current liabilities		7,324,060	6,225,040
Current liabilities			
Income tax liabilities	11	162,495	210,347
Bank overdraft	19	-	1,407
Pension and post-employment benefits	26	10,175	10,068
Loans and borrowings	27	251,330	258,327
Accounts payable and accruals	28	1,130,021	1,033,784
Total current liabilities		1,554,021	1,513,933
Total liabilities		8,878,081	7,738,973
Total equity and liabilities		17,904,741	16,760,514

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements. The consolidated financial statements were authorised for issue on 19 March 2015.

Mohammed Sharaf
Chief Executive Officer

Yuvraj Narayan
Chief Financial Officer

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of changes in equity

for the year ended 31 December 2014

	Attributable to equity holders of the Company									
	Share capital	**Share premium**	**Shareholders' reserve**	**Retained earnings**	**Hedging and other reserves**	**Actuarial reserve**	**Translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Balance as at 1 January 2014	**1,660,000**	**2,472,655**	**2,000,000**	**3,408,504**	**(31,384)**	**(343,269)**	**(620,706)**	**8,545,800**	**475,741**	**9,021,541**
Total comprehensive income for the year										
Profit for the year	**-**	**-**	**-**	**700,573**	**-**	**-**	**-**	**700,573**	**81,557**	**782,130**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**(69,590)**	**(60,803)**	**(440,411)**	**(570,804)**	**(13,023)**	**(583,827)**
Total comprehensive income for the year	**-**	**-**	**-**	**700,573**	**(69,590)**	**(60,803)**	**(440,411)**	**129,769**	**68,534**	**198,303**
Transactions with owners, recognised directly in equity										
Dividends paid (refer to note 23)	**-**	**-**	**-**	**(190,900)**	**-**	**-**	**-**	**(190,900)**	**-**	**(190,900)**
Additional contribution by owners	**-**	**-**	**-**	**-**	**12,729**	**-**	**-**	**12,729**	**-**	**12,729**
Total transactions with owners	**-**	**-**	**-**	**(190,900)**	**12,729**	**-**	**-**	**(178,171)**	**-**	**(178,171)**
Transactions with non-controlling interests, recognised directly in equity										
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,323)**	**(22,323)**
Acquisition of subsidiary with NCI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,047**	**7,047**
Derecognition of non-controlling interests on loss of control	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,160)**	**(2,160)**
Additional NCI created on account of conversion of loan	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,423**	**2,423**
Total transactions with non-controlling interests									**(15,013)**	**(15,013)**
Balance as at 31 December 2014	**1,660,000**	**2,472,655**	**2,000,000**	**3,918,177**	**(88,245)**	**(404,072)**	**(1,061,117)**	**8,497,398**	**529,262**	**9,026,660**

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of changes in equity (continued)

	Attributable to equity holders of the Company									
	Share capital	Share premium	Shareholders' reserve	Retained earnings	Hedging and other reserves	Actuarial reserve	Translation reserve	Total	Non-controlling interests	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance as at 1 January 2013	1,660,000	2,472,655	2,000,000	2,968,068	(122,229)	(379,171)	(482,909)	8,116,414	663,993	8,780,407
Total comprehensive income for the year										
Profit for the year	-	-	-	639,636	-	-	-	639,636	82,152	721,788
Total other comprehensive income, net of tax	-	-	-	-	90,845	35,902	(137,797)	(11,050)	9,735	(1,315)
Total comprehensive income for the year	-	-	-	639,636	90,845	35,902	(137,797)	628,586	91,887	720,473
Transactions with owners, recognised directly in equity										
Dividends paid (refer to note 23)	-	-	-	(199,200)	-	-	-	(199,200)	-	(199,200)
Total transactions with owners	-	-	-	(199,200)	-	-	-	(199,200)	-	(199,200)
Transactions with non-controlling interests, recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(64,064)	(64,064)
Derecognition of non-controlling interests on loss of control in Asia Pacific and Indian subcontinent region	-	-	-	-	-	-	-	-	(216,075)	(216,075)
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(280,139)	(280,139)
Balance as at 31 December 2013	1,660,000	2,472,655	2,000,000	3,408,504	(31,384)	(343,269)	(620,706)	8,545,800	475,741	9,021,541

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements. The independent auditors' report is set out on pages 1 and 2.

DP World Limited and its subsidiaries

Consolidated statement of cash flows
for the year ended 31 December 2014

		2014	2013
	Note	**USD'000**	USD'000
Cash flows from operating activities			
Profit for the year		**782,130**	721,788
Adjustments for:			
Depreciation and amortisation	*9*	**420,985**	395,499
Impairment	*9*	**-**	99,153
Share of profit from equity-accounted investees (net of tax)		**(76,207)**	(80,061)
Finance costs	*10*	**376,963**	369,439
Loss/ (gain) on sale of property, plant and equipment and port concession rights		**3,419**	(6,571)
Profit on sale and termination of businesses		**-**	(158,188)
Finance income	*10*	**(91,347)**	(84,493)
Income tax expense	*11*	**87,418**	64,458
		------------	------------
Gross cash flows from operations		**1,503,361**	1,321,024
Change in inventories		**(8,302)**	2,110
Change in accounts receivable and prepayments		**(48,019)**	(88,153)
Change in accounts payable and accruals		**74,401**	59,033
Change in provisions, pensions and post-employment benefits		**(35,861)**	4,674
		-----------	-----------
Cash generated from operating activities		**1,485,580**	1,298,688
Income taxes paid		**(131,365)**	(86,955)
		------------	------------
Net cash from operating activities		**1,354,215**	1,211,733
		------------	------------
Cash flows from investing activities			
Additions to property, plant and equipment	*13*	**(715,312)**	(1,025,530)
Additions to port concession rights	*14*	**(91,717)**	(37,892)
Proceeds from disposal of property, plant and equipment and port concession rights		**6,228**	10,103
Addition to other investments	*17*	**(10,000)**	-
Net proceeds from monetisation of investment in subsidiaries and equity-accounted investees		**-**	658,685
Net cash paid on acquisition of subsidiaries		**(32,031)**	-
Cash derecognised on loss of control of a subsidiary		**(2,890)**	-
Receipt of deferred consideration on disposal of equity-accounted investees		**-**	16,140
Interest received		**40,470**	43,103
Dividends received from equity-accounted investees		**152,036**	94,523
Additional investment in equity-accounted investees		**(38,301)**	(38,256)
Net loan (advanced to)/ repaid by equity-accounted investees		**(9,282)**	68,323
		-----------	----------
Net cash used in investing activities		**(700,799)**	(210,801)
		-----------	----------

DP World Limited and its subsidiaries

Consolidated statement of cash flows (continued)
for the year ended 31 December 2014

		2014	2013
	Note	**USD'000**	USD'000
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		**(234,047)**	(633,090)
Drawdown of interest bearing loans and borrowings		**309,932**	912,987
Proceeds from issue of convertible bonds		**1,000,000**	-
Transaction cost paid on convertible bonds		**(10,900)**	-
Interest paid		**(323,908)**	(320,947)
Dividend paid to the owners of the Company		**(190,900)**	(199,200)
Dividend paid to non-controlling interests		**(22,323)**	(64,064)
		-----------	-----------
Net cash from/ (used in) financing activities		**527,854**	(304,314)
		-----------	-----------
Net increase in cash and cash equivalents		**1,181,270**	696,618
Cash and cash equivalents as at 1 January		**2,571,063**	1,881,733
Effect of exchange rate fluctuations on cash held		**(29,260)**	(7,288)
		------------	------------
Cash and cash equivalents as at 31 December	*19*	**3,723,073**	2,571,063
		=======	=======

Cash and cash equivalents comprise the following:			
Bank balances and cash		**3,723,073**	2,572,470
Bank overdrafts		**-**	(1,407)
		------------	------------
Cash and cash equivalents		**3,723,073**	2,571,063
		=======	=======

At 31 December 2014, the undrawn committed borrowing facilities of USD 3,627,235 thousand (2013: USD 1,506,129 thousand) were available to the Group, in respect of which all conditions precedent had been met.

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

1 Reporting entity

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 of the Company for the year ended 31 December 2014 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 international marine terminal operations and development, logistics and related services.

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 of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements were approved by the Board of Directors on 19 March 2015.

(b) Basis of measurement

The consolidated 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.

The methods used to measure fair values are discussed further in note 5.

(c) Funding and liquidity

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Operating and Financial Review. In addition, note 6 sets out the Group's objectives, policies and processes for managing the Group's financial risk including capital management and note 30 provides quantitative details of the Group's exposure to credit risk, liquidity risk and interest rate risk from financial instruments.

The Board of Directors remain satisfied with the Group's funding and liquidity position. At 31 December 2014, the Group has a net debt of USD 2,131,915 thousand (2013: USD 2,463,954 thousand). The Group's credit facility covenants are currently well within the covenant limits. The Group generated gross cash of USD 1,503,361 thousand (2013: USD 1,321,024 thousand) from operating activities and its interest cover for the year is 5.6 times (2013: 5 times) (calculated using adjusted EBITDA and net finance cost before separately disclosed items).

Based on the above, the Board of Directors have concluded that the going concern basis of preparation continues to be appropriate.

2 Basis of preparation (continued)

(d) Functional and presentation currency

The functional currency of the Company is UAE Dirhams. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

These consolidated financial statements are presented in United States Dollars ("USD"), which in the opinion of management is the most appropriate presentation currency of the company in view of the global presence of the Group. All financial information presented in USD is rounded to the nearest thousand.

UAE Dirham is currently pegged to USD and there are no differences on translation from functional to presentation currency.

(e) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Provision for income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax payments based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Impairment of available-for-sale financial assets

Available-for-sale financial assets are impaired when objective evidence of impairment exists. A significant or prolonged decline in the fair value of an investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(i) Use of estimates and judgements (continued)

(c) Fair value of derivatives and financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are 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 consideration of inputs such as market risk, credit risk and volatility.

(d) Consolidation of entities in which the Group holds less than 50% shareholding

Management consider that the Group is able to control Doraleh Container Terminal SARL even though it has only 33.33% of the voting rights. The Group is exposed to, or has rights to, variable returns from its involvement in the relevant activities of this entity and has the ability to affect those returns through its power over the entity.

(e) Contingent liabilities

There are various factors that could result in a contingent liability being disclosed if the probability of any outflow in settlement is not remote. The assessment of the outcome and financial effect is based upon management's best knowledge and judgement of current facts as at the reporting date.

(f) Useful life of property, plant and equipment and port concession rights with finite life

The useful life of property, plant and equipment and port concession rights with finite life is determined by the Group's management based on their estimate of the period over which an asset or port concession right is expected to be available for use by the Group. This estimate is reviewed and adjusted if appropriate at each financial year end. This may result in a change in the useful economic lives and therefore depreciation and amortisation expense in future periods.

(g) Impairment testing of goodwill and port concession rights

The Group determines whether goodwill and port concession rights with indefinite life are impaired, at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated or in which the port concession rights with indefinite life exist. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(h) Impairment of accounts receivable

An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For 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. Any difference between the amounts actually collected in future periods and the amounts expected, will be recognised in the consolidated statement of profit or loss.

(i) Pension and post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(ii) Use of estimates and judgements (continued)

(j) Business combinations

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired and liabilities assumed, involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management.

(k) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3 Changes in accounting policies

The Group has consistently applied the accounting policies set out in note 4 to all periods presented in these consolidated financial statements.

4 Significant accounting policies

The accounting policies set out below have been applied consistently in the years presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of consolidation

(i) Business combinations

Business combinations (including business combinations under common control) are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets (including previously unrecognised port concession rights) acquired and liabilities (including contingent liabilities and excluding future restructuring) assumed.

4 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations (continued)

In an acquisition, if the purchase price is lower than the fair value of the assets acquired, the resulting gain will be recognised immediately in the statement of consolidated statement of profit or loss.

In case of business combinations under common control, if the purchase price is lower than the fair value of the assets acquired, the resulting gain will be recognised directly in equity.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(iii) Change in ownership interests in subsidiaries without loss of control

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid and relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

(iv) Disposal of subsidiaries (loss of control)

On the loss of control, the Group derecognises the assets and liabilities of a subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is re-measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

4 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets, which is generally at fair value.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so, causes the non-controlling interests to have a debit balance.

(vi) Structured entities

The Group has established DP World Sukuk Limited (a limited liability company incorporated in the Cayman Islands) as a structured entity ("SE") for the issue of Sukuk Certificates. These certificates are listed on Nasdaq Dubai and London Stock Exchange. The Group does not have any direct or indirect shareholding in this entity.

A SE is consolidated based on an evaluation of the substance of its relationship with the Group and its risks and rewards. The SE was established by the Group under the terms that impose strict limitations on the decision-making powers of the SE's management thereby resulting into the majority of the benefits related to the SE's operations and net assets being received by the Group. Consequently, the Group is also exposed to risks incident to the SE's activities and retains the majority of the residual or ownership risks related to the SE or its assets. Therefore, the Group concludes that it controls the SE. Refer to accounting policy on non-derivative financial liabilities in note 4 (c) (ii).

(vii) Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 per cent and 50 per cent of the voting power of another entity.

Joint ventures are those entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its individual assets and obligations for its individual liabilities.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the equity-accounted investees subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Investments in associates and joint ventures (equity-accounted investees) (continued)

The financial statements of the equity-accounted investees are prepared for the same reporting period as the Group. The transactions between the Group and its equity-accounted investees are made at normal market prices.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

Upon loss of joint control or significant influence, the Group measures and recognises any retained investment at its fair value. The difference between the carrying amount of the equity–accounted investees upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognised as profit or loss in the consolidated statement of profit or loss.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Functional and presentation currency

These consolidated financial statements are presented in USD, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency).

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date and exchange differences, if any are recognised in the income statement.

Non-monetary items in a foreign currency that are measured at historical cost are translated to the functional currency using the exchange rate at the date of initial transaction and is not retranslated at a later date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

4 Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Foreign currency transactions and balances (continued)

Foreign currency differences arising on retranslation of monetary items are recognised in the consolidated statement of profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in consolidated statement of other comprehensive income (refer to note 4(b)(iii)).

(iii) Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy), that have functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date.

(b) The income and expenses of foreign operations are translated to USD at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(c) All resulting foreign exchange differences arising on translation are recognised in the other comprehensive income and presented in the translation reserve in equity. However, if the foreign operation is not a wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statement of profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non- controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated statement of profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

4 Significant accounting policies (continued)

(b) Foreign currency (continued)

(iv) Hedge of a net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the consolidated statement of profit or loss. When the hedged net investment is disposed of, the associated cumulative amount in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss as part of the gain or loss on disposal.

(c) Financial instruments

(i) Non-derivative financial assets

Initial recognition and measurement

The Group classifies non-derivative financial assets into the following categories: held to maturity financial assets, loans and receivables and available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

All non-derivative financial assets are recognised initially at fair value, plus, any directly attributable transaction costs.

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group's non-derivative financial assets comprise investments in an unquoted infrastructure fund, debt securities held to maturity, trade and other receivables, due from related parties and cash and cash equivalents.

Subsequent measurement

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

Held to maturity financial assets

If the Group has a positive intent and ability to hold debt securities to maturity, then these are classified as held-to-maturity. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the consolidated statement of profit or loss. Gains and losses are also recognised in the consolidated statement of profit or loss when these financial assets are derecognised.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and receivables comprise bank balances and cash, due from related parties and, trade and other receivables.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Bank balances and cash

Bank balances and cash in the consolidated statement of financial position comprise cash in hand, bank balances and deposits.

For the purpose of consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above and cash classified as held for sale, net of bank overdrafts. Bank overdrafts form an integral part of the Group's cash management and is included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Available-for-sale investments

Available-for-sale financial assets comprise equity securities. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in the consolidated statement of other comprehensive income and presented in the other reserves in equity. When an investment is derecognised, the balance accumulated in equity is reclassified to the consolidated statement of profit or loss.

De-recognition of non-derivative financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

(ii) Non -derivative financial liabilities

Initial recognition and measurement

The Group's non-derivative financial liabilities consist of loans and borrowings, bank overdrafts, amounts due to related parties, and trade and other payables. The Group determines the classification of its financial liabilities at initial recognition.

All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

The Group initially recognises debt securities issued and subordinated liabilities on the date they originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Non -derivative financial liabilities (continued)

Subsequent measurement

The subsequent measurement of non-derivative financial liabilities depends on their classification as follows:

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognised in the consolidated statement of profit or loss. If discounted present value of the cash flows (including any fees paid) under a new term arrangement is at least 10% different from the discounted present value of the remaining cash flows of the original liability, this is accounted for as an extinguishment of the old liability and the recognition of a new liability. Furthermore, qualitative assessment to assess extinguishment is also performed. Some of the factors considered in performing a qualitative assessment include change in interest basis, extension of debt tenure, change in collateral arrangements and change in the currency of lending.

Convertible bond

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial liability, represents the value of the option that bond holders can convert into ordinary shares.

At inception, the net proceeds of the convertible issue are split between the liability element and the derivative component, representing the fair value of the embedded option. The latter has not been recorded within equity due to the existence of cash settlement terms with the Company.

The debt component of convertible bond is initially recognised at the fair value of a similar liability that does not have an equity conversion option. Subsequent to initial recognition, the debt component is measured at amortised cost using effective interest rate method.

The embedded derivative is initially recognised at the difference between the fair value of the convertible bond as a whole and the fair value of the debt component (including interest). Subsequent to initial recognition, the embedded derivative component is re-measured at fair value at each reporting date with the change in the fair value recognised in the consolidated statement of profit or loss.

De-recognition of non-derivative financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derivative financial instruments

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency and interest rate risk exposures. On initial designation of the derivatives as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objective and strategy in undertaking the hedge transaction and hedged risk together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk and whether the actual results of each hedge are within the acceptable range.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment that could affect the consolidated statement of profit or loss, then such hedges are classified as cash flow hedges.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

4 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to set off on a net basis, or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 4(i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised within 'other income' in the consolidated statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement.

Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. On an average, the Group incurs such expenditure every 10 years. At the completion of maintenance dredging, the channel has an average service potential of 10 years. Any unamortised expense is written-off on the commencement of any new dredging activities. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

4 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amounts of the replaced parts are derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated statement of profit or loss as incurred.

(iii) Depreciation

Land and capital work in progress is not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value.

The estimated useful lives of assets are as follows:

Assets	**Useful life (years)**
Buildings	5 – 50
Plant and equipment	3 – 25
Ships	10 – 35
Dredging (included in land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of assets are as follows:

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 4 (i) (ii)).

(iv) Borrowing cost

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. Borrowing costs may include:

(a) interest expense calculated using the effective interest method as described in IAS 39;

(b) finance charges in respect of finance leases recognised in accordance with IAs 17; and

(c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4 Significant accounting policies (continued)

(e) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. In an acquisition, if the purchase price is lower than the fair value of the assets acquired, the resulting gain will be recognised immediately in the statement of consolidated statement of profit or loss.

Subsequent measurement
Goodwill is measured at cost less accumulated impairment losses (refer to note 4(i) (ii)).

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

(f) Port concession rights

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to associates and joint ventures). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

(i) Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition. Other port concession rights acquired separately are measured on initial recognition at cost.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 4(i) (ii)). Internally generated port concession rights, excluding capitalised development costs, are recognised in the consolidated statement of profit or loss as incurred. The useful lives of port concession rights are assessed to be either finite or indefinite.

4 Significant accounting policies (continued)

(f) Port concession rights (continued)

(i) Port concession rights arising on business combinations (continued)

Port concession rights with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis.

The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight line basis.

Port concession rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such port concession rights are not amortised. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(ii) Port concession rights arising from Service Concession Arrangements (IFRIC 12)

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 '*Service Concession Arrangements'*. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is de-recognised.

The estimated useful lives for port concession rights range within a period of 5 – 50 years (including the concession rights relating to associates and joint ventures).

(g) Inventories

Inventories mainly consist of spare parts and consumables. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4 Significant accounting policies (continued)

(h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Group as a lessee

Assets held by the Group under leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Assets held under operating leases are not recognised in the Group's consolidated statement of financial position. Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease. On initial recognition, the leased assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

(iii) Leasing and sub-leasing transactions

A series of leasing and sub-leasing transactions between the Group and third parties, which are closely interrelated, negotiated as a single transaction, and which take place concurrently or in a continuous sequence are considered linked and accounted for as one transaction when the overall economic effect cannot be understood without reference to the series of transactions as a whole.

These leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated statement of profit or loss based on its economic substance.

4 Significant accounting policies (continued)

(h) Leases (continued)

(iv) Leases of land in port concession

Leases of land have not been classified as finance leases as the Group believes that the substantial risks and rewards of ownership of the land have not been transferred. The existence of a significant exposure of the lessor to performance of the asset through contingent rentals is the basis of concluding that substantially all the risks and rewards of ownership have not passed.

(i) Impairment

(i) Financial assets

(a) Loans and receivables and held to maturity investments

The Group considers evidence of impairment for loans and receivables and held to maturity investment securities at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised in the consolidated statement of profit or loss and reflected in an allowance account against loans and receivables or held to maturity investments. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of profit or loss.

(b) Available-for-sale financial assets

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. A significant or prolonged decline in the fair value of an equity investment is considered as an objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the other reserve in equity to the consolidated statement of profit or loss. The cumulative loss that is reclassified from equity to the consolidated statement of profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the consolidated statement of profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in consolidated statement of other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash generating unit. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

4 Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

For goodwill and port concession rights that have indefinite lives or that are not yet available for use, recoverable amount is estimated annually and when circumstances indicate that the carrying value may be impaired. Goodwill acquired in a business combination is allocated to groups of cash generating units that are expected to benefit from the synergies of the combination. An impairment loss in respect of goodwill is not reversed.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Assets held for sale

Assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter, generally the assets (or disposal group) are measured at the lower of their carrying amount or fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the consolidated statement of profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Port concession rights and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Any excess payment received over par value is treated as share premium.

4 Significant accounting policies (continued)

(l) Employee benefits

(i) Pension and post-employment benefits

The Group's obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan assets is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

When the actuarial calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Where the present value of the deficit contributions exceeds the IAS 19 deficit an additional liability is recognised.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

4 Significant accounting policies (continued)

(l) Employee benefits (continued)

(ii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

(iii) Short-term service benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

Provision for an onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(n) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerized stevedoring and other containerized revenue. Non-containerized revenue mainly includes logistics and handling of break bulk cargo. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from providing containerized stevedoring, other containerized services and non-containerized services is recognised on the delivery and completion of those services.

Service concession arrangements (IFRIC 12)

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

4 Significant accounting policies (continued)

(o) Finance income and expense

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated statement of profit or loss.

Finance income and expense also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 4(b)(i)).

(p) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the temporary differences arising on the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- the temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is not probable that they will reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4 Significant accounting policies (continued)

(q) Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and consolidated statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

In the consolidated statement of profit or loss of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated statement of profit or loss and disclosed in the notes to the consolidated financial statements.

(r) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after adjusting for interest on the convertible bond and other consequential changes in income or expense that would result from the assumed conversion) by the weighted average number of ordinary shares outstanding during the year including the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (also refer to note 24).

(s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors ('Chief Operating Decision Maker') to assess performance.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets (primarily Company's head office), head office expenses and income tax assets and liabilities.

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

(t) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4 Significant accounting policies (continued)

(u) New standards, amendments and interpretations adopted by the Group

The following standards and amendments have been adopted by the Group for the first time for annual periods beginning on or after 1 January 2014:

- ***Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32***

  Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

- ***Amendments to IAS 36- Impairment of assets***

  This amendment removed certain disclosures of the recoverable amount of cash generating units which had been included in IAS 36 by the issue of IFRS 13. The amendment did not have a significant effect on the Group financial statements.

- ***Amendment to IAS 39 - Financial instruments: Recognition and measurement***

  This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the group financial statements as a result.

- ***IFRIC 21 Levies***

  IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

(v) New standard and interpretation not yet effective

A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning 1 January 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- ***IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)***

  IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carried forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

  IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

- ***IFRS 15 Revenue from contracts with customers***

  IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.
  The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

5 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Port concession rights

Port concession rights acquired in a business combination are accounted at their fair values. The fair value is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Investments in debt securities and available-for-sale financial assets

The fair values of equity and debt securities are determined by reference to their quoted closing bid price at the reporting date. The fair value of the unquoted infrastructure investment fund classified as available-for-sale is based on the independent valuation of the fund. The fair value of debt securities held to maturity is determined based on the discounted cash flows at a market related discount rate. The fair value of debt securities held to maturity is determined for disclosure purposes only.

(iv) Trade and other receivables/ payables

The fair value of trade and other receivables and trade and other payables approximates to the carrying values due to the short term maturity of these instruments.

(v) Derivatives

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.

(vi) Embedded derivative option liability of convertible bond

The fair value of the embedded derivative option liability of convertible bond is based on a valuation model with market assumptions.

(vii) Convertible bond

The 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.

5 Determination of fair values (continued)

(viii) Non-derivative financial liabilities

Fair value for quoted bonds is based on their market price 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.

The fair value of bank balances and cash and bank overdrafts approximates to the carrying value due to the short term maturity of these instruments.

6 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

(a) credit risk
(b) liquidity risk
(c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements. Also refer to note 30 for further details.

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6 Financial risk management (continued)

Risk management framework (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to associates and joint ventures in very limited circumstances and always only for the Group's share of the obligation. The provision of guarantees always requires the approval of senior management.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

6 Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

(i) Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE Dirhams) is approximately 65 % (2013: 69%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated and using cross currency swaps. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

Interest on borrowings is denominated in the currency of the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using forward foreign currency contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using forward contracts and currency swaps in order to fix the cost when converted to the functional currency. The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits. The Group issued two fixed rate bonds, a 10 year Sukuk with a profit rate of 6.25%, a 30 year Medium Term Note with a coupon of 6.85% and a convertible bond with a coupon rate of 1.75%. These collectively represent USD 3,993,725 thousand of the Group's outstanding debt as at the reporting date.

6 Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2014, after taking into account the effect of interest rate swaps, approximately 93% (2013: 90%) of the Group's borrowings are at a fixed rate of interest.

(iii) Equity price risk

The Group's investment in listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve and translation reserve. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

	2014	2013
	USD'000	USD'000
Total interest bearing loans and borrowings (refer to note 27)	5,854,988	5,035,017
Less: cash and cash equivalents (refer to note 19)	(3,723,073)	(2,571,063)
	------------	------------
Total net debt	2,131,915	2,463,954
	=======	=======
Total Equity	9,026,660	9,021,541
	=======	=======
Adjusted EBITDA (refer to note 7)	1,588,150	1,414,241
	=======	=======
Net finance cost before separately disclosed items	283,076	284,946
	======	======
Net debt/ Equity	0.24	0.27
Net debt/ adjusted EBITDA	1.34	1.74
	==	==
Interest cover before separately disclosed items	5.61	5.0
	==	===

7 Segment information

The internal management reports which are prepared under IFRS are reviewed by the Board of Directors ('Chief Operating Decision Maker') based on the location of the Group's assets and liabilities. 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 also reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

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

7 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**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
(Including separately disclosed items)												
Revenue	**448,990**	355,217	**628,312**	594,183	**2,386,049**	2,123,848	**-**	-	**-**	-	**3,463,351**	3,073,248
	======	======	======	======	=======	=======	=====	=====	=====	=====	=======	=======
Segment results from operations *	**185,924**	267,980	**144,518**	125,061	**975,819**	782,004	**(238,515)**	(168,311)	**-**	-	**1,067,746**	1,006,734
Finance income	**-**	-	**-**	-	**-**	-	**91,347**	84,493	**-**	-	**91,347**	84,493
Finance costs	**-**	-	**-**	-	**-**	-	**(376,963)**	(369,439)	**-**	-	**(376,963)**	(369,439)
	---------	---------	----------	----------	----------	----------	----------	----------	---------	---------	----------	----------
Profit/ (loss) for the year	**185,924**	267,980	**144,518**	125,061	**975,819**	782,004	**(524,131)**	(453,257)	**-**	-	**782,130**	721,788
	======	======	======	======	======	======	======	======	=====	=====	======	======

* Segment results from operations comprise profit for the year before net finance cost.

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 consolidated financial statements *(continued)*

7 Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	USD’000	USD’000	**USD’000**	USD’000	**USD’000**	USD’000	**USD’000**	USD’000	**USD’000**	USD’000	**USD’000**	USD’000
Segment assets	**3,859,205**	3,827,246	**1,606,160**	1,737,515	**10,244,279**	9,654,817	**11,934,822**	9,371,725	**(9,739,725)**	(7,830,789)	**17,904,741**	16,760,514
	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	========	=======
Segment liabilities	**303,648**	237,295	**228,742**	89,632	**2,966,587**	1,586,005	**7,134,174**	5,605,650	**(2,814,943)**	(925,542)	**7,818,208**	6,593,040
Tax liabilities *	**-**	-	**-**	-	**-**	-	**1,059,873**	1,145,933	**-**	-	**1,059,873**	1,145,933
	----------	----------	----------	----------	------------	------------	------------	------------	----------	----------	------------	------------
Total liabilities	**303,648**	237,295	**228,742**	89,632	**2,966,587**	1,586,005	**8,194,047**	6,751,583	**(2,814,943)**	(925,542)	**8,878,081**	7,738,973
	======	======	======	======	=======	=======	=======	=======	======	======	=======	=======
Capital expenditure	**46,106**	21,496	**62,310**	72,986	**663,432**	965,720	**35,181**	3,220	**-**	-	**807,029**	1,063,422
	=====	=====	======	======	======	======	====	====	=====	=====	======	======
Depreciation	**25,672**	27,478	**56,550**	62,900	**224,366**	181,481	**5,642**	4,988	**-**	-	**312,230**	276,847
	=====	=====	=====	=====	======	======	====	====	=====	=====	======	======
Amortisation/ impairment	**44,893**	75,365	**12,083**	11,995	**51,779**	130,445	**-**	-	**-**	-	**108,755**	217,805
	=====	=====	=====	=====	======	======	====	====	=====	=====	======	======
Share of profit of equity-accounted investees before separately disclosed items	**97,433**	90,107	**(37,518)**	(14,105)	**18,046**	8,364	**-**	-	**-**	-	**77,961**	84,366
	=====	=====	====	====	====	====	=====	=====	===	===	=====	=====
Tax expense	**-**	-	**-**	-	**-**	-	**87,418**	64,458	**-**	-	**87,418**	64,458
	=====	=====	====	=====	====	====	=====	=====	===	===	=====	=====

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

7 Segment information (continued)

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		Head office		Inter-segment		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue before separately disclosed items	**396,653**	355,217	**628,312**	594,183	**2,386,049**	2,123,848	**-**	-	**-**	-	**3,411,014**	3,073,248
	======	======	======	======	=======	=======	====	====	====	====	=======	=======
Adjusted EBITDA	**256,489**	219,700	**217,250**	195,235	**1,259,866**	1,095,171	**(145,455)**	(95,865)	**-**	-	**1,588,150**	1,414,241
Finance income	**-**	-	**-**	-	**-**	-	**89,765**	84,493	**-**	-	**89,765**	84,493
Finance costs	**-**	-	**-**	-	**-**	-	**(372,841)**	(369,439)	**-**	-	**(372,841)**	(369,439)
Tax expense	**-**	-	**-**	-	**-**	-	**(127,418)**	(59,558)	**-**	-	**(127,418)**	(59,558)
Depreciation and amortisation	**(70,565)**	(78,843)	**(68,633)**	(74,895)	**(276,145)**	(236,773)	**(5,642)**	(4,988)	**-**	-	**(420,985)**	(395,499)
	--------	--------	--------	--------	---------	---------	---------	---------	-------	--------	---------	---------
Adjusted net profit/ (loss) for the year before separately disclosed items	**185,924**	140,857	**148,617**	120,340	**983,721**	858,398	**(561,591)**	(445,357)	**-**	-	**756,671**	674,238
Adjusted for separately disclosed items	**-**	127,123	**(4,099)**	4,721	**(7,902)**	(76,394)	**37,460**	(7,900)	**-**	-	**25,459**	47,550
	----------	----------	----------	----------	----------	----------	---------	---------	--------	--------	----------	----------
Profit/ (loss) for the year	**185,924**	267,980	**144,518**	125,061	**975,819**	782,004	**(524,131)**	(453,257)	**-**	-	**782,130**	721,788
	======	======	======	======	======	======	======	======	=====	=====	======	======

8 Revenue

	2014	2013
	USD'000	USD'000
Revenue consists of:		
Containerized stevedoring revenue	**1,502,990**	1,396,510
Containerized other revenue	**1,166,079**	1,026,792
Non-containerized revenue	**741,945**	649,946
Service concession revenue (refer to note 12)	**52,337**	-
	------------	------------
	3,463,351	3,073,248
	=======	=======

The Group does not have any customer which contributes more than 10 per cent of the Group's total revenue.

9 Profit for the year (including separately disclosed items)

	2014	2013
	USD'000	USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**701,566**	610,768
Depreciation and amortisation	**420,985**	395,499
Operating lease rentals	**363,787**	352,513
Impairment	**-**	99,153
	======	======

10 Finance income and costs (including separately disclosed items)

	2014	2013
	USD'000	USD'000
Finance income		
Interest income	**59,110**	54,140
Exchange gains	**30,655**	30,353
	---------	---------
Finance income before separately disclosed items	**89,765**	84,493
Separately disclosed items (refer to note 12)	**1,582**	-
	----------	----------
Finance income after separately disclosed items	**91,347**	84,493
	======	======
Finance costs		
Interest expense	**(325,059)**	(320,957)
Exchange losses	**(41,026)**	(40,382)
Other net financing expense in respect of pension plans	**(6,756)**	(8,100)
	----------	----------
Finance costs before separately disclosed items	**(372,841)**	(369,439)
Separately disclosed items (refer to note 12)	**(4,122)**	-
	----------	----------
Finance costs after separately disclosed items	**(376,963)**	(369,439)
	======	======
Net finance costs after separately disclosed items	**(285,616)**	(284,946)
	======	======

11 Income tax

The major components of income tax expense for the year ended 31 December:

	2014	2013
	USD'000	USD'000
Current income tax expense		
Current year	**93,270**	105,500
Adjustment for prior periods	**(6,066)**	(7,487)
	--------	--------
	87,204	98,013
Deferred tax expense/ (credit)	**214**	(33,555)
	---------	---------
	87,418	64,458
	---------	---------
Income tax expense	**87,418**	64,458
Share of income tax of equity-accounted investees	**28,693**	18,577
	---------	---------
Total tax expense	**116,111**	83,035
	=====	=====
Income tax expense before separately disclosed items	**127,418**	59,558
Tax on separately disclosed items (refer to note 12)	**(40,000)**	4,900
	---------	---------
Income tax expense	**87,418**	64,458
	=====	=====
Income tax balances included in the Consolidated Statement of Financial Position:		
Current income tax receivable (included within accounts receivable and prepayments)	**22,640**	17,806
	=====	=====
Current income tax liabilities	**162,495**	210,347
	=====	======

Current tax assets and liabilities have been offset if certain criteria are met.

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	**Applicable corporate tax rate**
Asia Pacific and Indian subcontinent	16.5% to 34.0%
Australia and Americas	26.0% to 36.0%
Middle East, Europe and Africa	0% to 34.0%
	===========

11 Income tax (continued)

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2014	2013
		USD'000	USD'000
Net profit before tax		**869,548**	786,246
		======	======
Tax at the company's domestic rate of 0% (2013: 0%)		**-**	-
Income tax on foreign earnings		**121,655**	56,765
Current year losses not recognised for deferred tax asset		**29,762**	39,828
Brought forward losses utilised		**(16,847)**	(3,295)
Tax charge on equity-accounted investees		**28,693**	18,577
Deferred tax in respect of fair value adjustments		**(6,965)**	(46,818)
Others		**6,090**	20,979
		---------	---------
Tax expense before prior year adjustments		**162,388**	86,036
Tax (over)/ under provided in prior periods:			
-current tax		**(6,066)**	(7,487)
-deferred tax		**(211)**	(414)
		---------	---------
Total tax expense from operations before separately disclosed items	**(A)**	**156,111**	78,135
Adjustment for separately disclosed items		**(40,000)**	4,900
		---------	---------
Total tax expense		**116,111**	83,035
		=====	=====
Net profit before tax		**869,548**	786,246
Adjustment for separately disclosed items		**14,541**	(52,450)
Adjustment for share of income tax of equity-accounted investees		**28,693**	18,577
		----------	----------
Adjusted profit before tax and before separately disclosed items	**(B)**	**912,782**	752,373
		======	======
Effective tax rate before separately disclosed items	**(A/B)**	**17.10%**	10.39%
		=====	=====

Unrecognised deferred tax assets

Deferred tax assets are not recognised on trading losses of USD 693,469 thousand (2013: USD 617,982 thousand) where utilisation is uncertain, either because they have not been agreed with tax authorities, or because the likelihood of future taxable profits is not sufficiently certain, or because of the impact of tax holidays on infrastructure projects. Under current legislation, USD 474,982 thousand (2013: USD 418,901 thousand) of these trading losses can be carried forward indefinitely.

Deferred tax assets are also not recognised on capital and other losses of USD 286,425 thousand (2013: USD 338,378 thousand) due to the fact that their utilisation is uncertain.

11 Income tax (continued)

Movement in temporary differences during the year:

	1 January 2014	Recognised in consolidated statement of profit or loss	Translation and other movements	31 December 2014
	USD'000	USD'000	USD'000	USD'000
Deferred tax liabilities				
Property, plant and equipment	125,726	(9,157)	3,942	**120,511**
Investment in equity-accounted investees	38,746	5,372	(1,048)	**43,070**
Fair value of acquired intangibles	401,704	(5,335)	(18,781)	**377,588**
Others	431,608	6,194	(4,861)	**432,941**
	----------	----------	----------	----------
Total before set off	**997,784**	**(2,926)**	**(20,748)**	974,110
	------------	----------	----------	----------
Set off of tax	(62,198)			**(76,732)**
Net deferred tax liabilities	935,586			**897,378**
	=======			======
Deferred tax assets				
Property, plant and equipment	4,561	1,231	(827)	**4,965**
Pension and post-employment benefits	6,431	324	2,495	**9,250**
Financial instruments	4,914	(208)	14,569	**19,275**
Provisions	4,077	412	(154)	**4,335**
Tax value of losses carried forward recognised	32,169	(71)	(4,405)	**27,693**
Others	14,439	(4,828)	1,772	**11,383**
	----------	----------	----------	----------
Total before set off	66,591	(3,140)	13,450	**76,901**
	----------	----------	----------	----------
Set off of tax	(62,198)			**(76,732)**
Net deferred tax assets	4,393			**169**
	======			======

Deferred tax assets and liabilities have been offset if certain criteria are met.

12 Separately disclosed items

	2014	2013
	USD'000	USD'000
Revenue :		
Construction contract revenue relating to service concessions	**52,337**	-
Cost of sales :		
Construction contract costs relating to service concessions	**(52,337)**	-
General and administrative expenses :		
Acquisition related costs	**(19,400)**	-
Restructuring costs	-	(2,280)
Impairment of assets	-	(99,153)
Other income	**9,153**	-
Profit on sale and termination of businesses	-	158,188
Share of loss from equity-accounted investees	**(1,754)**	(4,305)
Finance income :		
Ineffective interest rate swap gain	**1,582**	-
Finance costs :		
Ineffective interest rate swap loss	**(4,122)**	-
Income tax credit / (expense)	**40,000**	(4,900)
	--------	--------
	25,459	47,550
	=====	=====

Construction contract revenue and costs: In accordance with IFRIC 12 '*Service Concession Arrangements*', the Group has recorded a revenue of USD 52,337 thousand (2013: Nil) 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.

Acquisition related costs represent advisory, legal, accounting, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the 'Middle East, Europe and Africa' region (2013: Nil).

Restructuring costs 2014: Nil (2013: related to the restructuring of subsidiaries in the 'Middle East, Europe and Africa' region and in the 'Asia Pacific and Indian subcontinent' region).

Impairment of assets 2014: Nil (2013: related to impairment of assets in the 'Middle East, Europe and Africa' region and in the 'Asia Pacific and Indian subcontinent' region).

Other income represents the gain on final settlement of contingent consideration relating to an acquisition of additional interest in a subsidiary during 2012 in the 'Middle East, Europe and Africa' region (2013: Nil).

12 Separately disclosed items (continued)

Profit on sale and termination of businesses in 2013 represents:

- USD 152,224 thousand profit on monetisation of investments in the 'Asia Pacific and Indian subcontinent' region.
- USD 5,964 thousand profit on monetisation of investments in an equity-accounted investee in the 'Australia and Americas' region.

Share of loss from equity-accounted investees: USD 655 thousand relates to the share of ineffective hedge in a joint venture in the 'Middle East, Europe and Africa' region and USD 1,099 thousand relates to the share of restructuring costs in a joint venture in the 'Australia and Americas' region. (2013: USD 1,241 thousand related to the share of ineffective hedge in an associate in the 'Middle East, Europe and Africa' region and USD 3,064 thousand related to the share of restructuring costs in the 'Australia and Americas' region).

Ineffective interest rate swap gain relates to an ineffective hedge in a subsidiary in the 'Asia Pacific and Indian subcontinent' region (2013: Nil).

Ineffective interest rate swap loss relates to an ineffective hedge in a subsidiary in the 'Middle East, Europe and Africa' region (2013: Nil).

Income tax credit relates to the release of a tax provision in connection with the restructuring and sale of subsidiaries in the 'Australia and Americas' region. The provision has been released following closure of a review by the tax authorities (2013: Income tax expense related to the restructuring of subsidiaries in the 'Asia Pacific and Indian subcontinent' region).

13 Property, plant and equipment

	Land and buildings	Plant and equipment	Ships	Capital work- in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2014	**3,308,139**	**2,928,954**	**244,802**	**1,405,545**	**7,887,440**
Acquired through business combination	**-**	**3,876**	**65,580**	**2,054**	**71,510**
Additions during the year	**13,410**	**25,297**	**48,154**	**628,451**	**715,312**
Transfers from capital work-in-progress	**181,932**	**904,299**	**605**	**(1,086,836)**	**-**
Translation adjustment	**(73,679)**	**(64,771)**	**(37,589)**	**(37,497)**	**(213,536)**
Disposals	**(5,020)**	**(58,348)**	**(46,785)**	**-**	**(110,153)**
Transferred to equity-accounted investees as capital contribution	**-**	**-**	**-**	**(21,875)**	**(21,875)**
	------------	------------	----------	------------	------------
As at 31 December 2014	**3,424,782**	**3,739,307**	**274,767**	**889,842**	**8,328,698**
	------------	------------	----------	------------	------------
Depreciation and impairment					
As at 1 January 2014	**694,229**	**1,017,552**	**105,874**	**-**	**1,817,655**
Charge for the year	**107,137**	**189,282**	**15,811**	**-**	**312,230**
Translation adjustment	**(16,524)**	**(20,413)**	**(14,524)**	**-**	**(51,461)**
On disposals	**(2,702)**	**(56,399)**	**(46,785)**	**-**	**(105,886)**
	----------	------------	----------	---	------------
As at 31 December 2014	**782,140**	**1,130,022**	**60,376**	**-**	**1,972,538**
	----------	------------	----------	---	------------
Net book value					
As at 31 December 2014	**2,642,642**	**2,609,285**	**214,391**	**889,842**	**6,356,160**
	=======	=======	======	=======	=======

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group ("the Crane French Lease Arrangements"). At 31 December 2014, cranes with aggregate net book value amounting to USD 257,233 thousand (2013: USD 272,972 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

At 31 December 2014, property, plant and equipment with a carrying amount of USD 2,342,980 thousand (2013: USD 2,451,173 thousand) are pledged to secure bank loans (refer to note 27). At 31 December 2014, the net carrying value of the leased plant and equipment and other assets was USD 150,999 thousand (2013: USD 50,065 thousand).

Borrowing costs capitalised to property, plant and equipment amounted to USD 31,390 thousand (2013: USD 36,691 thousand) with a capitalisation rate in the range of 2.94% to 5.13%per annum (2013: 4.68% to 5.13% per annum).

13 Property, plant and equipment (continued)

	Land and buildings	Plant and equipment	Ships	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2013	3,073,584	2,462,280	240,361	1,316,806	7,093,031
Additions during the year	5,227	52,225	26,340	941,738	1,025,530
Transfers from capital work-in-progress	353,024	511,749	-	(864,773)	-
Translation adjustment	(63,202)	10,088	(13,999)	20,850	(46,263)
Disposals	(1,264)	(40,088)	(7,900)	-	(49,252)
Disposal of subsidiaries	(59,230)	(67,300)	-	(8,982)	(135,512)
	------------	------------	----------	------------	------------
As at 31 December 2013	3,308,139	2,928,954	244,802	1,405,639	7,887,534
	------------	------------	----------	------------	------------
Depreciation and impairment					
As at 1 January 2013	614,767	961,150	103,852	-	1,679,769
Charge for the year	103,978	152,247	20,622	-	276,847
Impairment losses (refer to note 12)	7,197	36,525	-	94	43,816
Translation adjustment	7,038	(37,175)	(10,700)	-	(40,837)
On disposals	(711)	(37,289)	(7,900)	-	(45,900)
On disposal of subsidiaries	(38,040)	(57,906)	-	-	(95,946)
	----------	------------	----------	---	------------
As at 31 December 2013	694,229	1,017,552	105,874	94	1,817,749
	----------	------------	----------	---	------------
Net book value					
As at 31 December 2013	2,613,910	1,911,402	138,928	1,405,545	6,069,785
	=======	=======	======	=======	=======

14 Goodwill and port concession rights

	Goodwill	**Port concession rights**	**Total Intangible Assets**
	USD'000	**USD'000**	**USD'000**
Cost			
As at 1 January 2014	**1,532,238**	**3,799,653**	**5,331,891**
Additions	**-**	**91,717**	**91,717**
Disposals	**-**	**(9,742)**	**(9,742)**
Acquired through business combinations	**4,297**	**31,541**	**35,838**
Translation adjustment	**(88,341)**	**(158,981)**	**(247,322)**
	------------	------------	------------
As at 31 December 2014	**1,448,194**	**3,754,188**	**5,202,382**
	------------	------------	------------
Amortisation and impairment			
As at 1 January 2014	**-**	**895,172**	**895,172**
Charge for the year	**-**	**108,755**	**108,755**
On disposals	**-**	**(4,362)**	**(4,362)**
Translation adjustment	**-**	**(24,645)**	**(24,645)**
	-----------	----------	----------
As at 31 December 2014	**-**	**974,920**	**974,920**
	-----------	----------	----------
Net book value			
As at 31 December 2014	**1,448,194**	**2,779,268**	**4,227,462**
	=======	=======	=======

14 Goodwill and port concession rights (continued)

Port concession rights include concession agreements which are mainly accounted for as part of business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

At 31 December 2014, port concession rights with a carrying amount of USD 175,131 thousand (2013: USD 357,785 thousand) are pledged to secure bank loans (refer to note 27).

	Goodwill	Port concession rights	Total Intangible Assets
	USD'000	USD'000	USD'000
Cost			
As at 1 January 2013	1,588,918	3,934,648	5,523,566
Additions	-	37,892	37,892
Disposals	-	(790)	(790)
Disposal of subsidiaries	(34,880)	(27,981)	(62,861)
Impairment losses (refer to note 12)	(3,268)	-	(3,268)
Translation adjustment	(18,532)	(144,116)	(162,648)
	------------	------------	------------
As at 31 December 2013	1,532,238	3,799,653	5,331,891
	------------	------------	------------
Amortisation and impairment			
As at 1 January 2013	-	819,564	819,564
Charge for the year	-	118,652	118,652
Impairment loss (refer note 12)	-	23,871	23,871
On disposals	-	(610)	(610)
On disposal of subsidiaries	-	(5,462)	(5,462)
Translation adjustment	-	(60,843)	(60,843)
	-----------	----------	----------
As at 31 December 2013	-	895,172	895,172
	-----------	----------	----------
Net book value			
As at 31 December 2013	1,532,238	2,904,481	4,436,719
	=======	=======	=======

15 Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units ("CGU"), which are reportable business units, for the purposes of impairment testing.

Impairment testing is done at operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		**Carrying amount of port concession rights with indefinite useful life**		**Discount rates**	**Perpetuity growth rate**
	2014	2013	**2014**	2013		
	USD'000	USD'000	**USD'000**	USD'000		
Cash-generating units aggregated by operating segment						
Asia Pacific and Indian subcontinent	**169,124**	169,905	**-**	-	6.50% - 12.50%	2.50%
Australia and Americas	**235,170**	252,245	**-**	-	5.75% - 13.75%	2.50%
Middle East, Europe and Africa	**1,043,900**	1,110,088	**979,201**	1,043,125	5.47% - 13.50%	2.50% - 2.60%
	------------	------------	------------	------------		
Total	**1,448,194**	1,532,238	**979,201**	1,043,125		
	========	========	=======	========		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

Discount rates – These represent the cost of capital adjusted for the respective location risk factors. The Group uses the post-tax industry average Weighted Average Cost of Capital which reflects the country specific risk adjusted discount rate.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

Perpetuity growth rate – In management's view, the perpetuity growth rate is the minimum growth rate expected to be achieved beyond the eight year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in impairment.

16 Investment in equity-accounted investees

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

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Cash and cash equivalents	**352,234**	350,997	**136,146**	105,483	**165,784**	204,675	**654,164**	661,155
Other current assets	**167,963**	185,851	**111,017**	137,905	**163,159**	176,657	**442,139**	500,413
Non-current assets	**7,952,900**	8,462,128	**2,565,924**	2,802,062	**2,574,955**	2,651,225	**13,093,779**	13,915,415
	------------	------------	------------	------------	------------	------------	------------	------------
Total assets	**8,473,097**	8,998,976	**2,813,087**	3,045,450	**2,903,898**	3,032,557	**14,190,082**	15,076,983
	=======	=======	=======	=======	=======	=======	========	========
Current financial liabilities	**20,746**	89,567	**89,106**	31,599	**48,376**	38,253	**158,228**	159,419
Other current liabilities	**582,136**	627,011	**205,465**	184,462	**208,253**	197,706	**995,854**	1,009,179
Non-current financial liabilities	**1,250,111**	1,432,290	**1,643,284**	1,710,022	**479,931**	677,990	**3,373,326**	3,820,302
Other non-current liabilities	**651,141**	625,330	**102,391**	111,826	**552,012**	422,176	**1,305,544**	1,159,332
	------------	------------	------------	------------	------------	------------	------------	------------
Total liabilities	**2,504,134**	2,774,198	**2,040,246**	2,037,909	**1,288,572**	1,336,125	**5,832,952**	6,148,232
	=======	=======	=======	=======	=======	=======	=======	=======
	------------	------------	------------	------------	------------	------------	------------	------------
Net assets (100%)	**5,968,963**	6,224,778	**772,841**	1,007,541	**1,615,326**	1,696,432	**8,357,130**	8,928,751
	=======	=======	=======	=======	=======	=======	=======	=======
Group's share of net assets in equity-accounted investees							**2,534,320**	2,700,703
							=======	=======

16 Investment in equity-accounted investees (continued)

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue	**1,527,146**	1,317,725	**688,368**	716,099	**576,798**	519,766	**2,792,312**	2,553,590
Depreciation and amortisation	**(312,266)**	(335,663)	**(155,764)**	(126,871)	**(69,103)**	(68,973)	**(537,133)**	(531,507)
Other expenses	**(620,175)**	(582,941)	**(513,948)**	(529,522)	**(435,961)**	(396,628)	**(1,570,084)**	(1,509,091)
Interest expense	**(107,316)**	(139,974)	**(239,853)**	(205,241)	**(28,213)**	(27,183)	**(375,382)**	(372,398)
Other finance income	**44,191**	48,731	**10,334**	34,334	**1,141**	1,752	**55,666**	84,817
Income tax expense	**(124,275)**	(111,840)	**54,565**	32,280	**(3,620)**	(6,435)	**(73,330)**	(85,995)
	----------	----------	---------	---------	---------	---------	-----------	-----------
Net profit/ (loss)	**407,305**	196,038	**(156,298)**	(78,921)	**41,042**	22,299	**292,049**	139,416
	======	======	=====	=====	=====	=====	======	======
Group's share of profit/ (loss) *(before separately disclosed items)*	**97,433**	90,107	**(37,517)**	(14,105)	**18,045**	8,364	**77,961**	84,366
	=====	======	=====	======	====	=====	=====	=====
Group's share of other comprehensive income							**(10,906)**	17,772
							=====	=====

17 Other investments

	2014	2013
	USD'000	USD'000
Debt securities held to maturity (refer to note a)	**9,204**	10,207
Available-for-sale financial assets (refer to note b)	**60,811**	52,716
	---------	---------
	70,015	62,923
	=====	=====

(a) The movement in debt securities held to maturity mainly relates to redemption of USD 1,003 thousand (2013: USD 1,055 thousand) during the year.

(b) Available-for-sale financial assets consist of an unquoted investment in an Infrastructure Fund in UAE and a listed equity instrument in Hong Kong.

The movement schedule for these investments is as follows:

	2014	2013
	USD'000	USD'000
As at 1 January	**52,716**	49,556
Addition during the year	**10,000**	-
Change in fair value recognised in consolidated statement of other comprehensive income	**(1,895)**	3,160
Foreign exchange movement	**(10)**	-
	---------	---------
As at 31 December	**60,811**	52,716
	=====	=====

Currency wise split of other investments are as follows:

	2014	2013
Currencies	**USD'000**	USD'000
HKD	**8,927**	-
USD	**61,051**	62,883
AUD	**37**	40
	---------	---------
	70,015	62,923
	=====	=====

18 Accounts receivable and prepayments

	2014	2014	2014
	Non-current	**Current**	**Total**
	USD'000	**USD'000**	**USD'000**
Trade receivables (net)	**-**	**301,673**	**301,673**
Advances paid to suppliers	**-**	**30,373**	**30,373**
Other receivables and prepayments	**73,034**	**305,291**	**378,325**
Employee benefit assets (refer to note 26)	**262**	**-**	**262**
Due from related parties (refer to note 29)	**121,026**	**103,606**	**224,632**
	----------	----------	----------
	194,322	**740,943**	**935,265**
	======	======	======
	2013	2013	2013
	Non-current	Current	Total
	USD'000	USD'000	USD'000
Trade receivables (net)	-	270,074	270,074
Advances paid to suppliers	-	36,483	36,483
Other receivables and prepayments	65,253	263,067	328,320
Employee benefit assets (refer to note 26)	372	-	372
Due from related parties (refer to note 29)	115,485	111,070	226,555
	----------	----------	----------
	181,110	680,694	861,804
	======	======	======

The Group's exposure to credit and currency risks is disclosed in note 30.

19 Bank balances and cash

	2014	2013
	USD'000	USD'000
Cash at banks and in hand	**381,173**	368,830
Short-term deposits	**3,281,606**	2,151,205
Deposits under lien	**60,294**	52,435
	-------------	-------------
Bank balances and cash	**3,723,073**	2,572,470
Bank overdrafts	**-**	(1,407)
	-----------	-----------
Cash and cash equivalents for consolidated statement of cash flows	**3,723,073**	2,571,063
	=======	=======

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.

20 Share capital

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

	2014	2013
	USD'000	USD'000
Authorised		
1,250,000,000 of USD 2.00 each	**2,500,000**	2,500,000
	=======	=======
Issued and fully paid		
830,000,000 of USD 2.00 each	**1,660,000**	1,660,000
	=======	=======

21 Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

Other reserves

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on available-for-sale investments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in consolidated statement of other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also includes foreign exchange translation differences arising from translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

22 Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	2014	**2014**	**2014**	2013	2013	2013
	USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
	Middle East, Europe and Africa region	**Other individually immaterial subsidiaries ***	**Total**	Middle East, Europe and Africa region	Other individually immaterial subsidiaries *	Total
Balance sheet information:						
Non-current assets	**465,648**			497,259		
Current assets	**247,567**			167,675		
Non-current liabilities	**(138,487)**			(171,342)		
Current liabilities	**(119,770)**			(124,341)		
	----------			-----------		
Net assets (100%)	**454,958**			369,251		
	======			======		
Carrying amount of fair value adjustments	**284,550**			304,490		
	----------			------------		
Total	**739,508**			673,741		
	----------	----------	----------	------------	----------	----------
Carrying amount of NCI as at 31 December	**419,004**	**110,258**	**529,262**	372,018	103,723	475,741
	======	======	======	=======	======	======

22 Non-controlling interests ('NCI') (continued)

	2014	**2014**	**2014**	2013	2013	2013
	USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
	Middle East, Europe and Africa region	**Other individually immaterial subsidiaries ***	**Total**	Middle East, Europe and Africa region	Other individually immaterial subsidiaries *	Total
Statement of profit or loss information:						
Revenue	**386,297**			316,073		
Profit after tax	**97,075**			80,600		
Other comprehensive income, net of tax	**(5,705)**			12,204		
	---------			---------		
Total comprehensive income (100%), net of tax	**91,370**			92,804		
	---------			---------		
Profit allocated to NCI	**61,169**	**20,387**	**81,556**	51,418	30,734	82,152
Other comprehensive income allocated to NCI	**(1,646)**	**(11,376)**	**(13,022)**	7,566	2,169	9,735
	---------	---------	---------	---------	---------	---------
Total comprehensive income attributable to NCI	**59,523**	**9,011**	**68,534**	58,984	32,903	91,887
	---------	---------	---------	---------	---------	---------
Cash flow statement information:						
Cash flows from operating activities	**147,214**			129,849		
Cash flows from investing activities	**(11,953)**			42,663		
Cash flows from financing activities	**(54,022)**			113,695		
Dividends paid to NCI	**-**			38,604		
	=====			=====		

* There are no material subsidiaries in the other operating segments of the Group with NCI.

23 Dividends

	2014	2013
	USD'000	USD'000
Declared and paid during the year:		
Final dividend: 23 US cents per share/ 24 US cents per share	**190,900**	199,200
	======	======
Proposed for approval at the annual general meeting		
(not recognised as a liability as at 31 December):		
Final dividend: 23.5 US cents per share/ 23 US cents per share	**195,050**	190,900
	======	======

24 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.

	2014	**2014**	2013	2013
	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
Profit attributable to the ordinary shareholders of the Company (a)	**675,430**	**700,573**	604,421	639,636
Add: Interest expense on convertible bonds saved as a result of the conversion	**9,397**	**9,397**	-	-
Add: Transaction cost on convertible bonds saved as a result of the conversion	**503**	**503**	-	-
	---------	---------	---------	---------
Profit attributable to the ordinary shareholders of the Company after conversion (b)	**685,330**	**710,473**	**604,421**	639,636
	======	======	======	======
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	**19,786**	**19,786**	-	-
	---------	---------	---------	---------
Total weighted average number of ordinary share (diluted) outstanding as at – (d)	**849,786**	**849,786**	830,000	830,000
	======	======	======	======
Basic earnings per share US cents - (a/c)	**81.38**	**84.41**	72.82	77.06
Diluted earnings per share USD cents - (b/d)	**80.65**	**83.61**	72.82	77.06

25 Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2014	2013
	USD'000	USD'000
As at 1 January	**61,740**	55,747
Acquired through business combinations	**3,721**	-
Provision made during the year *	**13,895**	11,961
Amounts paid during the year	**(5,229)**	(5,968)
	---------	---------
As at 31 December	**74,127**	61,740
	=====	=====

* The provision for expatriate staff gratuities, included in Employees' end of service benefits, is calculated in accordance with the regulations of the Jebel Ali Free Zone Authority. This is based on the liability that would arise if employment of all staff were terminated at the reporting date.

The UAE government had introduced Federal Labour Law No.7 of 1999 for pension and social security. Under this Law, employers are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

26 Pension and post-employment benefits

The Group participates in a number of pension schemes throughout the world. The principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

The Group also operates a number of smaller defined benefit and defined contribution schemes. In addition, the Group participates in various industry multi-employer schemes, the most significant of which is the Merchant Navy Officers' Pension Fund (the "MNOPF Scheme") and is in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

The board of a pension fund in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans if appropriate.

These defined benefit funds expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

26 Pension and post-employment benefits (continued)

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2014	2013
	USD'000	USD'000
Non-current		
Defined benefit schemes net liabilities	**208,166**	168,000
Liabilities from defined contribution schemes	**-**	706
Liability in respect of long service leave	**588**	700
Liability for other non-current deferred compensation	**1,667**	-
	----------	----------
	210,421	169,406
Current		
Liability for current deferred compensation	**10,175**	10,068
	----------	----------
Net liabilities	**220,596**	179,474
	======	======
Net liabilities		
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets (included within non-current receivables (refer to note 18)	**(262)**	(372)
Employee benefits liabilities: Non-current	**210,683**	169,778
Employee benefits liabilities: Current	**10,175**	10,068
	----------	----------
	220,596	179,474
	======	======

The defined benefit pension schemes net liabilities of USD 208,166 thousand (2013: USD 168,000 thousand) is in respect of the total Group schemes shown on page 68 and 69.

The current portion of employee benefits liabilities includes a liability of USD 7,877 thousand (2013: USD 8,400 thousand) in respect of annual leave, USD 829 thousand (2013: USD 1,200 thousand) in respect of long service leave, and USD 1,469 thousand (2013: USD 468 thousand) in respect of sick leave and other miscellaneous employee benefit items.

An expense of USD 31,952 thousand (2013: USD 30,354 thousand) has been recognised in the consolidated statement of profit or loss for the long term employee benefit schemes. USD 7,600 thousand (2013: USD 7,200 thousand) in respect of defined benefit schemes, USD 12,300 thousand (2013: USD 9,700 thousand) in respect of defined contribution schemes and USD 12,052 thousand (2013: USD 13,454 thousand) in respect of other employee benefits.

A net finance cost of USD 6,756 thousand (2013: USD 8,100 thousand) in respect of defined benefit funds has been recognised in the consolidated statement of profit or loss.

26 Pension and post-employment benefits (continued)

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2014	2013
	USD'000	USD'000
Actuarial (gain)/ loss recognised in the year	**202,472**	(39,280)
Return on plan assets (lesser)/greater than the discount rate	**(171,000)**	(4,800)
Change in share in multi-employer scheme	**29,745**	-
Movement in minimum funding liability	**8,600**	5,200
	---------	---------
	69,817	(38,880)
	=====	======

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2014 by qualified independent actuaries. The principal assumptions are included in the table below.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme	**MNOPF scheme**	**Other schemes**
	2014	**2014**	**2014**
Discount rates	**3.60%**	**3.60%**	**3.70%**
Discount rates bulk annuity asset	**3.35%**	**-**	**-**
Expected rates of salary increases	**2.50%**	**-**	**3.20%**
Pension increases: deferment	**2.80%**	**2.15%**	**3.00%**
payment	**2.80%**	**3.05%**	**3.00%**
Inflation	**3.15%**	**3.15%**	**3.20%**
	=====	=====	=====

	P&O UK scheme	MNOPF scheme	Other schemes
	2013	2013	2013
Discount rates	4.35%	4.35%	4.50%
Discount rates bulk annuity asset	4.20%	-	-
Expected rates of salary increases	2.50%	-	1.90%
Pension increases: deferment	3.00%	2.60%	3.24%
payment	3.00%	3.45%	3.24%
Inflation	3.60%	3.60%	3.60%
	=====	=====	=====

From 1 December 2011, changes have been made to the benefits provided by the P&O UK scheme. These include a restriction to pay increases equal to the lower of Retail Price Index and 2.5% in a Scheme Year. This restriction is reflected in the pay increase assumption above and there is no allowance for promotional increases.

The assumptions for pensioner longevity under both the P&O UK scheme and the MNOPF scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

26 Pension and post-employment benefits (continued)

Actuarial valuations and assumptions (continued)

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
2014				
P&O UK scheme	**23.3**	**26.3**	**25.6**	**28.7**
MNOPF scheme	**22.6**	**25.4**	**26.2**	**29.2**
	===	===	===	===
2013				
P&O UK scheme	23.1	26.1	25.5	28.6
MNOPF scheme	22.5	25.3	26.1	29.0
	===	===	===	===

At 31 December 2014 the weighted average duration of the defined benefit obligation was 16 years (2013: 16.2 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2014 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	**21,800**
0.1% increase in inflation assumption and related assumptions	**9,200**
0.25% p.a. increase in the long term rate of mortality improvement	**14,800**
	======

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme	**MNOPF scheme**	**Other schemes**	**Group schemes fair value**
	USD'000	**USD'000**	**USD'000**	**USD'000**
2014				
Equities	**500,311**	**75,904**	**87,600**	**663,815**
Bonds	**183,136**	**139,996**	**120,200**	**443,332**
Other	**30,549**	**-**	**38,700**	**69,249**
Value of insured pensioner liability	**1,273,496**	**-**	**-**	**1,273,496**
	------------	-----------	---------	------------
	1,987,492	**215,900**	**246,500**	**2,449,892**
	=======	======	=====	=======
2013				
Equities	403,400	58,200	84,200	545,800
Bonds	216,800	102,500	90,300	409,600
Other	61,200	13,900	33,900	109,000
Value of insured pensioner liability	1,313,900	-	-	1,313,900
	------------	-----------	---------	------------
	1,995,300	174,600	208,400	2,378,300
	=======	======	=====	=======

With the exception of the insured pensioner liability all material investments have quoted prices in active markets.

26 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations and fair value of scheme assets for the period ended 31 December 2014:

	P&O UK scheme	MNOPF scheme	Other schemes	Total group schemes
	USD'000	USD'000	USD'000	USD'000
Present value of obligation at 1 January 2014	(2,068,600)	(216,300)	(255,900)	(2,540,800)
Employer's interest cost	(87,300)	(9,200)	(11,400)	(107,900)
Employer's current service cost	(600)	-	(3,700)	(4,300)
Contributions by scheme participants	-	-	(1,200)	(1,200)
Effect of movement in exchange rates	125,500	14,800	18,659	158,959
Benefits paid	109,800	9,400	11,400	130,600
Experience gains/ (loss) on scheme liabilities	13,900	300	(24,017)	(9,817)
Change in share in multi-employer scheme	-	(24,037)	(53,508)	(77,545)
Actuarial gain/ (loss) on scheme liabilities due to change in demographic assumptions	(2,900)	-	-	(2,900)
Actuarial (loss)/ gains on scheme liabilities due to change in financial assumptions	(160,400)	(21,263)	(8,092)	(189,755)
	-------------	-----------	-----------	-------------
Present value of obligation at 31 December 2014	(2,070,600)	(246,300)	(327,758)	(2,644,658)
	========	=======	=======	========

	P&O UK scheme	MNOPF Scheme	Other schemes	Total group schemes
	USD'000	USD'000	USD'000	USD'000
Fair value of scheme assets at 1 January 2014	1,995,300	174,600	208,400	2,378,300
Interest income on assets	84,300	7,600	9,400	101,300
Return on plan assets (lesser)/ greater than the discount rate	125,500	29,700	15,800	171,000
Contributions by employer	14,200	8,500	8,900	31,600
Contributions by scheme participants	-	-	1,200	1,200
Effect of movement in exchange rates	(120,008)	(12,900)	(14,500)	(147,408)
Benefits paid	(109,800)	(9,400)	(11,400)	(130,600)
Change in share in multi-employer scheme	-	18,300	29,500	47,800
Administration costs incurred during the year	(2,000)	(500)	(800)	(3,300)
	------------	-----------	----------	------------
Fair value of scheme assets at 31 December 2014	1,987,492	215,900	246,500	2,449,892
	=======	======	======	=======
Defined benefit schemes net liabilities	(83,108)	(30,400)	(81,258)	(194,766)
Minimum funding liability	-	(13,400)	-	(13,400)
	-----------	-----------	----------	------------
Net liability recognised in the consolidated statement of financial position at 31 December 2014	(83,108)	(43,800)	(81,258)	(208,166)
	======	======	======	======

26 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations and fair value of scheme assets for the period ended 31 December 2013:

	P&O UK scheme	MNOPF scheme	Other schemes	Total group schemes
	USD'000	USD'000	USD'000	USD'000
Present value of obligation at 1 January 2013	(2,084,534)	(217,000)	(243,000)	(2,544,534)
Employer's interest cost	(81,300)	(8,400)	(10,300)	(100,000)
Employer's current service cost	(500)	-	(4,200)	(4,700)
Contributions by scheme participants	-	-	(1,100)	(1,100)
Effect of movement in exchange rates	(39,046)	(4,300)	(4,800)	(48,146)
Benefits paid	100,700	8,600	9,100	118,400
Experience gains/ (loss) on scheme liabilities	2,800	6,700	(3,300)	6,200
Actuarial gain/ (loss) on scheme liabilities due to change in demographic assumptions	44,880	(3,900)	-	40,980
Actuarial (loss)/ gains on scheme liabilities due to change in financial assumptions	(11,600)	2,000	1,700	(7,900)
	--------------	-----------	------------	--------------
Present value of obligation at 31 December 2013	(2,068,600)	(216,300)	(255,900)	(2,540,800)
	========	=======	=======	========

	P&O UK scheme	MNOPF scheme	Other schemes	Total group schemes
	USD'000	USD'000	USD'000	USD'000
Fair value of scheme assets at 1 January 2013	1,967,400	167,500	188,000	2,322,900
Interest income on assets	76,900	6,700	8,300	91,900
Return on plan assets (lesser)/ greater than the discount rate	(300)	(2,500)	7,600	4,800
Contributions by employer	13,400	8,000	8,600	30,000
Contributions by scheme participants	-	-	1,100	1,100
Effect of movement in exchange rates	40,600	3,700	4,200	48,500
Benefits paid	(100,700)	(8,600)	(9,100)	(118,400)
Administration costs incurred during the year	(2,000)	(200)	(300)	(2,500)
	------------	-----------	----------	------------
Fair value of scheme assets at 31 December 2013	1,995,300	174,600	208,400	2,378,300
	=======	======	======	=======
Defined benefit schemes net liabilities	(73,300)	(41,700)	(47,500)	(162,500)
Minimum funding liability	-	(5,500)	-	(5,500)
	-----------	-----------	----------	------------
Net liability recognised in the consolidated statement of financial position at 31 December 2013	(73,300)	(47,200)	(47,500)	(168,000)
	======	======	======	======

26 Pension and post-employment benefits (continued)

Where a surplus arises on a scheme in accordance with IAS19 and IFRIC14, the surplus is recognised as an asset only if it represents an unconditional economic benefit available to the Group in the future. Any surplus in excess of this benefit is not recognised in the statement of financial position. A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability on the MNOPF Scheme:-

	2014	2013
	USD'000	USD'000
Minimum funding liability as on 1 January	**(5,500)**	-
Employer's interest cost	**(156)**	-
Actuarial (loss)/ gain during the year	**(8,600)**	(5,200)
Effect of movement in exchange rates	**856**	(300)
	---------	---------
Minimum funding liability as on 31 December	**(13,400)**	(5,500)
	=====	======

It is anticipated that the Group will make the following contributions to the pension schemes in 2015:

	P&O UK scheme	**MNOPF scheme**	**Other schemes**	**Total group schemes**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Pension scheme contributions	**13,478**	**8,064**	**8,494**	**30,036**
	=====	====	====	=====

P&O UK Scheme

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the latest completed regular valuation report for the scheme being at 31 March 2013, using the projected unit credit method.

As a result of the valuation P&O committed to regular monthly deficit payments from April 2013 of USD 1,087 thousand until November 2021.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

Merchant Navy Officers' Pension Fund ("MNOPF")

The MNOPF Scheme is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated.

The scheme was divided into two sections, the Old Section and the New Section, both of which are closed to new members.

26 Pension and post-employment benefits (continued)

Merchant Navy Officers' Pension Fund ("MNOPF") (continued)

The Old Section has been closed to benefit accrual since 1978. The Old Scheme completed a buy-out of all its members benefit obligations in July 2014, following which the Old Section was wound up. Therefore, no further liabilities were assigned to the Group in respect of the Old Scheme. The Group could not identify its share of the underlying assets and liabilities of the Old Section on a consistent and reasonable basis and therefore accounted for contributions and payments to the Old Section under IAS19 as if it were a defined contribution scheme until the scheme was wound up during the year.

The most recent formal actuarial valuation of the New Section was carried out as at 31 March 2012.

Following the valuation the Trustee and Employers have agreed contributions, in addition to those arising from the 31 March 2003, 31 March 2006 and 31 March 2009 valuations, which will be paid to the Section by participating employers over the period to 30 September 2023. These contributions include an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. The Group's aggregated outstanding contributions from these valuations are payable as follows: 2015 USD 7,925 thousand, 2016 to 2020 USD 7,059 thousand per annum and 2021 to 2023 USD 1,917 thousand per annum.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the New Section at 31 December 2014 is estimated at 5.70%.

Merchant Navy Ratings' Pension Fund ("MNRPF")

The Merchant Navy Ratings' Pension Fund ("the MNRPF Scheme") is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual.

The most recent formal actuarial valuation was carried out as at 31 March 2011.

Certain Group companies, which are no longer current employers in the MNRPF had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustees could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed the decision, it was not overturned.

The Trustees notified these Group companies of their estimated share of the current deficit during December 2012 equating to 3.0%.The method of deficit allocation and the associated recovery plan has still to be approved by the court however based on this initial indication the Group has provided for this liability after an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. The net impact of USD 17,300 thousand was reflected as an actuarial movement in the consolidated statement of other comprehensive income in 2012.

27 Loans and borrowings

This note provides information about the terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 30.

	2014	2013
	USD'000	USD'000
Non-current liabilities		
Secured bank loans	**982,245**	1,056,613
Mortgage debenture stock	**2,220**	2,355
Unsecured loan stock	**-**	5,399
Unsecured bank loans	**589,695**	455,544
Unsecured bond issues	**3,241,454**	3,239,277
Convertible bond *	**752,271**	-
Unsecured loans	**9,870**	-
Finance lease liabilities	**25,903**	17,502
	------------	------------
	5,603,658	4,776,690
	------------	------------
Current liabilities		
Secured bank loans	**227,697**	202,209
Unsecured bank loans	**14,984**	42,886
Unsecured loans	**1,200**	3,867
Finance lease liabilities	**7,449**	9,365
	----------	----------
	251,330	258,327
	------------	------------
Total	**5,854,988**	5,035,017
	=======	=======

* Refer note 27(b)

27 Interest bearing loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

Currency	*Notes*	Nominal interest rate	Year of maturity	Face value	2014 Carrying amount
				USD'000	USD'000
Secured bank loans					
USD		Variable	2015-2020	360,563	360,563
USD		3%	2019	3,046	3,046
USD		5.65% - 8%	2022	37,000	37,000
EUR		Variable	2023	2,726	2,726
EUR		Variable	2015-2031	80,347	80,347
EUR		6.32%	2015	327	327
PKR		Variable	2019	65,002	65,002
ZAR		9.5%	2017	292	292
GBP		Variable	2031	658,805	658,805
GBP		7.5%	2017	1,834	1,834
Unsecured bank loans					
SAR		Variable	2017	11,151	11,151
CAD		Variable	2018	115,692	115,692
INR		Variable	2017-2019	46,800	46,800
USD		4.14%	2024	8,166	8,166
USD		Variable	2018-2021	422,870	422,870
Mortgage debenture stock					
GBP		3.5%	Undated	2,220	2,220
Unsecured loans					
EUR		2.5%-4%	Indefinite duration	9,870	9,870
USD		7.5%	Payable on demand	1,200	1,200
Unsecured bond					
USD		7.875%	2027	8,000	7,943
Unsecured sukuk bonds					
USD	*(a)*	*	2017	1,500,000	1,494,487
Unsecured MTNs					
USD	*(a)*	6.85%	2037	1,750,000	1,739,024
Unsecured convertible bond					
USD	*(b)*	1.75%	2024	1,000,000	752,271
Finance lease liabilities in various currencies		2.62% - 13.58%	2015-2054	33,352	33,352
				------------	------------
				6,119,263	5,854,988
				=======	=======

* The profit rate on this Islamic Bond is 6.25%.

27 Interest bearing loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

Currency	*Notes*	Nominal interest rate	Year of maturity	Face value	2013 Carrying amount
				USD'000	USD'000
Secured bank loans					
USD		Variable	2014- 2020	476,012	476,012
USD		3% to 8%	2019- 2022	42,786	42,786
EUR		Variable	2017- 2023	88,117	88,117
PKR		Variable	2019	68,976	68,976
ZAR		9.5%	2017	496	496
GBP		Variable	2031	578,793	578,793
GBP		8.5%	2017	3,642	3,642
Unsecured bank loans					
SAR		Variable	2017	15,178	15,178
CAD		Variable	2018	135,224	135,224
INR		Variable	2014-2019	64,136	64,136
USD		Variable	2018	257,209	257,209
USD		4.14%	2024	26,683	26,683
EUR		Variable	Payable on demand	2,667	2,667
USD		8%	Payable on demand	1,200	1,200
Mortgage debenture stock					
GBP		3.5%	Undated	2,355	2,355
Unsecured loan stock					
GBP		7.5%	Undated	5,399	5,399
Unsecured bond					
USD		7.88%	2027	8,000	7,940
Unsecured sukuk bonds					
USD	*(a)*	*	2017	1,500,000	1,492,513
Unsecured MTNs					
USD	*(a)*	6.85%	2037	1,750,000	1,738,824
Finance lease liabilities in various currencies		1.13%-10.43%	2014-2054	26,867	26,867
				------------	------------
				5,053,740	5,035,017
				=======	=======

* The profit rate on this Islamic Bond is 6.25%.

27 Interest bearing loans and borrowings (continued)

(a) The Group has issued conventional bond of USD 1,750,000 thousand as Medium Term Note and a Sukuk (Islamic Bond) of USD 1,500,000 thousand. The Medium Term Note and Sukuk are currently listed on Nasdaq Dubai and the London Stock Exchange (LSE).

(b) On 19 June 2014, the Group issued 10 year USD 1 billion unsecured convertible bonds convertible into 36.85 million ordinary shares of DP World Limited. These bonds are currently listed on the Frankfurt Stock Exchange with a coupon rate of 1.75% per annum. These bonds include investor put option which can be exercised at par in June 2018 (Year 4) and in June 2021 (Year 7). There is also an issuer call option which can be exercised on or July 2017 onwards (Year 3), subject to a 130% trigger on the conversion price of USD 27.14.

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 13 and note 14). The deposits under lien amounting to USD 60,294 thousand (2013: USD 52,435 thousand) are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 19).

At 31 December 2014, the undrawn committed borrowing facilities of USD 3,627,235 thousand (2013: USD 1,506,129 thousand) were available to the Group, in respect of which all conditions precedent had been met.

Finance lease liabilities

The Group classifies certain property, plant and equipment as finance leases where it retains all risks and rewards incidental to the ownership. The net carrying values of these assets are disclosed in note 13.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

			2014
	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**
	USD'000	**USD'000**	**USD'000**
Less than one year	**9,087**	**(2,064)**	**7,023**
Between one and five years	**26,793**	**(3,955)**	**22,838**
More than five years	**8,836**	**(5,345)**	**3,491**
	--------	---------	---------
At 31 December	**44,716**	**(11,364)**	**33,352**
	=====	=====	=====
			2013
	Future minimum lease payments	Interest	Present value of minimum lease payments
	USD'000	USD'000	USD'000
Less than one year	11,258	(1,894)	9,364
Between one and five years	17,929	(4,120)	13,809
More than five years	9,770	(6,076)	3,694
	--------	---------	---------
At 31 December	38,957	(12,090)	26,867
	=====	=====	=====

The finance leases do not contain any escalation clauses and do not provide for contingent rents.

28 Accounts payable and accruals

			2014
	Non-current	**Current**	**Total**
	USD'000	**USD'000**	**USD'000**
Trade payables	**-**	**126,848**	**126,848**
Other payables and accruals	**205,108**	**890,879**	**1,095,987**
Provisions *	**1,028**	**92,653**	**93,681**
Fair value of derivative financial instruments	**332,078**	**11,844**	**343,922**
Amounts due to related parties (refer to note 29)	**-**	**7,797**	**7,797**
	----------	------------	-----------
As at 31 December	**538,214**	**1,130,021**	**1,668,235**
	======	========	=======

			2013
	Non-current	Current	Total
	USD'000	USD'000	USD'000
Trade payables	-	146,359	146,359
Other payables and accruals	256,027	796,671	1,052,698
Provisions *	1,018	54,411	55,429
Fair value of derivative financial instruments	24,201	28,170	52,371
Amounts due to related parties (refer to note 29)	-	8,173	8,173
	----------	------------	-----------
As at 31 December	281,246	1,033,784	1,315,030
	======	========	=======

* During the current year, additional provision of USD 57,817 thousand was made (2013: USD 41,940 thousand) and an amount of USD 19,565 thousand was utilised (2013: USD 28,010 thousand).

29 Related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over it in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence i.e. part of the same Parent Group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, the Parent Company, Ultimate Parent Company (Dubai World Corporation) and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. The terms and conditions of the related party transactions were made on an arm's length basis.

The Ultimate Parent Company operates a Shared Services Unit ("SSU") which recharges the proportionate costs of services provided to the Group. SSU also processes the payroll for the Company and certain subsidiaries and recharges the respective payroll costs.

29 Related party transactions (continued)

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

	Equity-accounted investees	**Other related parties**	**2014 Total**
	USD'000	**USD'000**	**USD'000**
Expenses charged:			
Concession fee	**-**	**48,169**	**48,169**
Shared services	**-**	**212**	**212**
Other services	**-**	**24,838**	**24,838**
Revenue earned:			
Management fee income	**21,437**	**-**	**21,437**
Interest Income	**18,463**	**-**	**18,463**
Liabilities settled and recharged:	**-**	**5,179**	**5,179**
	=====	=====	=====

	Equity-accounted investees	Other related parties	2013 Total
	USD'000	USD'000	USD'000
Expenses charged:			
Concession fee	-	48,169	48,169
Shared services	-	-	-
Other services	-	30,574	30,574
Revenue earned:			
Management fee income	19,946	-	19,946
Interest Income	19,076	-	19,076
Liabilities settled and recharged:	-	2,877	2,877
	=====	=====	=====

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

	Due from related parties		**Due to related parties**	
	2014	2013	**2014**	2013
	USD'000	USD'000	**USD'000**	USD'000
Ultimate Parent Company	**2,188**	2,114	**188**	377
Parent Company	**54,426**	54,304	**-**	-
Equity-accounted investees	**148,797**	145,755	**303**	57
Other related parties	**19,221**	24,382	**7,306**	7,739
	----------	----------	--------	--------
	224,632	226,555	**7,797**	8,173
	======	======	=====	=====

Guarantees issued on behalf of equity-accounted investees amount to USD 27,668 thousand (2013: USD 81,401 thousand).

29 Related party transactions (continued)

Compensation of key management personnel

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

	2014	2013
	USD'000	USD'000
Short-term benefits and bonus	**10,318**	9,543
Post-retirement benefits	**677**	702
	--------	--------
	10,995	10,245
	=====	=====

Business combinations under common control

In the current year, the Group has acquired Dubai Trade FZE and World Security FZE. These business combinations were accounted under common control acquisitions (also refer to note 34).

30 Financial instruments

The Group has exposure to the following risks arising from financial instruments:

(a) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure which was as follows at 31 December:

	2014	2013
	USD'000	USD'000
Available-for-sale financial assets	**60,811**	52,716
Held-to-maturity investments	**9,204**	10,207
Derivative assets	**129**	1,685
Loans and receivables	**791,617**	669,405
Bank balances and cash	**3,723,073**	2,572,470
	------------	------------
	4,584,834	3,306,483
	=======	=======

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:

30 Financial instruments (continued)

(a) Credit risk (continued)

(i) Exposure to credit risk (continued)

	2014	2013
	USD'000	USD'000
Asia Pacific and Indian subcontinent	**13,895**	21,288
Australia and Americas	**40,903**	41,323
Middle East, Europe and Africa	**246,875**	207,463
	----------	----------
	301,673	270,074
	======	======

The ageing of trade receivables (net) at the reporting date was:

	2014	2013
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	**187,700**	168,120
Past due on the reporting date		
Past due 0-30 days	**90,580**	81,384
Past due 31-60 days	**19,775**	16,911
Past due 61-90 days	**2,519**	2,456
Past due > 90 days	**1,099**	1,203
	----------	----------
	301,673	270,074
	======	======

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2014	2013
	USD'000	USD'000
As at 1 January	**47,299**	38,920
Provision recognised during the year	**(6,175)**	8,379
Provision reversed during the year	**3,246**	-
	--------	--------
As at 31 December	**44,370**	47,299
	=====	=====

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 58% (2013: 47%) of the trade receivables.

30 Financial instruments (continued)

(b) Liquidity risk

2014

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Non derivative financial liabilities						
Secured bank loans	**1,209,942**	**(1,513,949)**	**(186,328)**	**(179,947)**	**(448,348)**	**(699,326)**
Unsecured bond issues	**3,241,454**	**(6,198,631)**	**(214,255)**	**(214,255)**	**(1,908,911)**	**(3,861,210)**
Convertible Bond	**752,271**	**(1,166,979)**	**(17,500)**	**(17,500)**	**(52,500)**	**(1,079,479)**
Mortgage debenture stocks	**2,220**	**(4,162)**	**(78)**	**(78)**	**(233)**	**(3,773)**
Unsecured loans and loan stock	**11,070**	**(11,537)**	**(11,537)**	**-**	**-**	**-**
Finance lease liabilities	**33,352**	**(44,716)**	**(9,087)**	**(16,927)**	**(9,866)**	**(8,836)**
Unsecured other bank loans	**604,679**	**(733,867)**	**(61,523)**	**(85,216)**	**(454,663)**	**(132,465)**
Trade and other payables	**1,194,827**	**(1,197,812)**	**(1,003,342)**	**(124,900)**	**(49,777)**	**(19,793)**
Bank overdraft	**-**	**-**	**-**	**-**	**-**	**-**
Financial guarantees and letters of credit*	**-**	**(278,044)**	**-**	**-**	**-**	**-**
Derivative financial liabilities						
Interest rate swaps used for hedging	**109,912**	**(150,268)**	**(37,201)**	**(28,635)**	**(61,630)**	**(22,802)**
Embedded derivative option	**233,232**	**-**	**-**	**-**	**-**	**-**
Forward exchange contracts used for hedging	**778**	**(3,129)**	**(2,116)**	**(1,013)**	**-**	**-**
	------------	-------------	-------------	-----------	-------------	-------------
Total	**7,393,737**	**(11,303,094)**	**(1,542,967)**	**(668,471)**	**(2,985,928)**	**(5,827,684)**
	=======	=======	=======	======	=======	=======

* Refer to note 33 for further details.

30 Financial instruments (continued)

(b) Liquidity risk (continued)

2014

The following table indicates the periods in which the undiscounted cash flows associated with derivatives that are expected to occur. The timing of these cash flows are not materially different from the impact on the consolidated statement of profit or loss.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Interest rate swaps						
Assets	129	129	129	-	-	-
Liabilities	(109,912)	(150,268)	(37,201)	(28,635)	(61,630)	(22,802)
Forward exchange contracts used for hedge						
Liabilities	(778)	(3,129)	(2,116)	(1,013)	-	-
Embeddded derivative option						
Liabilities	(233,232)	-	-	-	-	-
	---------	---------	---------	---------	---------	--------
Total	(343,793)	(153,268)	(39,188)	(29,648)	(61,630)	(22,802)
	=====	=====	=====	=====	=====	=====

30 Financial instruments (continued)

(b) Liquidity risk (continued)

2013

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and includes the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Non derivative financial liabilities						
Secured bank loans	1,258,822	(1,679,351)	(197,180)	(207,770)	(490,221)	(784,180)
Unsecured bond issues	3,239,277	(6,412,886)	(214,255)	(214,255)	(2,002,661)	(3,981,715)
Mortgage debenture stocks	2,355	(4,496)	(82)	(82)	(247)	(4,085)
Unsecured loans and loan stock	9,266	(19,795)	(4,272)	(405)	(1,215)	(13,903)
Finance lease liabilities	26,867	(38,957)	(11,258)	(9,580)	(8,349)	(9,770)
Unsecured other bank loans	498,430	(556,793)	(80,985)	(56,606)	(395,097)	(24,105)
Trade and other payables	1,200,037	(1,223,934)	(944,011)	(110,067)	(112,038)	(57,818)
Bank overdraft	1,407	(1,407)	(1,407)	-	-	-
Financial guarantees and letters of credit*	-	(316,834)	-	-	-	-
Derivative financial liabilities						
Interest rate swaps	51,953	(140,288)	(36,730)	(33,322)	(59,567)	(10,669)
Forward exchange contracts	418	(534)	(381)	(131)	(22)	-
	------------	-------------	-------------	-----------	-------------	-------------
Total	6,288,832	(10,395,275)	(1,490,561)	(632,218)	(3,069,417)	(4,886,245)
	=======	=======	=======	======	=======	=======

* Refer to note 33 for further details.

30 Financial instruments (continued)

(b) Liquidity risk (continued)

2013

The following table indicates the periods in which the undiscounted cash flows associated with derivatives that are expected to occur. The timing of these cash flows are not materially different from the impact on the consolidated statement of profit or loss.

	Carrying amount	Expected cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Interest rate swaps						
Assets	1,685	(349)	(129)	(95)	(125)	-
Liabilities	(51,953)	(140,288)	(36,730)	(33,322)	(59,567)	(10,669)
Forward exchange contracts						
Liabilities	(418)	(534)	(381)	(131)	(22)	-
	---------	---------	---------	---------	---------	--------
Total	(50,686)	(141,171)	(37,240)	(33,548)	(59,714)	(10,669)
	=====	=====	=====	=====	=====	=====

30 Financial instruments (continued)

(c) Market risk

(i) Currency risk

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

								2014
	USD *	**GBP**	**EUR**	**AUD**	**INR**	**CAD**	**Others**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Cash and cash equivalents	**3,190,374**	**93,729**	**86,415**	**63,249**	**94,962**	**30,206**	**164,138**	**3,723,073**
Trade receivables	**182,570**	**34,099**	**37,721**	**6,810**	**8,503**	**16,991**	**14,979**	**301,673**
Secured bank loans and debenture stock	**(400,609)**	**(662,858)**	**(83,400)**	**-**	**-**	**-**	**(65,295)**	**(1,212,162)**
Unsecured bank loans and loan stock	**(432,237)**	**-**	**(9,870)**	**-**	**(46,799)**	**(115,692)**	**(11,151)**	**(615,749)**
Bank overdraft	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade payables	**(33,640)**	**(18,104)**	**(24,016)**	**(2,987)**	**(25,363)**	**(1,705)**	**(21,033)**	**(126,848)**
	----------	---------	---------	---------	----------	----------	--------	----------
Net consolidated statement of financial position exposures	**2,506,458**	**(553,134)**	**6,850**	**67,072**	**31,303**	**(70,200)**	**81,638**	**2,069,987**
	======	=====	=====	=====	======	======	=====	======

* The functional currency of the Company is UAE Dirham. UAE Dirham is currently pegged to USD and therefore the Group has no foreign currency risk on these balances.

30 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Exposure to currency risk (continued)

The Group's financial instruments in different currencies were as follows:

								2013
	USD *	GBP	EUR	AUD	INR	CAD	Others	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	2,260,973	79,415	111,145	21,262	1,856	26,600	71,219	2,572,470
Trade receivables	160,500	26,027	31,167	8,400	15,730	13,100	15,150	270,074
Secured bank loans and mortgage debenture stock	(518,797)	(584,789)	(88,117)	-	-	-	(69,474)	(1,261,177)
Unsecured bank loans and loan stock	(285,092)	(5,399)	(2,667)	-	(64,136)	(135,224)	(15,178)	(507,696)
Bank overdraft	-	(1,407)	-	-	-	-	-	(1,407)
Trade payables	(51,151)	(44,160)	(22,377)	(2,300)	(19,601)	(1,700)	(5,070)	(146,359)
	----------	---------	---------	---------	----------	----------	--------	----------
Net consolidated statement of financial position exposures	1,566,433	(530,313)	29,151	27,362	(66,151)	(97,224)	(3,353)	925,905
	======	=====	=====	=====	======	======	=====	======

* The functional currency of the Company is UAE Dirham. UAE Dirham is currently pegged to USD and therefore the Group has no foreign currency risk on these balances.

30 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The following exchange rates were applied during the year:

Significant foreign currencies	Average rate during		Reporting date spot rate	
	2014	2013	**2014**	2013
GBP	**0.607**	0.640	**0.642**	0.605
EUR	**0.754**	0.753	**0.824**	0.726
AUD	**1.110**	1.036	**1.222**	1.119
INR	**61.021**	58.510	**63.035**	61.922
CAD	**1.104**	1.030	**1.160**	1.064

(ii) Sensitivity analysis

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group determines its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	USD'000	USD'000	**USD'000**	USD'000
	2014	2013	**2014**	2013
GBP	**3,276**	449	**(61,459)**	(58,924)
EUR	**466**	431	**761**	3,239
AUD	**(3)**	(7)	**7,452**	3,040
INR	**291**	967	**3,478**	(7,350)
CAD	**549**	598	**(7,800)**	(10,803)

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

30 Financial instruments (continued)

(c) Market risk (continued)

(ii) Interest rate risk

(i) Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amount	
	2014	2013
	USD'000	USD'000
Fixed rate instruments		
Financial assets	**9,204**	10,207
Financial liabilities (loans and borrowings)	**(4,091,032)**	(3,348,705)
Interest rate swaps hedging floating rate debt	**(1,336,405)**	(1,170,471)
	------------	------------
	(5,418,233)	(4,508,969)
	========	========
Variable rate instruments		
Financial assets (short term deposits)	**3,281,606**	2,151,205
Financial liabilities (loans and borrowings)	**(1,763,956)**	(1,687,719)
Interest rate swaps	**1,336,405**	1,170,471
	------------	------------
	2,854,055	1,633,957
	=======	=======

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp	**100 bp**	**100 bp**	**100 bp**
	increase	**decrease**	**increase**	**decrease**
	USD'000	**USD'000**	**USD'000**	**USD'000**
2014				
Variable rate instruments	**28,541**	**(28,541)**	**-**	**-**
Interest rate swaps	**1,670**	**(1,670)**	**13,364**	**(13,364)**
	--------	--------	--------	--------
Cash flow sensitivity (net)	**30,211**	**(30,211)**	**13,364**	**(13,364)**
	=====	=====	=====	=====
2013				
Variable rate instruments	16,340	(16,340)	-	-
Interest rate swaps	1,745	(1,745)	13,449	(13,449)
	--------	--------	--------	--------
Cash flow sensitivity (net)	18,085	(18,085)	13,449	(13,449)
	=====	=====	=====	=====

30 Financial instruments (continued)

(c) Market risk (continued)

(iii) Equity price risk

The Group is not subject to significant exposure for equity price risk.

(d) Fair value

Fair value versus carrying amount

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

	2014		2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	USD'000	**USD'000**	USD'000	USD'000
Assets carried at fair value				
Available-for-sale financial assets	**60,811**	**60,811**	52,716	52,716
Derivative assets	**129**	**129**	1,685	1,685
	--------	--------	--------	--------
	60,940	**60,940**	54,401	54,401
	=====	=====	=====	=====
Assets carried at amortised cost				
Held to maturity investments	**9,204**	**9,126**	10,207	10,110
Loans and receivables	**791,617**	**791,617**	669,405	669,405
Cash and cash equivalents	**3,723,073**	**3,723,073**	2,572,470	2,572,470
	------------	------------	------------	------------
	4,523,894	**4,523,816**	3,252,082	3,251,985
	=======	=======	=======	=======
Liabilities carried at fair value				
Interest rate swaps used for hedging	**(109,912)**	**(109,912)**	(51,953)	(51,953)
Forward foreign currency contracts	**(778)**	**(778)**	(418)	(418)
Embedded derivative option	**(233,232)**	**(262,168)**	-	-
	---------	---------	---------	---------
	(343,922)	**(372,858)**	(52,371)	(52,371)
	=====	=====	=====	=====
Liabilities carried at amortised cost				
Secured bank loans*	**(1,209,942)**	**(1,209,942)**	(1,258,822)	(1,258,822)
Mortgage debenture stocks	**(2,220)**	**(1,295)**	(2,355)	(2,458)
Unsecured bond issues	**(3,241,454)**	**(3,600,996)**	(3,239,277)	(3,378,952)
Convertible bond	**(752,271)**	**(799,749)**	-	-
Unsecured loan stock and other loans	**(11,070)**	**(11,070)**	(9,266)	(9,266)
Finance lease liabilities	**(33,352)**	**(33,352)**	(26,867)	(26,867)
Unsecured bank and other loans*	**(604,679)**	**(604,679)**	(498,430)	(498,430)
Trade and other payables	**(1,194,827)**	**(1,194,827)**	(1,200,037)	(1,200,037)
Bank overdraft	**-**	**-**	(1,407)	(1,407)
	------------	------------	------------	------------
	(7,049,815)	**(7,455,910)**	(6,236,461)	(6,376,239)
	=======	=======	=======	========

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

30 Financial instruments (continued)

(d) Fair values (continued)

Fair value hierarchy

The table below analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements. It doesn't include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

- 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)

	Level 1	**Level 2**	**Level 3**
	USD'000	**USD'000**	**USD'000**
31 December 2014			
Available-for-sale financial assets	**8,927**	**51,884**	**-**
Debt securities held to maturity	**-**	**9,126**	**-**
Derivative financial assets	**-**	**129**	**-**
Derivative financial liabilities	**-**	**(110,690)**	**-**
Embedded derivative in convertible bond*	**-**	**(262,168)**	**-**
Mortgage debenture stocks	**-**	**(1,295)**	**-**
Unsecured bond issues	**(3,600,996)**	**-**	**-**
Convertible bond	**-**	**(799,749)**	**-**
	-------------	----------	----
	(3,592,069)	**(1,112,763)**	**-**
	========	======	==
31 December 2013			
Available-for-sale financial assets	-	52,716	-
Debt securities held to maturity	-	10,110	-
Derivative financial assets	-	1,685	-
Derivative financial liabilities	-	(52,371)	-
Mortgage debenture stocks	-	(2,458)	-
Unsecured bond issues	(3,378,952)	-	-
	-------------	-------	----
	(3,378,952)	9,682	-
	========	====	==

The fair values disclosed above is computed in line with the fair valuation accounting policy (also refer to note 5).

* The fair value of the embedded derivative liability of convertible bond has been calculated using a valuation model with market assumptions.

31 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:

	2014	2013
	USD'000	USD'000
Within one year	**334,730**	290,998
Between one to five years	**1,192,415**	1,115,598
Between five to ten years	**1,351,756**	1,254,322
Between ten to twenty years	**1,730,306**	1,499,439
Between twenty to thirty years	**1,028,329**	981,565
Between thirty to fifty years	**1,162,777**	1,198,978
Between fifty to seventy years	**914,908**	923,174
More than seventy years	**937,781**	983,526
	-----------	-----------
	8,653,002	8,247,600
	=======	========

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 addition, this also includes leases of plant, equipment and vehicles. 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 as at 31 December are as follows:

	2014	2013
	USD'000	USD'000
Within one year	**23,075**	25,567
Between one to five years	**49,081**	68,817
More than five years	**19,596**	23,536
	----------	----------
	91,752	117,920
	======	======

The above operating leases (Group as a lessor) mainly consist of rental of property, plant and equipment 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.

32 Capital commitments

	2014	2013
	USD'000	USD'000
Estimated capital expenditure contracted for as at 31 December	**698,258**	788,972
	======	======

33 Contingencies

(a) The Group has the following contingent liabilities at 31 December:

	2014	2013
	USD'000	USD'000
Payment guarantees	**46,067**	21,651
Performance guarantees	**194,234**	212,192
Letters of credit	**10,075**	1,590
Guarantees issued on behalf of equity-accounted investees (refer to note 29)	**27,668**	81,401
	======	======

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) The Group through its 100% owned subsidiary Mundra International Container Terminal Private Limited ("MICT") has developed and is operating the container terminal at the Mundra port in Gujarat.

In 2006, MICT received a show cause notice from Gujarat Maritime Board ("GMB") requiring MICT to demonstrate that the undertaking given by its parent company, P&O Ports (Mundra) Private Limited, with regard to its shareholding in MICT has not been breached in view of P&O Ports being taken over by the Group (DP World).

Based on the strong merits of the case and on the advice received from legal counsel, management believes that the above litigation is unsubstantiated, and in management's view, it will have no impact on the Group's ability to continue to operate the port.

(c) Chennai Port Trust ("CPT") had raised a demand for an amount of USD 18,962 thousand (2013: USD 19,303 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-transhipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 10,131 thousand (2013: USD 10,313 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.

33 Contingencies (continued)

(d) 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.

34 Business combinations

(a) In June 2014, the Group acquired 100% interest in Dubai Trade FZE for a total consideration of USD 9,500 thousand (cash acquired on acquisition USD 7,498 thousand) from its Parent Company Port & Free Zone World FZE (also refer to note 29).

(b) In September 2014, DPW Group acquired 57% stake in Remolcadores de Puerto y Altura, S.A., a Spanish operator of offshore support vessels for the energy industry for USD 12,000 thousand (cash acquired on acquisition USD 445 thousand).

(c) In October 2014, DPW Group acquired 100% stake in World Security FZE, a provider of security services for a total consideration of USD 24,045 thousand (cash acquired on acquisition USD 5,571 thousand) from Istithmar World Ventures LLC (an entity owned by the ultimate Parent Company) (also refer to note 29).

35 Significant group entities

The extent of the Group's ownership in its various subsidiaries, associates and joint ventures and their principal activities are as follows:

(a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Management and operation of seaports, airports and leasing of port equipment
Thunder FZE	100%	United Arab Emirates	Holding company
Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operation of seaports
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holding Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company
DPI Terminals Holdings C.V.	100%	Netherlands	Holding company

35 Significant group entities (continued)

(b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Antwerp N.V.	100%	Belgium	Multi-purpose terminal operations and ancillary container services
DP World (Canada) Inc.	100%	Canada	Container terminal operations and stevedoring
Egyptian Container Handling Company (ECHCO) –S.A.E.	100%	Egypt	Container terminal operations
DP World Germersheim, GmbH and Co. KG	100%	Germany	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Pvt. Ltd	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo SA	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal SARL	33.33%*	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	60%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	60%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	75%	Romania	Container terminal operations

35 Significant group entities (continued)

(b) Significant subsidiaries – Ports (continued)

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World Dakar S.A.	90%	Senegal	Container terminal operations
DP World Tarragona S.A.	60%	Spain	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
DP World Fujairah FZE	100%	United Arab Emirates	Container terminal operations
Southampton Container Terminals Limited	51%	United Kingdom	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations

(c) Associates and joint ventures – Ports

Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World Djen Djen Spa	50%	Algeria	Container terminal operations
DP World Australia (Holding) Pty Ltd	25%	Australia	Container terminal operations
Antwerp Gateway N.V	42.50%	Belgium	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	33.33%	Brazil	Container terminal operations
Caucedo Investment Inc.	50%	British Virgin Islands	Container terminal operations
Eurofos S.A.R.L	50%	France	Container terminal operations
Generale de Manutention Portuaire S.A	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Vishaka Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Pusan Newport Co. Ltd	42.10%	Korea	Container terminal operations
Qingdao Qianwan Container Terminal Co. Ltd	29%	People's Republic of China	Container terminal operations

35 Significant group entities (continued)

(c) Associates and joint ventures – Ports (continued)

Legal Name	Ownership interest	Country of incorporation	Principal activities
Tianjin Orient Container Terminals Co Ltd	24.50%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Asian Terminals Inc	50.54%**	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

(d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
Container Rail Road Services Private Limited	100%	India	Container rail freight operations
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Port Secure Djibouti	40%	Republic of Djibouti	Port security services
DP World Cargo Services (Pty) Limited	70%	South Africa	Cargo services
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port management and operation
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
World Security FZE	100%	United Arab Emirates	Security services

35 Significant group entities (continued)

(e) Ports under development

Legal Name	Ownership interest	Country of incorporation	Principal
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
DP World Yarımca Liman İşletmeleri Anonim Şirketi	100%	Turkey	Container terminal operations

* Although the Group only has a 33.33% effective ownership interest in Doraleh Container Terminal SARL, this entity is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

** Although the Group has more than 50% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as a joint arrangement. The underlying joint venture agreement with the other shareholder does not provide significant control to the Group.

36 Subsequent event

On 16 March 2015, the Group completed the acquisition of Economic Zones World FZE ("EZW") (an entity owned by the ultimate Parent Company) for a total cash consideration of USD 2.6 billion (subject to certain adjustments).

ECONOMIC ZONES WORLD FZE

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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Independent auditor's report

To the shareholder of Economic Zones World FZE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Economic Zones World FZE (the "Establishment") and its subsidiaries (together "the Group"), which comprise the consolidated balance sheet as at 31 December 2014 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Further, we report that the consolidated financial statements comply, with the applicable provisions of the Implementing Regulations No. 1/92 issued pursuant to Law No.9 of 1992, concerning the formation of Free Zone Establishments in the Jebel Ali Free Zone.

PricewaterhouseCoopers

PricewaterhouseCoopers
15 March 2015
Dubai, United Arab Emirates

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Consolidated balance sheet

		As at 31 December	
		2014	2013
	Note	AED'000	AED'000
ASSETS			
Non-current assets			
Property and equipment	5	9,967	13,540
Investment property	6	3,742,581	3,552,340
Land use right	7	8,338,939	8,429,665
Investment in an associate	8	39,990	39,331
Due from related parties	9	86,755	694,601
Derivative financial instruments	10	1,326	4,442
Trade and other receivables	11	250,984	368,287
		12,470,542	13,102,206
Current assets			
Due from related parties	9	42,788	93,697
Derivative financial instruments	10	1,326	2,221
Trade and other receivables	11	82,894	215,214
Cash and bank balances	12	1,861,044	1,030,366
		1,988,052	1,341,498
TOTAL ASSETS		14,458,594	14,443,704
EQUITY AND LIABILITIES			
Capital and reserve			
Share capital	14	4,764,000	4,764,000
Retained earnings		4,073,535	3,697,169
Translation reserve		(43,298)	(40,930)
Total equity		8,794,237	8,420,239
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	15	27,641	23,988
Sukuk borrowing	16	2,352,598	2,346,304
Bank borrowings	17	1,877,046	2,325,570
Deferred revenue	18	39,057	39,944
		4,296,342	4,735,806
Current liabilities			
Current tax liabilities	19	127	125
Trade and other payables	20	856,708	824,759
Bank borrowings	17	208,387	184,951
Due to related parties	9	13,234	15,167
Deferred revenue	18	289,559	262,657
		1,368,015	1,287,659
Total liabilities		5,664,357	6,023,465
TOTAL EQUITY AND LIABILITIES		14,458,594	14,443,704

These consolidated financial statements were approved by the Board of Directors on 12 March 2015 and signed on its behalf by:

Asim Al Abbasi
Chief Financial Officer

Salma Ali Saif Saeed Bin Hareb
Chief Executive Officer

The notes on pages 7 to 34 form an integral part of these consolidated financial statements. (2)

Economic Zones World FZE

Consolidated income statement

	Notes	Year ended 31 December 2014 AED'000	2013 AED'000
Continuing operations			
Revenue	21	1,753,893	1,580,381
Cost of sales	22	(358,562)	(344,074)
Gross profit		1,395,331	1,236,307
Other operating income	23	108,209	83,872
General and administrative expenses	24	(191,758)	(188,782)
Selling and marketing expenses	25	(55,273)	(49,190)
Operating profit		1,256,509	1,082,207
Waiver of loan from the parent company	9	-	5,164,545
Finance income	27	71,077	247,067
Finance costs	27	(317,062)	(483,331)
Finance costs - net	27	(245,985)	(236,264)
Share of profit from an associate	8	4,527	4,041
Profit before tax		1,015,051	6,014,529
Income tax expense	19	(444)	(455)
Profit for the year from continuing operations		1,014,607	6,014,074
Discontinued operations			
Loss for the year from discontinued operations	13	-	(33,625)
Profit for the year		1,014,607	5,980,449

The notes on pages 7 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	Year ended 31 December 2014 AED'000	2013 AED'000
Profit for the year	1,014,607	5,980,449
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(2,368)	(12,296)
Other comprehensive income for the year	(2,368)	(12,296)
Total comprehensive income for the year arises from:	1,012,239	5,968,153
- Continuing operations	1,012,239	6,001,778
- Discontinuing operations	-	(33,625)
	1,012,239	5,968,153

The notes on pages 7 to 34 form an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity

	Share capital AED'000	Translation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2013	4,764,000	(28,634)	(2,283,280)	2,452,086
Profit for the year	-	-	5,980,449	5,980,449
Other comprehensive income	-	(12,296)	-	(12,296)
Balance at 31 December 2013	4,764,000	(40,930)	3,697,169	8,420,239
Profit for the year	-	-	1,014,607	1,014,607
Other comprehensive income	-	(2,368)	-	(2,368)
Distribution to shareholder (Note 9)	-	-	(638,241)	(638,241)
Balance at 31 December 2014	4,764,000	(43,298)	4,073,535	8,794,237

The notes on pages 7 to 34 form an integral part of these consolidated financial statements.

Economic Zones World FZE

Consolidated statement of cash flows

	Notes	Year ended 31 December 2014 AED'000	2013 AED'000
Operating activities			
Profit before tax from continuing operations		1,015,051	6,014,529
Adjustments for:			
Depreciation and amortisation	22,24	184,917	193,475
Profit commission on Sukuk borrowing	27	167,144	167,144
Other finance costs	27	118,900	316,187
Provision for impairment of trade receivables	11	2,639	3,076
Provision for employees' end of service benefits and general pension and social security	26	14,199	14,522
Finance income (excluding foreign exchange gain)	27	(71,077)	(58,009)
Share of profit from an associate	8	(4,527)	(4,041)
Loss on sale of property and equipment / investment properties		1,194	24,373
Waiver of loan from the parent company	9	-	(5,164,545)
Foreign exchange loss / (gain) , net	27	31,018	(189,058)
Payment of employees' end of service benefits and general pension and social security		(11,049)	(9,460)
Income tax paid		(439)	(551)
Working capital adjustments:			
Trade and other receivables		50,868	(106,177)
Trade and other payables		16,389	11,720
Due from related parties		60,836	104,443
Due to related parties		(1,933)	215
Deferred revenue		26,015	1,847
Net cash generated from operating activities		1,600,145	1,319,690
Investing activities			
Proceeds from sale of disposal group classified as held for sale		-	1,006,902
Purchase of property and equipment		(1,905)	(4,885)
Purchase of investment property		(66,962)	(125,357)
Proceeds from sale of property and equipment		-	57
Movement in long term deposits		(476,168)	(481,892)
Dividend received	8	3,868	2,830
Finance income received		7,005	6,550
Net cash (used in) / generated from investing activities		(534,162)	404,205
Financing activities			
Finance cost paid		(258,386)	(362,860)
Repayment of borrowings		(452,720)	(1,754,718)
Restricted cash		5,900	(167,929)
Other finance cost paid		(8)	(15,653)
Net cash used in financing activities		(705,214)	(2,301,160)
Net increase / (decrease) in cash and cash equivalents		360,769	(577,265)
Cash and cash equivalents, beginning of the year		379,042	958,065
Currency translation differences		(359)	(1,758)
Cash and cash equivalents, end of the year	12	739,452	379,042

The notes on pages 7 to 34 form an integral part of these consolidated financial statements.

1 LEGAL STATUS AND ACTIVITIES

Economic Zones World FZE ("the Establishment") was established as a Jebel Ali Free Zone Establishment, under registration number 1293 on 14 March 2006. The Establishment's registered address is P.O. Box 16888, Jebel Ali, Dubai, United Arab Emirates.

The Establishment is a wholly owned subsidiary of Ports & Free Zone World FZE ("the parent company"). The ultimate parent company is Dubai World Corporation ("the ultimate parent").

The Establishment and its subsidiaries (together, "the Group") develop and manage free zones, develop, sell and lease warehouses and provide facility management services. The Group's principal subsidiaries and associate are as follows:

		Holding percentage	
Name of entity	**Principal activity**	**2014**	**2013**
Subsidiaries			
United Arab Emirates			
Jebel Ali Free Zone FZE (JAFZ)	Development and management of free zones	100	100
JAFZA Holding FZE	Development and management of free zones	100	100
JAFZA Enterprises FZE	Development and lease of customised warehouses	100	100
Business Center World FZE	Facility and management services provider	100	100
Associate			
Djibouti			
Djibouti Dry Port SAFZ (DDP)	Development and management of free zones	40	40

On 13 November 2007 and amended on 22 April 2012, the Group entered into two agreements with JAFZA, one agreement to acquire land use right for a period of 99 years and another agreement for the purchase of assets. The Group paid JAFZA AED 8.9 billion and AED 3 billion as consideration for the acquisition of land use right and purchase of assets respectively. Under the land use right agreement, the Group will be liable to pay JAFZA a contingent consideration of 2% of revenue (limited to licensing and registration activity) earned from the fourth year onward and increases to 50% by the end of the 99th year.

DP World Limited ("DP World") and its wholly owned subsidiary, DP World FZE, announced on 13 November 2014 that they have entered into an agreement in relation to the proposed acquisition of the Establishment and its subsidiaries, from the parent company. The proposed acquisition by DP World is expected to complete during the first half of 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Establishment have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS interpretations committee (IFRS IC) applicable to companies reporting under IFRS. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014 and do not have a material impact on the Group:

- Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

- Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting.

  The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies as the impact on the Group is not material.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 9, 'Financial instruments', (effective from 1 January 2015);
- IFRS 15, 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2017)

There are no other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

(a) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

(b) Eliminations on consolidation

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(c) Associate

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% - 50% of the voting rights.

Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associate includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) from associate in the consolidated statement of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Establishment's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

Balances and transactions denominated in US dollars ("USD") have been translated into the presentation currency at a fixed rate as the exchange rate of AED to USD has been pegged since 1981.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
(ii) Income and expenses for each statement of income are translated at average exchange rates; and
(iii) All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Buildings	20-50
Motor and utility vehicles	5-10
Furniture and fixtures	5-10
Equipment	1-5

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 PROPERTY AND EQUIPMENT (continued)

The assets' residual values, useful lives and methods of depreciation, are reviewed and adjusted if appropriate at each financial year end.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated statement of income.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate category of property and equipment and depreciated in accordance with the Group's policy.

2.5 INVESTMENT PROPERTY

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any.

The fair value for disclosure purposes of the investment property is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

Subsequent expenditure is capitalised to the asset's carrying amount, only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

When investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are taken into account in determining operating profit.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Buildings	20-35
Infrastructure	5-50

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. Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

2.6 LAND USE RIGHT

The total cost of acquiring land use right is capitalised as a land use right asset and is carried at cost less accumulated amortisation and impairment, if any. Amortisation is calculated using the straight-line method to allocate the cost over the term of rights of 99 years that is included under 'cost of sales' in the consolidated statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component that represents a major line of business or a geographical area of operations that has been disposed of, is classified as discontinued resulting from a cessation of operations or classified as held for sale.

2.9 FINANCIAL ASSETS

2.9.1 CLASSIFICATION

The Group classifies its financial assets as loans and receivables and derivatives. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Group's loans and receivables comprise 'due from related parties', 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 9, 11 and 12 respectively)

Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

2.9.2 RECOGNITION AND MEASUREMENT

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.10 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 IMPAIRMENT OF FINANCIAL ASSETS

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or 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 indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of income.

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates its derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge) or hedges of net investments in foreign operations.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 10. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (continued)

(a) Cash flow hedge (continued)

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the consolidated statement of income within 'Finance cost - net'. However, when the forecast transaction that is hedged, results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of income.

(b) Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

2.13 TRADE RECEIVABLES

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from continuing operations.

2.15 SHARE CAPITAL

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

2.16 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 PROVISIONS (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

2.18 ADVANCES FROM CUSTOMERS

Instalments received from buyers for sales of warehouses and/or service prior to meeting the revenue recognition criteria, are recognised as advances from customers. These are considered a current liability as they are repayable on demand on cancellation of the contracts, subject to certain penalties.

2.19 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.20 BORROWING COSTS

General and specific 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statement of income in the period in which they are incurred.

2.21 EMPLOYEES' BENEFITS

(a) End of service benefits to non-UAE nationals – Defined benefit plan

An accrual is made for the estimated liability for employees' entitlements to annual leave and leave passage as a result of services rendered by the employees up to the balance sheet date.

Provision is made, using actuarial techniques, for the full amount of end of service benefits due to the non-UAE Nationals in accordance with the Group policy and UAE labour law, for their periods of service up to the balance sheet date. The accrual relating to annual leave and leave passage is included in trade and other payables, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.

(b) General pension and social security – Defined contribution plan

Effective 1 January 2003, the Group joined a pension scheme that is a defined contribution plan, operated by the Federal General Pension and Social Security Authority. Accordingly contributions for eligible UAE National employees are made and charged to the consolidated statement of income, in accordance with the provisions of Federal Law No. 7 for 1999 relating to Pension and Social Security Law.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Lease rental

Lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the balance sheet.

(b) Administrative services

Revenue from license, registration, administration and consultancy service is recognised as the service is provided.

(c) Other operating income

Other operating income is recognised when the service is provided and right to receive payment is established.

(d) Sale of property

Revenue from sale of property, normally warehouses, is recognised in the consolidated statement of income when the risks and rewards of ownership are transferred to the buyer. The significant risks and rewards are deemed to be transferred when the property is transferred to the buyer, which in the case of the buildings generally takes place only upon completion of construction and physical handover of the property.

2.23 INTEREST INCOME

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.24 CURRENT AND DEFERRED INCOME TAX

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 CURRENT AND DEFERRED INCOME TAX (continued)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound and EURO. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

(ii) Price risk

The Group is not exposed to equity securities or commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from Sukuk borrowing and bank borrowings denominated. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group management did not set ratio of variable rate borrowings to fixed rate borrowings.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaption agreements (Note 10). Such interest rate swaptions have the economic effect of converting borrowings from floating rates to fixed rates. Under the loan agreement of the long term borrowings raised by the Group on floating rates, the Group should partially purchase swaptions to fixed rates. Under these agreements, the Group has the right but not the obligation on other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract amounts and floating-rate interest amounts calculated in reference to the agreed notional amounts. Sukuk borrowings issued at fixed rates expose the Group to fair value interest rate risk.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

(iii) Cash flow and fair value interest rate risk (continued)

If the interest rate on the non-hedged portion of bank borrowing of AED 1,085,560,000 (2013: AED 1,538,280,000) had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 10,856,000 (2013: AED 15,383,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

If the interest rate on the hedged portion of bank borrowing of AED 1,050,000,000 had been 1% higher with all other variables held constant, profit for the year would have been AED 10,500,000 (2013: AED 3,015,000) lower. If the interest rate had been 1% lower with all other variables held constant, profit for the year would have been AED 10,500,000 (2013: AED 10,500,000) higher. This is mainly as a result of exercise of the swaption agreements.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees and derivatives while there is no credit risk arising from due from related parties. Credit risk is managed on a Group basis. The Group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history. The Group's maximum exposure to credit risk to customer is in Note 11.

The table below excludes cash in hand amounting to AED 225,000 (2013: AED 1,091,000) and presents an analysis of short term bank deposits and cash and cash equivalents by rating agency designation at the end of reporting period based on Moody's ratings or its equivalent for the main banking relationships:

Counterparties with external credit rating (Moody's)	**2014**	**2013**
	AED'000	**AED'000**
A1	694,356	150,400
A2	91,311	215,487
A3	236,772	104
Baa1	424,149	169,451
Baa2	195,323	281,726
Caa1	3	-
*	218,905	212,107
	1,860,819	1,029,275

* Balances of AED 218,905,000 (2013: AED 212,107,000) are maintained with banks with no formal credit rating. However, management views these banks to be high-credit-quality financial institutions and does not expect these financial institutions to default.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by keeping credit lines available.

Notes to the consolidated financial statements for the year ended 31 December 2014 (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year AED'000	Between 1 year and 2 years AED'000	Between 2 years and 5 years AED'000	Over 5 years AED'000	Total AED'000
At 31 December 2014					
Bank borrowings	287,551	302,329	1,131,260	674,033	2,395,173
Sukuk borrowing	167,144	167,144	2,805,181	-	3,139,469
Trade and other payables excluding advances from customers and unearned revenue	825,836	-	-	-	825,836
Due to related parties	13,234	-	-	-	13,234
	1,293,765	469,473	3,936,441	674,033	6,373,712
At 31 December 2013					
Bank borrowings	312,855	322,730	1,106,527	1,363,020	3,105,132
Sukuk borrowing	167,144	167,144	501,433	2,470,892	3,306,613
Trade and other payables excluding advances from customers and unearned revenue	774,806	-	-	-	774,806
Due to related parties	15,167	-	-	-	15,167
	1,269,972	489,874	1,607,960	3,833,912	7,201,718

The Group had no undrawn borrowing facilities as of 31 December 2014 and 31 December 2013.

3.2 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of profit distributed to shareholder or manage its working capital requirements. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and bank balances (including short term deposits). Total capital is calculated as 'Total equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 December 2014 and 2013 were as follows:

	2014 AED'000	2013 AED'000
Bank borrowings (Note 17)	2,135,560	2,588,280
Sukuk borrowings (Note 16)	2,387,320	2,387,320
Less: Cash and bank balances (Note 12)	(1,861,044)	(1,030,366)
Net debt	2,661,836	3,945,234
Total equity	8,794,237	8,420,239
Total capital	11,456,073	12,365,473
Gearing ratio	23%	32%

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 FAIR VALUE ESTIMATION

The financial instruments carried at fair value by valuation method are categorised as follows: -

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2014.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Assets				
- Derivative financial instruments (Note 10)	-	2,652	-	2,652

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of non-financial assets

Impairment of non-financial assets is a key area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of the impairment reviews. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management's projections have been prepared on the basis of strategic plans, knowledge of the market, and management's views on achievable growth in market share over the long term period of five to fifteen years.
- Stabilised occupancy rate that range from 75% to 80%; and
- The discount rate of 12% based on the Group's weighted average cost of capital with a risk premium reflecting the relative risks in the markets in which the businesses operate.

5 PROPERTY AND EQUIPMENT

	Motor and utility vehicles AED'000	Furniture and fixtures AED'000	Equipment AED'000	Capital work-in-progress AED'000	Total AED'000
Cost					
At 1 January 2013	90	66,562	25,209	219	92,080
Additions	-	4,020	42	823	4,885
Transfer	-	218	16	(234)	-
Disposals / write off	-	(200)	(2)	-	(202)
At 31 December 2013	90	70,600	25,265	808	96,763
Additions	-	369	36	1,500	1,905
Transfers	-	1,012	295	(1,307)	-
Disposals / write off	(46)	(31)	(1)	-	(78)
At 31 December 2014	44	71,950	25,595	1,001	98,590
Depreciation					
At 1 January 2013	90	43,604	24,550	-	68,244
Charge for the year	-	14,808	316	-	15,124
Disposals / write off	-	(142)	(3)	-	(145)
At 31 December 2013	90	58,270	24,863	-	83,223
Charge for the year	-	5,189	289	-	5,478
Transfer	-	(161)	161	-	-
Disposals / write off	(46)	(31)	(1)	-	(78)
At 31 December 2014	44	63,267	25,312	-	88,623
Net book value					
At 31 December 2014	-	8,683	283	1,001	9,967
At 31 December 2013	-	12,330	402	808	13,540

Depreciation is included under general and administrative expenses (Note 24).

6 INVESTMENT PROPERTY

	Land AED'000	Buildings and infrastructure AED'000	Investment property under construction AED'000	Total AED'000
Cost				
At 1 January 2013	178,123	3,545,335	1,580,022	5,303,480
Additions	-	26,978	56,327	83,305
Transfers	-	2,775	(2,775)	-
Disposal	-	-	(24,377)	(24,377)
Translation differences	(10,556)	-	-	(10,556)
At 31 December 2013	167,567	3,575,088	1,609,197	5,351,852
Additions	-	23,400	258,750	282,150
Transfers	-	11,765	(11,765)	-
Disposal	(1,194)	(15,375)	-	(16,569)
Translation differences	(2,002)	-	-	(2,002)
At 31 December 2014	164,371	3,594,878	1,856,182	5,615,431
Depreciation and impairment				
At 1 January 2013	49,410	849,415	813,062	1,711,887
Charge for the year (Note 22)	-	87,625	-	87,625
At 31 December 2013	49,410	937,040	813,062	1,799,512
Charge for the year (Note 22)	-	88,713	-	88,713
Disposal	-	(15,375)	-	(15,375)
At 31 December 2014	49,410	1,010,378	813,062	1,872,850
Net book value				
At 31 December 2014	114,961	2,584,500	1,043,120	3,742,581
At 31 December 2013	118,157	2,638,048	796,135	3,552,340

The following amounts have been recognised in the consolidated income statement in respect of investment property:

	2014 AED'000	2013 AED'000
Lease rental income	1,437,345	1,312,055
Direct operating expenses	151,462	149,001

At 31 December 2014, the Group had contractual obligations for capital commitment of AED 825,161,000 (2013: AED 247,663,000).

Management has provided, for each class of property, assumptions made in the determination of fair values and other key information on the properties. Management believes that this information is beneficial in evaluating the fair values of the investment property.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Buildings and infrastructure	-	-	6,146,670	6,146,670
Investment properties under construction	-	-	1,043,121	1,043,121
Total	**-**	**-**	**7,189,791**	**7,189,791**

6 INVESTMENT PROPERTY (continued)

On an annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's investment property.

The external valuations of the level 3 investment properties have been performed using income capitalisation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific conditions and comparable rentals in the corresponding market.

The Group has investment properties in Dubai, of which significant portion has been leased out.

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

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

Significant increases/(decreases) in estimated rental value (per square metre per annum) and rent growth per annum in isolation would result in a significantly higher/(lower) fair value measurement. Significant increases/(decreases) in long-term occupancy rate and discount rate in isolation would result in a significantly lower/(higher) fair value measurement.

For all investment property the current use of the properties is their highest and best use.

At 31 December 2014 and 31 December 2013, the Group's investment property were fair valued on an open market basis by independent professionally qualified valuers who have recent experience in the locations and categories of the investment properties valued. Based on such valuation, the fair value of the investment property at 31 December 2014 is AED 7,189,791,000 (2013: AED 7,127,317,000) including investment property under construction of AED 1,043,121,000 (2013: AED 796,136,000).

7 LAND USE RIGHT

	2014 AED'000	2013 AED'000
Cost		
At 1 January and 31 December	8,981,867	8,981,867
Amortisation		
At 1 January	552,202	461,476
Charge for the year (Note 22)	90,726	90,726
At 31 December	642,928	552,202
Net book value at 31 December	8,338,939	8,429,665

The amortisation is included under 'cost of sales' in the consolidated statement of income (Note 22). Sukuk Borrowing and borrowings are secured with the majority of the land use rights (Note 16 and 17).

8 INVESTMENTS IN AN ASSOCIATE

	2014 AED'000	2013 AED'000
At 1 January	39,331	38,120
Share of profit	4,527	4,041
Dividend received	(3,868)	(2,830)
At 31 December	39,990	39,331

8 INVESTMENTS IN AN ASSOCIATE (continued)

The results of Group's associate, and its aggregated assets and liabilities are as follows:

	2014 AED'000	**2013 AED'000**
Current assets	35,304	23,414
Non-current assets	73,292	78,081
Total assets	108,596	101,495
Current liabilities	14,194	12,527
Non-current liabilities	-	-
Total liabilities	14,194	12,527
Total revenues	28,273	25,664
Profit	11,988	10,103

9 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the parent and the ultimate parent company, the shareholders, key management personnel, associate and any businesses which are controlled or jointly-controlled, directly or indirectly by the shareholders and directors or over which they exercise significant management influence.

During the year, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group's management.

	2014 AED'000	**2013 AED'000**
Income:		
Revenue generated from other related parties	35,415	27,788
Management fee from other related parties	43,590	37,411
Waiver of loan from the parent company	-	5,164,545
Interest income and unwinding of fair value loss - ultimate parent company	14,682	32,198
Finance income – other related parties	4,367	7,948
Expenses:		
Interest expense recharged from parent company (Note 27)	-	88,569
Cost recharged from other related parties	13,396	4,390
Other operating expenses – other related parties	10,115	17,906
Repair and maintenance – other related parties	46,091	41,912
Security services – other related party	6,108	5,593
Key management remuneration:		
– Salaries and other short term employee benefits	36,973	32,920
– Termination and post-employment benefits	3,132	2,489
	40,105	35,409

9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party balances include the following:

	2014 AED'000	**2013 AED'000**
Due from related parties		
Due from other related parties	33,827	75,569
Loan to ultimate parent	-	750,771
Loans to other related party	99,020	113,688
	132,847	940,028
Less: fair value loss	(3,304)	(151,730)
	129,543	788,298
Analysed between:		
Current	42,788	93,697
Non-current	86,755	694,601
	129,543	788,298
Due to related parties		
Due to other related parties	13,234	15,167

During the year, based on the advice of the parent company, the Group waived the loan receivable from the ultimate parent company with a carrying value of AED 638,241,000 (2013: AED 604,251,000) recorded in equity as distribution to the shareholder. The loan receivable was interest bearing at a rate of 2% and was payable by 2019, recognised initially at fair value. The fair value was based on cash flows discounted at a rate of 5.6%, which was reflective of the Group's weighted average cost of capital at the time of initial recognition. The undiscounted value and current carrying value of these balances at the balance sheet date are as follows:

	Undiscounted 31 December 2014 AED '000	**Fair value** 31 December 2014 AED '000	**Undiscounted** 31 December 2013 AED '000	**Fair value** 31 December 2013 AED '000
Due from ultimate parent	-	-	750,771	604,251
Due from other related parties	99,020	95,716	113,688	108,478
	99,020	95,716	864,459	712,729

During the prior year, loan from the parent company of AED 5,164,545,000 was waived and recognised as a gain in the income statement.

10 DERIVATIVE FINANCIAL INSTRUMENTS

During the prior year, the Group entered into interest rate swap agreements ("swaptions") for a notional amount of AED 1,050,000,000 (2013: Not applicable). Under these swaptions, in consideration for a premium, the Group purchased the right, but not the obligation, to receive an agreed upon capped 3 months EIBOR interest rate.

The EIBOR cap rates that can be exercised during the corresponding reference periods as per the terms of the swaptions are as follows: -

Reference periods	**EIBOR cap rate**
From 19 December 2013 to 18 December 2014	1.10%
From 19 December 2014 to 18 December 2015	1.45%
From 19 December 2015 to 18 December 2016	1.95%

10 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value of the Group's derivative financial instruments, which represent swaptions that are not traded in an active market, is determined by using valuation techniques which maximise the use of observable market data (Mark to Market) where it is available and rely as little as possible on entity specific estimates. Since significant inputs required to fair value the swaptions are obtained through quotations from banks for new swaptions under similar terms, the instrument is included in level 2. The fair value of swaptions can be analysed as follows:

	2014 AED'000	2013 AED'000
Current assets	1,326	2,221
Non-current assets	1,326	4,442
	2,652	6,663

11 TRADE AND OTHER RECEIVABLES

	2014 AED'000	2013 AED'000
Trade receivables	105,964	107,523
Less: provision for impairment of trade receivables	(85,629)	(89,185)
	20,335	18,338
Other receivables and prepayments	313,543	565,163
	333,878	583,501
Analysed between:		
Current assets	82,894	215,214
Non-current assets	250,984	368,287
	333,878	583,501

At 31 December 2014 and 31 December 2013, the Group had a broad base of customers with no concentration of credit risk within trade receivables. The carrying amounts of the Group's trade receivables are denominated in AED.

As at 31 December 2014, trade receivables of AED 9,806,000 (2013: AED 2,193,000) were fully performing. As of 31 December 2014, trade receivables of AED 10,528,000 (2013: AED 16,145,000) were past due but not impaired.

These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2014 AED'000	2013 AED'000
Up to 30 days	1,110	1,650
31 - 120 days	1,107	2,567
120 - 360 days	3,053	4,896
Over 360 days	5,258	7,032
As at 31 December	10,528	16,145

11 TRADE AND OTHER RECEIVABLES (continued)

As at 31 December 2014, trade receivables of AED 85,629,000 (2013: AED 89,185,000) were impaired and provided for. The ageing of these receivables is as follows:

	2014 AED'000	2013 AED'000
Up to 30 days	592	658
31 - 120 days	1,457	2,082
120 - 360 days	6,250	9,616
Over 360 days	77,330	76,829
As at 31 December	85,629	89,185

Movements in the Group's provision for impairment of trade receivables are as follows:

	2014 AED'000	2013 AED'000
At 1 January	89,185	92,572
Provision for impairment of receivables (Note 24)	2,639	3,076
Write off	(6,195)	(6,463)
As at 31 December	85,629	89,185

The creation and release of provision for impairment of receivables have been included in "General and administrative expenses" (Note 24) in the consolidated statement of income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

At 31 December 2014, other receivable and prepayments include AED 250,984,000 (2013: AED 368,287,000) which represents the fair value of the consideration receivable on the sale of EZW Gazeley Holdings Limited (Note 13). The loan receivable was non-interest bearing, recognised initially at fair value. The fair value was based on cash flows discounted at a rate of 5.55% over a period of 5 years, which was reflective of the Group's weighted average cost of capital at the time of initial recognition. The undiscounted amount was AED 282,615,000 (2013: AED 425,646,000).

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The carrying value less impairment provision of trade receivables is assumed to approximate their fair values due to the short-term nature of trade receivables. Other receivables approximate their fair values. The fair values are within level 3 of the fair value hierarchy.

12 CASH AND BANK BALANCES

	2014 AED'000	2013 AED'000
Cash and bank balances including call deposits	387,437	482,017
Short-term fixed deposits	1,473,607	548,349
Cash and bank balances	1,825,827	1,030,366

12 CASH AND BANK BALANCES (continued)

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows from continuing operations:

	2014 AED'000	2013 AED'000
Cash and bank balances	1,861,044	1,030,366
Less: restricted bank balances	(163,532)	(169,432)
Less: long term fixed deposits	(958,060)	(481,892)
Cash and cash equivalents	739,452	379,042

The fixed deposits earned interest at rates ranging from 0.6% to 8.3% per annum (2013: 0.6% to 7.1%). Bank accounts are held with locally incorporated banks and branches of international banks.

13 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 10 June 2013, the Group disposed its subsidiary, EZW Gazeley Holdings Limited, for net sale proceeds of AED 1,370,065,000. The results of the discontinued operations were as follows:

	10 June 2013 AED '000
Revenue	140,659
Expenses	(131,727)
	8,932
Share of profit from joint ventures	(9,158)
Operating profit	(226)
Impairment loss recognised on the re-measurement	-
Finance income	69,230
Finance Expense	(4,593)
Profit before tax	64,411
Income tax expense	(7,333)
Profit for the period	57,078
Loss on disposal of discontinued operations after taxation	(90,703)
Total loss after tax from discontinued operations	(33,625)

The net assets and liabilities at disposal and the loss therefrom are as follows:

	10 June 2013 AED '000
Total proceeds at fair value	1,411,585
Less: transaction costs	(41,520)
Net proceeds from disposal	1,370,065
Assets and liabilities of the disposal group:	
Property held for development and sale	(1,860,242)
Trade and other receivables	(156,984)
Cash and bank balances	(141,513)
Borrowings	434,747
Deferred tax liability	105,471
Trade and other payables	157,753
Net assets disposed	(1,460,768)
Loss on disposal of discontinued operations after taxation	(90,703)

The carrying amounts of the group's outstanding consideration receivables on the sale of EZW Gazeley Holdings was AED 250,984,000 (2013: AED 368,287,000) (Note 11).

14 SHARE CAPITAL

At 31 December 2014, the share capital comprised of 4,764 (2013: 4,764) issued and fully paid shares of AED 1,000,000 each.

15 EMPLOYEES' END OF SERVICE BENEFITS

	2014 AED'000	2013 AED'000
As at 1 January	23,988	18,913
Charge for the year (Note 26)	5,041	5,946
Transfer in	503	-
Payments during the year	(1,891)	(871)
As at 31 December	27,641	23,988

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2014, using the projected unit method, in respect of employees' end of service benefits payable under the UAE Labour Law. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion cost of 5% (2013: 5%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 4.5% (2013: 2.6%).

16 SUKUK BORROWING

The Group issued through its subsidiary JAFZ Sukuk (2019) Limited new Sukuk trust certificates for a nominal value of AED 2,387,320,000 on 19 June 2013 listed on Nasdaq Dubai and the Irish Stock Exchange. Sukuk, mature seven years from the issue date and bears a profit commission at average coupon rate of 7% per annum to be paid semi-annually. The carrying amounts of Sukuk are denominated in United Stated Dollars ("USD"). Sukuk are secured in parri passu with borrowings (Note 17).

The following fair values of Islamic Sukuk are based on quoted market rates and are within Level 1 of the fair value hierarchy:

	Carrying amount		Fair value	
	31 December 2014 AED'000	31 December 2013 AED'000	31 December 2014 AED'000	31 December AED'000
Sukuk borrowing	2,387,320	2,387,320	2,735,725	2,727,513
Deferred borrowing costs	(34,722)	(41,016)	-	-
	2,352,598	2,346,304	2,735,725	2,727,513

17 BANK BORROWINGS

	2014 AED'000	2013 AED'000
Non-current		
Term loan	1,904,120	2,373,560
Deferred borrowing costs	(27,074)	(47,990)
	1,877,046	2,325,570
Current		
Term loan	231,440	214,720
Deferred borrowing costs	(23,053)	(29,769)
	208,387	184,951
Total bank borrowings	2,085,433	2,510,521

17 BANK BORROWINGS (continued)

Movements in borrowings are analysed as follows:

	2014 AED'000	2013 AED'000
Opening amount as at 1 January	2,510,521	4,243,440
Transaction costs movement, net	27,632	21,800
Repayment of bank borrowings	(452,720)	(1,754,719)
Closing amount as at 31 December	2,085,433	2,510,521

The Group obtained a syndicated loan facility from a consortium of banks which bore interest at a rate of three months EIBOR plus 2.75% per annum and paid on quarterly basis. Effective 22 September 2014, the interest rate on term loan has been revised to EIBOR plus 1.85% per annum. During the year, the Group made repayments towards term loan of AED 452,720,000 (2013: AED 1,751,440,000). At 31 December 2014, the loan repayment terms were as follows:

	Principal repayment term	
	%	AED'000
Less than 1 year	10.84	231,440
Between 1 year and 2 years	11.62	248,160
Between 2 years and 5 years	46.61	995,280
Over 5 years	30.93	660,680
Total	100.00	2,135,560

Bank borrowings are secured with the assignment of accounts receivable and mortgage over certain land use rights. The carrying value of the borrowing approximates its fair values. The fair values are within Level 3 of the fair value hierarchy.

18 DEFERRED REVENUE

	2014 AED'000	2013 AED'000
At 1 January	302,601	300,754
Additions during the year	1,471,393	1,317,368
Released during the year (Note 21)	(1,445,378)	(1,315,521)
At 31 December	328,616	302,601
Analysed as:		
Current portion	289,559	262,657
Non-current portion	39,057	39,944
	328,616	302,601

19 CURRENT TAX

	Net income tax payable AED'000
At 1 January 2013	(243)
Charges for the year	(455)
Paid during the year	551
Exchange differences	22
At 31 December 2013	(125)
Charges for the year	(444)
Paid during the year	439
Exchange differences	3
At 31 December 2014	(127)

19 CURRENT TAX (continued)

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year ending 31 December 2014 is in the range of 30.9% - 33.3% (2013: 30.9% - 33.3%).

	2014 AED'000	2013 AED'000
Tax charge in the income statement		
Current income tax		
Current tax charge	444	476
Adjustment for prior years	-	(21)
	444	455
Effective tax rate	0%	0%
Reconciliation of the total tax charge		
Profit from operations before tax	1,015,051	6,014,529
Income not subject to taxation	(1,016,634)	(6,007,109)
Expenses not deductible for tax purposes	2,107	601
Accounting profit subject to taxation	524	8,021
Tax calculated at domestic tax rates in respective countries	444	476
Prior year adjustment - current tax	-	(21)
Tax charge	444	455

Unrecognised tax losses

In addition, the Group has tax losses of AED 24,595,000 (2013: 23,797,000) that are available for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries where, presently, insufficient evidence exists that they will be recoverable in the foreseeable future.

20 TRADE AND OTHER PAYABLES

	2014 AED'000	2013 AED'000
Trade payable	49,227	62,796
Refundable deposits	613,440	544,205
Accrued expenses and provisions	95,840	95,421
Advances from customers	29,962	52,375
Retentions payable to contractors	20,842	21,322
Interest accrued	6,925	8,861
Other payables	40,472	39,779
	856,708	824,759

The carrying value of trade and other payables is assumed to approximate their fair values due to the short-term nature of trade and other payables. The fair values are within level 3 of the fair value hierarchy.

	2014 AED'000	2013 AED'000
21 REVENUE		
Lease rental income (Note 18)	1,445,378	1,315,521
License and registration fees	130,611	121,333
Administrative services	130,346	103,613
Management fee income	47,558	39,914
	1,753,893	1,580,381
22 COST OF SALES		
Utilities	102,907	90,484
Amortisation land use right (Note 7)	90,726	90,726
Depreciation (Note 6)	88,713	87,625
Repairs and maintenance	62,944	61,603
Others direct operating costs	13,272	13,636
	358,562	344,074
23 OTHER OPERATING INCOME		
Penalty on early termination of long term lease	23,430	-
Lease transfer, sub-lease income and lease commission	22,343	14,828
Public health services	13,050	11,778
Courier service income	11,672	6,075
Outdoor advertisement revenue	5,361	383
Rent on occupancy post termination	5,030	4,296
Sale of property from repossessed facility	4,779	10,467
Facility manager operating fee income	4,382	4,403
Recovery from contractors in lieu of revenue lost	-	18,701
Others	18,162	12,941
	108,209	83,872
24 GENERAL AND ADMINISTRATIVE EXPENSES		
Staff costs (Note 26)	132,988	131,330
Legal and professional fees	16,942	10,969
Expenses recharged by related parties	9,756	12,429
Depreciation (Note 5)	5,478	15,124
Provision for impairment of trade and other receivables (Note 11)	2,639	3,076
Others	23,955	15,854
	191,758	188,782
25 SELLING AND MARKETING EXPENSES		
Staff costs (Note 26)	43,856	38,332
Others	11,417	10,858
	55,273	49,190

	2014 AED'000	2013 AED'000

26 STAFF COSTS

	2014 AED'000	2013 AED'000
Salaries and other staff benefits	162,645	155,140
End of service benefits (Note 15)	5,041	5,946
Pension expenses	9,158	8,576
	176,844	169,662
Included under:		
General and administrative expenses (Note 24)	132,988	131,330
Selling and distribution expenses (Note 25)	43,856	38,332
	176,844	169,662

27 FINANCE COSTS – NET

	2014 AED'000	2013 AED'000
Finance income:		
Interest income on bank deposits	8,928	6,975
Interest income on balance due from a related party	19,049	21,138
Unwinding of fair value loss of due from a related party	21,214	19,008
Unwinding of fair value loss of other receivables	21,886	10,888
Foreign exchange gain	-	189,058
	71,077	247,067
Finance costs:		
Profit commission on Sukuk	(167,144)	(167,144)
Fair value loss on interest rate swaptions	(4,012)	(7,088)
Interest on loans from the parent company (Note 9)	-	(88,569)
Interest on bank borrowings	(79,382)	(182,994)
Amortisation of deferred borrowing costs	(39,838)	(35,634)
Foreign exchange loss	(31,018)	-
Others	4,332	(1,902)
	(317,062)	(483,331)
	(245,985)	(236,264)

28 FINANCIAL INSTRUMENT BY CATEGORY

	Loans and receivables AED'000	Derivatives AED'000
Assets as per balance sheet		
31 December 2014		
Derivative financial instruments	-	2,651
Trade and other receivables excluding prepayments	333,047	-
Due from related parties	129,543	-
Cash and bank balances	1,861,044	
	2,323,634	2,651
Assets as per balance sheet		
31 December 2013		
Derivative financial instruments	-	6,663
Trade and other receivables excluding prepayments	581,213	-
Due from related parties	788,298	-
Cash and bank balances	1,030,366	-
	2,399,877	6,663

28 FINANCIAL INSTRUMENT BY CATEGORY (continued)

	Other financial liabilities at amortised cost AED'000
Financial liabilities per balance sheet	
31 December 2014	
Trade and other payables excluding customer advances	856,835
Due to related parties	13,234
Bank borrowings	2,085,433
Sukuk borrowing	2,352,598
	5,308,100
Financial liabilities per balance sheet	
31 December 2013	
Trade and other payables excluding customer advances	772,384
Due to related parties	15,167
Bank borrowings	2,510,521
Sukuk borrowing	2,346,304
	5,644,376

29 CONTINGENCIES AND COMMITMENTS

a) Operating lease commitments – as lessor

The Group has commercial property leases on land for which the right of use was granted for 99 years and investment properties, consisting of office accommodation, warehouses and staff accommodation. These non-cancellable leases have remaining terms of between 1 and 15 years. All land leases entered after April 2007 contain a rent review provision whereby the Group will review the rent every 5 years, subject to certain negotiated rent caps.

Future minimum rentals receivable under non-cancellable operating leases:

	2014 AED'000	**2013 AED'000**
Within one year	994,122	878,962
After one year but not more than five years	1,946,402	1,711,373
More than five years	2,181,875	1,765,511
	5,122,399	4,355,846

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