PROSPECTUS

JAFZ SUKUK (2019) LIMITED

(incorporated with limited liability under the laws of the Dubai International Financial Centre)

U.S.$650,000,000 Trust Certificates due 2019

The U.S.$650,000,000 Trust Certificates due 2019 (the "**Certificates**") of JAFZ Sukuk (2019) Limited (in its capacity as issuer and as trustee, the "**Trustee**") will be constituted by a declaration of trust (the "**Declaration of Trust**") dated 19 June 2012 (the "**Closing Date**") entered into between the Trustee, Jebel Ali Free Zone FZE ("**JAFZ**") and Deutsche Trustee Company Limited as the delegate of the Trustee (the "**Delegate**"). The Certificates confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from a *pro rata* ownership interest in the assets of a trust declared by the Trustee pursuant to the Declaration of Trust (the "**Trust**") over the Trust Assets (as defined below) which will include, *inter alia*, (i) the Wakala Portfolio (as defined herein), and (ii) the Transaction Documents (as defined herein).

On the 19th day of June and the 19th day of December in each year commencing on 19 December 2012 (each, a "**Periodic Distribution Date**"), the Trustee will pay Periodic Distribution Amounts (as defined herein) to Certificateholders calculated at the rate of 7.00 per cent. per annum on the outstanding face amount of the Certificates as at the beginning of the relevant Return Accumulation Period (as defined herein) on the basis of a year of 12 30-day months divided by 360.

The Trustee will pay such Periodic Distribution Amounts solely from the proceeds received in respect of the Trust Assets which include payments by JAFZ in its capacity as servicing agent under the Service Agency Agreement (as defined herein). Unless previously redeemed in the circumstances described in Condition 12 (*Capital Distributions of the Trust*) and Condition 16 (*Dissolution Events*), the Certificates will be redeemed on 19 June 2019 (the "**Scheduled Dissolution Date**") at the Dissolution Distribution Amount (as defined herein). The Trustee will pay Dissolution Distribution Amounts solely from the proceeds received in respect of the Trust Assets which include payments by JAFZ under the Purchase Undertaking (as defined herein) and the Service Agency Agreement. The Trust Assets will include the *pro rata* share of any enforcement of the Transaction Shared Security to be given by JAFZ pursuant to the Security Documents (as defined herein). All payments in respect of the Certificates will be made in accordance with, and subject to the provisions of, the Allocation Deed (as defined herein).

The Certificates will be limited recourse obligations of the Trustee. An investment in the Certificates involves certain risks. For a discussion of these risks, see "*Risk Factors*".

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). Such approval relates only to the Certificates which are to be admitted to trading on the regulated market of the Irish Stock Exchange or any other regulated markets for the purposes of Directive 2004/39/EC (each such regulated market being a "**MiFID Regulated Market**") or which are to be offered to the public in any member state of the European Economic Area (each a "**Member State**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Certificates to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market**").

Application has also been made for the Certificates to be admitted to the official list of securities maintained by the Dubai Financial Services Authority and to be admitted to trading on NASDAQ Dubai.

A copy of this Prospectus has been filed with the Dubai Financial Services Authority in accordance with the Markets Law 2004. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with the offer of Certificates. The Dubai Financial Services Authority has not approved this Prospectus nor has it reviewed or verified the information in it. If you do not understand the contents of this document you should consult an authorised financial adviser.

Upon issue, the Certificates are expected to be assigned a rating of "B1" by Moody's Investors Service Ltd ("**Moody's**") and "B" by Fitch Ratings Limited ("**Fitch**"). Fitch has indicated that following the redemption of the Sukuk Al-Musharaka (as defined herein), it is likely to upgrade its rating of the Certificates to "B+". Each of Moody's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation. A rating is not a recommendation to buy, sell or hold the Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

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

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

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

The transaction structure relating to the Certificates (as described in this Prospectus) has been approved by the chairman of the executive Shari'a Committee of Abu Dhabi Islamic Bank PJSC, the *Shari'a* Supervisory Board of Citi Islamic Investment Bank E.C., the *Shari'a* Supervisory Committee of Standard Chartered Bank and the *Shari'a* advisory board of Dar Al Sharia. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals referred to above is in compliance with *Shari'a* principles.

Joint Lead Managers

Abu Dhabi Commercial Bank	**Abu Dhabi Islamic Bank**	**Citigroup**	**Dubai Islamic Bank PJSC**
Emirates NBD Capital Limited	**National Bank of Abu Dhabi PJSC**	**Samba Financial Group**	**Standard Chartered Bank**

The date of this Prospectus is 14 June 2012

IMPORTANT NOTICES

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive and for the purpose of giving information with regard to the Trustee, JAFZ and the Certificates which, according to the particular nature of the Trustee, JAFZ and of 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 JAFZ.

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

Certain information under the headings "*Business Description*" and "*Overview of the UAE and the Emirate of Dubai*" has been extracted from information provided by or obtained from: a study by PricewaterhouseCoopers published in April 2011 entitled "*The Impact of Jebel Ali Free Zone on the Dubai and UAE Economies*", the International Monetary Fund, the UAE National Bureau of Statistics, Dubai Statistics Centre, the Organisation of Petroleum Exporting Countries, the UAE Ministry of Economy, the UAE Central Bank and the Dubai Department of Economic Development and, in each case, the relevant source of such information is specified where it appears under those headings.

Each of the Trustee and JAFZ 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 the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Joint Lead Managers, the Delegate, the Agents, the Security Agents or the Allocation Agent has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Trustee or JAFZ in connection with the Certificates.

No person is or has been authorised by the Trustee or JAFZ to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Certificates and, if given or made, such information or representation should not be relied upon as having been authorised by the Trustee, JAFZ, the Delegate or any of the Joint Lead Managers. None of the Joint Lead Managers, the Delegate, the Agents, the Security Agents or the Allocation Agent or any of their respective affiliates make any representation or warranty or accept any liability as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of the Certificates shall, in any circumstances, create any implication that the information contained in this Prospectus is correct subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or the financial or trading position of the Trustee or JAFZ since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Certificates is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No comment is made, or advice given by, the Trustee, JAFZ or the Joint Lead Managers in respect of taxation matters relating to the Certificates or the legality of the purchase of the Certificates by an investor under applicable or similar 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.

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

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy 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 Prospectus and the offering, sale and delivery of the Certificates in certain jurisdictions may be restricted by law. None of the Trustee, JAFZ, the Joint Lead Managers, the Delegate, the Agents, the Security

Agents or the Allocation Agent represents that this Prospectus may be lawfully distributed, or that 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 assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, JAFZ, the Joint Lead Managers, the Delegate, the Agents, the Security Agents or the Allocation Agent which is intended to permit a public offering of the Certificates or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Certificates may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Trustee, JAFZ and the Joint Lead Managers to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Certificates in the United States, the Republic of Ireland, the United Kingdom, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar (excluding the Qatar Financial Centre), Singapore, Hong Kong and Malaysia. For a description of the restrictions on offers, sales and deliveries of Certificates and on the distribution of this Prospectus and other offering material relating to the Certificates, see "*Subscription and Sale*".

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase Certificates and should not be considered as a recommendation by the Trustee, JAFZ, the Delegate, the Agents, the Security Agents, the Allocation Agent, the Joint Lead Managers or any of them that any recipient of this Prospectus should subscribe for, or purchase, Certificates. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and JAFZ. None of the Joint Lead Managers, the Delegate, the Agents, the Security Agents or the Allocation Agent accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Trustee or JAFZ in connection with the Certificates.

The Certificates may not be a suitable investment for all investors. Each potential investor in Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency of payment is different from the potential investor's currency;

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

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

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Prospectus may be deemed to be forward looking statements. The words "**anticipate**", "**believe**", "**expect**", "**plan**", "**intend**", "**targets**", "**aims**", "**seeks**", "**estimate**", "**project**", "**will**", "**would**", "**may**", "**could**", "**continue**", "**should**" and similar expressions are intended to identify forward looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the financial position of JAFZ or the Jebel Ali Free Zone Authority (in its capacity as the former operator of the Free Zone ("**JAFZA**")), or the business strategy, management plans and objectives for future operations of JAFZ, are forward looking statements. These forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause JAFZ's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward looking statements. These forward looking statements are based on numerous assumptions regarding JAFZ's and JAFZA's present, and JAFZ's future, business strategies and the environment in which JAFZ expects to operate in the future. Important factors that could cause JAFZ's actual results, performance or achievements to differ materially from those in the forward looking statements include, among other factors referenced in this Prospectus:

- JAFZ's ability to realise the benefits it expects from existing and future investments in JAFZ's existing operations and pending expansion and development projects;
- JAFZ's ability to obtain external financing or maintain sufficient capital to fund JAFZ's existing and future operations;
- changes in political, social, legal or economic conditions in the markets in the UAE or the GCC generally;
- changes in the competitive environment in which JAFZ operates;
- JAFZ's ability to expand in the undeveloped part of the Free Zone;
- JAFZ's exposure to Acts of God, natural disasters and risks resulting from fires, explosion or other events disrupting business in its customers' facilities;
- failure to comply with regulations applicable to JAFZ's business; and
- actions taken by JAFZ's indirect controlling shareholder, Dubai World Corporation ("**Dubai World**"), that are not in line with, or may conflict with, the best interests of the Trustee, JAFZ and/or JAFZ's creditors, 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*". Forward looking statements speak only as at the date of this Prospectus and, without prejudice to any requirements under applicable laws and regulations, JAFZ and the Trustee expressly disclaim any obligation or undertaking to publicly update or revise any forward looking statements in this Prospectus to reflect any change in JAFZ's or the Trustee's expectations or any change in events, conditions or circumstances on which these forward looking statements are based. Given the uncertainties of forward looking statements, JAFZ and the Trustee cannot assure potential investors that projected results or events will be achieved and JAFZ and the Trustee caution potential investors not to place undue reliance on these statements.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

The historical financial information presented in this Prospectus is based on the audited consolidated financial statements of JAFZ for the years ended 31 December 2011 (the "**2011 financial statements**") and 31 December 2010 (the "**2010 financial statements**", and together with the 2011 financial statements, the "**Financial Statements**"). The 31 December 2009 financial information presented in this Prospectus has been reclassified to conform with the current presentation used by JAFZ. This change does not have an impact on the financial results of JAFZ.

The financial statements relating to JAFZ included in this Prospectus are the 2011 financial statements and the 2010 financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). JAFZ publishes its Financial Statements in UAE Dirham.

The presentation of the balance sheet and the statement of income included in the 2011 financial statements differs from the format included in the 2010 financial statements and the comparative figures for the financial year ended 31 December 2009. For the purpose of ensuring the financial information included in the balance sheet and the statements of income for the three years presented in this Prospectus is comparable, certain line items in JAFZ's statements of income and balance sheet for the years ended 31 December 2010 and 2009 have been reclassified to conform with the current presentation used in the 2011 financial statements included elsewhere in this Prospectus.

EBITDA

In certain places within this Prospectus, reference is made to EBITDA. EBITDA is not an IFRS measure. As referred to in this Prospectus, the Group has calculated EBITDA for each year as profit for the relevant year after adding back (i) net finance costs, (ii) depreciation, (iii) amortisation of land use rights, and (iv) loss on impairment of investment property; less any gain on long term investment property. Such basis of calculation differs in certain respects from the basis of calculation of EBITDA for the purposes of JAFZ's covenant described in Condition 5 (*Negative Pledge and Other Restrictive Covenants*) of the Certificates.

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

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

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

Certain Defined Terms

In this Prospectus, references to the "**Conditions**" are references to the terms and conditions of the Certificates as set out in "*Terms and Conditions of the Certificates*" below.

Capitalised terms which are used but not defined in any section of this Prospectus will have the meaning attributed thereto in the Conditions or any other section of this Prospectus. In addition, the following terms as used in this Prospectus have the meanings defined below:

- references to "**Abu Dhabi"** herein are to the Emirate of Abu Dhabi;
- references to "**Dubai"** herein are to the Emirate of Dubai;
- references to the "**GCC**" herein are to the Gulf Cooperation Council;
- references to the "**Government**" herein are to the government of Dubai;
- references to a "**Member State"** herein are references to a Member State of the European Economic Area;
- references to a "**Tribunal"** herein are references to 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;
- references to the "**UAE**" or "**UAE**" herein are to the United Arab Emirates.

In this Prospectus, unless the context otherwise requires, "**JAFZ**" refers to Jebel Ali Free Zone FZE, a company established in the Jebel Ali Free Zone (a "**Free Zone Establishment**" and the Jebel Ali Free Zone, the "**Free Zone**") with Registration Number 01283 issued on 5 March 2006, and the "**Group**" refers to JAFZ together with its consolidated subsidiaries, as well as their respective predecessor companies or entities, as applicable.

Certain Conventions

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All references in this Prospectus to "**$**", "**U.S.$**", "**USD**" and "**US Dollars**" refer to US dollars being the legal currency for the time being of the United states of America; all references to "**dirham**" and "**AED**" are to UAE Dirham being the legal currency for the time being of the UAE.

The dirham has been pegged to the US 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.$1.00. All U.S.$ translations of dirham amounts appearing in this Prospectus have been translated at this fixed exchange rate. Such translations should not be construed as representations that dirham amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

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

CREDIT RATING AGENCIES

Moody's has rated the UAE, see page 112.

Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended). As such, each of Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

NOTICE TO UK RESIDENTS

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

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

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

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

DUBAI INTERNATIONAL FINANCIAL CENTRE NOTICE

A copy of this Prospectus has been filed with the Dubai Financial Services Authority in accordance with the Markets Law 2004. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with the offer of Certificates. The Dubai Financial Services Authority has not approved this Prospectus nor has it reviewed or verified the information in it. If you do not understand the contents of this document you should consult an authorised financial adviser.

NOTICE TO BAHRAIN RESIDENTS

The Central Bank of Bahrain and the Bahrain Stock Exchange assume no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaim any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Prospectus. Each potential investor residing in Bahrain intending to subscribe for the Certificates (each, a "potential investor") may be required to provide satisfactory evidence of identity and, if so required, the source of funds to purchase the Certificates within a reasonable time period determined by the Trustee, JAFZ and the Joint Lead Managers. Pending the provision of such evidence, an application to subscribe for Certificates will be postponed. If a potential investor fails to provide satisfactory evidence within the time specified, or if a potential investor provides evidence but none of the Trustee, JAFZ or the Joint Lead Managers are satisfied therewith, its application to subscribe for Certificates may be rejected in which event any money received by way of application will be returned to the potential investor (without any additional amount added thereto and at the risk and expense of such potential investor). In respect of any potential investors, the Trustee and JAFZ will comply with Bahrain's Legislative Decree No. (4) of 2001 with respect to Prohibition and Combating of Money Laundering and various Ministerial Orders issued thereunder including, but not limited to, Ministerial Order No. (7) of 2001 with respect to Institutions' Obligations Concerning the Prohibition and Combating of Money Laundering.

KINGDOM OF SAUDI ARABIA NOTICE

This 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 Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of 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 Prospectus he or she should consult an authorised financial adviser.

NOTICE TO QATARI RESIDENTS

This Prospectus is not intended to constitute an offer, sale or delivery of bonds or other debt financing instruments under the laws of Qatar. The Certificates have not been and will not be authorised by the Qatar Financial Markets Authority ("QFMA"), the Qatar Financial Centre ("QFC") or the Qatar Central Bank ("QCB") in accordance with their regulations or any other regulations in Qatar. The Certificates and interests therein will not be offered to investors domiciled or resident in Qatar and do not constitute debt financing in Qatar under the Commercial Companies Law No. (5) of 2002 (the "Commercial Companies Law") or otherwise under any laws of Qatar.

NOTICE TO RESIDENTS OF MALAYSIA

The Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Certificates in Malaysia may be made, directly or indirectly, and this Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia ("CMSA").

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

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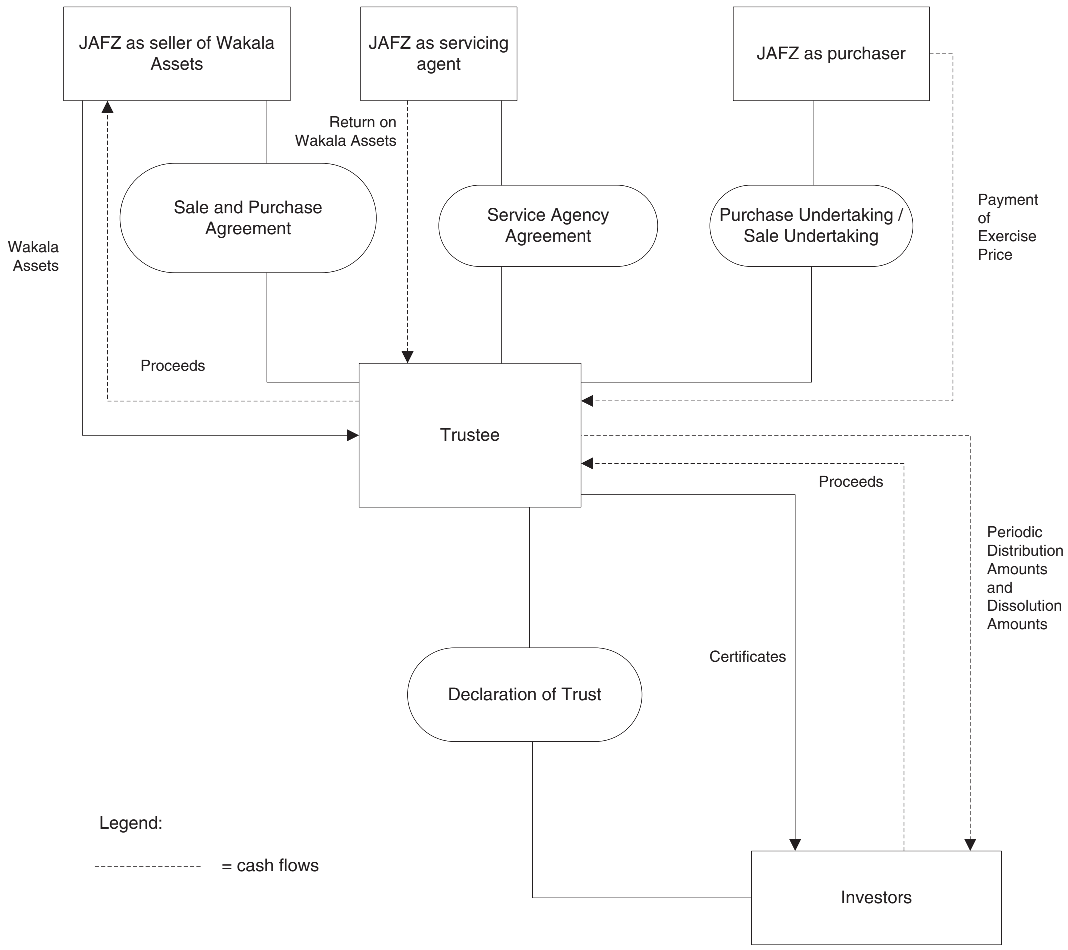
STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying the Certificates. Potential investors are referred to the terms and conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Principal cash flows

Background

The Jebel Ali Free Zone Authority ("**JAFZA**") and JAFZ entered into: (i) a concession agreement, effective 22 November 2007 (the "**Concession Agreement**") pursuant to which JAFZ was granted the exclusive right and privilege to provide certain administration services at its own expense within a specified area comprising substantially all of the Free Zone (the "**Concession Area**") and the right to all revenue and income therefrom; and (ii) a usufruct agreement, effective 22 November 2007, (the "**Usufruct Agreement**" and together with the Concession Agreement, the "**Concession Documents**") pursuant to which JAFZA granted exclusive rights to JAFZ to use and benefit from the Concession Area and the fixed assets therein (the "**Usufruct Rights**").

Payments by the Certificateholders and the Trustee

On the Closing Date, the Trustee will use the proceeds of the Certificates (the "**Proceeds**") to purchase from JAFZ a portfolio (the "**Initial Wakala Portfolio**") of identified income generating real estate related assets consisting of plots of land (and in certain cases where JAFZ owns the building, the buildings attached thereto) situated in the Concession Area (the "**Real Estate Assets**") which are leased to third parties as at the Closing Date (in each case, the lease relating thereto, a "**Lease**" and each such Real Estate Asset which becomes part of the Wakala Portfolio, a "**Wakala Asset**" and the portfolio of such Wakala Assets from time to time, the "**Wakala Portfolio**"). The Trustee will appoint JAFZ as the Servicing Agent to manage the Wakala Portfolio pursuant to the Servicing Agency Agreement.

Periodic Distribution Payments

Prior to each Periodic Distribution Date, the Servicing Agent will pay to the Trustee (by way of a payment into the Transaction Account) an amount reflecting returns generated by the Wakala Portfolio ("**Wakala Portfolio Revenues**") during the relevant Wakala Distribution Period, which is intended to be sufficient to fund the amounts payable under Condition 6(b) (*Application of Proceeds from the Trust Assets*) (including, but without limitation the Periodic Distribution Amounts payable by the Trustee in respect of the Certificates) and shall be applied by the Trustee for that purpose.

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

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

(a) provide *Shari'a* compliant funding to the Trustee itself; or

(b) procure *Shari'a* compliant funding from a third party to be paid to the Trustee,

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

Dissolution Payments

On the Scheduled Dissolution Date, the Trustee will have the right under the Purchase Undertaking to require JAFZ to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio. The exercise price payable by JAFZ, together with any Wakala Portfolio Revenues then held by the Servicing Agent and payable to the Trustee under the Service Agency Agreement, are intended to fund the Final Dissolution Amount payable by the Trustee.

The Trust may be dissolved prior to the Scheduled Dissolution Date for the following reasons: (i) redemption following a Dissolution Event or a Mandatory Dissolution Event, (ii) an early redemption for tax reasons, (iii) at the option of the Certificateholders following a Change of Control Event, (iv) at the option of the Trustee if, following the occurrence of a Change of Control Event, holders of 75 per cent. or more of the aggregate outstanding face amount of those Certificates exercise their Change of Control Put Option, (v) upon the occurrence of a Total Loss Event and (vi) upon the occurrence of a Mortgaged Property Loss Event.

In the case of sub-paragraphs (i), (ii) and (iv), the amounts payable by the Trustee on the due date for dissolution will be funded in a similar manner as for the payment of the Final Dissolution Amount. Upon the exercise by Certificateholders of the option described in sub-paragraph (iii), the Trustee will redeem the Certificates on the Change of Control Put Option Date, at the Change of Control Dissolution Amount. Any such redemption shall be funded through the exercise by the Trustee of its right under the Purchase Undertaking to require JAFZ to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate value no greater than the aggregate face amount of the Certificates to be redeemed. In the case of sub-paragraph (v), the amounts payable to Certificateholders will be an amount equal to the sum of: (A) the proceeds of any insurance policies which the Servicing Agent has entered into for and on behalf of the Trustee in respect of the relevant Real Estate Assets and/or any Total Loss Shortfall Amount; and (B) all of the Wakala Portfolio Revenues credited to the Collection Accounts (each as defined in the Service Agency Agreement) which the Servicing Agent is required to transfer to the Transaction Account by no later than the 30th day after the occurrence of a Total Loss Event, such amount being intended to be sufficient in order to redeem the Certificates in full. In the case of sub-paragraph (vi), the Trustee will redeem the Certificates using amounts transferred by the Allocation Agent to the Transaction Account from the Insurance Proceeds Account in accordance with the Allocation Deed, together with all other amounts available to the Allocation Agent pursuant to the terms of the Allocation Deed.

In addition to the above, upon the occurrence of a Major Loss Event, the Trustee will partially redeem the Certificates on a *pari passu* and rateable basis using amounts transferred by the Allocation Agent to the Transaction Account from the Insurance Proceeds Account in accordance with the Allocation Deed.

Security

JAFZ's obligations under the Transaction Documents are secured by the Transaction Shared Security, as defined and further described in this Prospectus. See "*Summary of the Terms of the Security*".

Allocation Deed

All payments by JAFZ under the Transaction Documents will be made subject to the provisions of the Allocation Deed, as defined and further described in this Prospectus. See "*Summary of the Terms of the Allocation Deed*".

OVERVIEW OF THE COMPANY

The following overview is qualified in its entirety by, and is subject to, the more detailed information and Financial Statements contained or referred to elsewhere in this Prospectus, including the sections "Operating and Financial Review", "Business Description" and "Management". To understand the terms of the Certificates, investors should carefully read the sections of this Prospectus entitled "Terms and Conditions of the Certificates" and the risks of investing in the Certificates under "Risk Factors".

Overview

JAFZ was established as a Free Zone Establishment on 5 March 2006 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. JAFZ is a wholly owned subsidiary of EZW which, in turn, is an indirect subsidiary of Dubai World, a holding company of the Government of Dubai.

The Free Zone is a major industrial and commercial development in Dubai and one of the largest operating free zones in the GCC, which as at the date of this Prospectus, comprises approximately 55 square kilometres and hosted approximately 6,700 companies from over 100 different countries (with approximately 125 "Fortune 500" and large multinational companies as tenants).

JAFZ's business activities in the Free Zone consist of Leasing Activities (including the provision and renewal of leases in relation to the land, warehouses, offices and onsite residential accommodation), Commercial Services (including the registration of companies and granting trading licenses, industrial licenses, logistics licenses, service licenses and national industrial licenses) and Administration Services (including assisting tenants in interfacing with various UAE Government authorities, ministries and departments in relation to matters such as immigration, work visas and the obtaining of health cards and driving licenses). As at 31 December 2011, 31 December 2010 and 31 December 2009, JAFZ's consolidated total assets were AED 14,476.0 million, AED 14,247.5 million and AED 14,632.0 million, respectively. JAFZ's consolidated revenue for the years ended 31 December 2011, 31 December 2010 and 31 December 2009 was AED 1,338.6 million, AED 1,245.6 million and AED 1,252.8 million, respectively while its net profit for each of the years ended 31 December 2011, 31 December 2010 and 31 December 2009 was AED 241.6 million, AED 139.7 million and AED 286.7 million, respectively. For the years ended 31 December 2011, 2010 and 2009, JAFZ's EBITDA was AED 1,021.5 million, AED 944.0 million, and AED 901.8 million, respectively.

Management and Operations

JAFZ benefits from an established track record, goodwill and expertise developed over 26 years of the Free Zone's operation, as well from its experienced management team which has been able to adapt to changing market conditions and the corresponding changes in the needs of Free Zone customers.

JAFZ has achieved numerous awards for its operational excellence, including the Dubai Quality Award from Dubai's Department of Economic Development (awarded by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum) and Logistics Hub of the Year Award (Supply Chain and Transport Awards) in 2010. JAFZ has also achieved numerous quality accolades including the ISO 9001:2008 certification for quality management systems and ISO 27001 certification for its information security management system.

Strengths

JAFZ believes its business is characterised by the following key competitive strengths:

- the Free Zone's strategic location and its position as one of the largest operating free zones in the GCC;
- the absence of any direct competitor of JAFZ in the UAE or the GCC that provides substantially the same features and services on the same scale;
- a strong revenue profile and growth potential;
- JAFZ's sources of revenue are diversified, as a result of which JAFZ benefits from low volatility of operating income;
- unique value proposition such as JAFZ's "one-stop shop" approach;

- the Free Zone offers an attractive operating environment for foreign companies;
- the Free Zone is a significant contributor to the economy of Dubai and therefore the Government has an interest in ensuring the Free Zone's commercial viability; and
- JAFZ benefits from the experience and expertise of its management.

Corporate Strategy

The Free Zone is a finite area of land and JAFZ expects the strong levels of demand within the Free Zone to continue. JAFZ aims to utilise fully the Free Zone's key competitive advantages in order to maintain its position as the leading and one of the most efficient multi-modal logistics platform in the Middle East and North Africa (**"MENA"**) region by pursuing, amongst other things, the following key strategies:

- *maintaining key competitive advantages* including maximising the existing synergy of the Free Zone and the neighbouring Port;
- *maximising efficiency* by placing a high priority on the strategic selection and placement of new and existing customers; and
- *excellence in customer service* by proactively improving customer awareness and knowledge of JAFZA and JAFZ policies, rules and regulations for overall compliance, and providing innovative business solutions tailored to customers' unique requirements.

Risk Factors

The material risks associated with the business which JAFZ operates and any investment in an issue of the Certificates are discussed under "*Risk Factors*". Prospective investors should review these carefully prior to making any decision to invest in an issue of the Certificates.

JAFZ's registered office is at JAFZA (LOB) 15, Jebel Ali Free Zone, P.O. Box 17000, Dubai, United Arab Emirates and its telephone number is +971 4 881 2222. The website address of the Free Zone is www.jafza.ae. The information contained in the website is not incorporated by reference into, or otherwise included in, this Prospectus.

See "*Risk Factors*", "*Operating and Financial Review*", "*Business Description*" and "*Management*".

OVERVIEW OF THE OFFERING

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

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

Trustee:	JAFZ Sukuk (2019) Limited, a special purpose company incorporated on 11 April 2012 under the Companies Law, DIFC Law No. 3 of 2006 and the Special Purpose Company Regulations and formed and registered in the DIFC with registered number 1190 with its registered office at Maples Fund Services (Middle East) Limited, Office 801, 8th Floor, Liberty House, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents to which it is a party.
Seller and Servicing Agent:	Jebel Ali Free Zone FZE
Risk Factors:	There are certain factors that may affect the Trustee's ability to fulfil its obligations under the Certificates and JAFZ's ability to fulfil its obligations under the Transaction Documents to which it is a party. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Certificates. These are set out under "*Risk Factors*".
Ownership of the Trustee:	The authorised share capital of the Trustee is U.S.$300 consisting of 300 shares of U.S.$1 par value each, of which all 300 shares are fully paid up and issued. The Trustee's entire issued share capital is held irrevocably on trust by MaplesFS Limited, a licensed trust company in the Cayman Islands with its registered office at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands under the terms of a trust for charitable purposes.
Administration of the Trustee:	The affairs of the Trustee are managed by Maples Fund Services (Middle East) Limited, a corporate services provider regulated by the Dubai Financial Services Authority (the "**Trustee Administrator**"), who will provide, *inter alia*, corporate administrative services and director services for and on behalf of the Trustee pursuant to the corporate services agreement dated 12 June 2012 between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"). The Trustee Administrator's registered office is c/o Maples Fund Services (Middle East) Limited, Office 801, 8th Floor, Liberty House, Dubai International Financial Centre, P.O. Box: 506734, Dubai, UAE.
Joint Lead Managers:	Abu Dhabi Commercial Bank PJSC, Abu Dhabi Islamic Bank PJSC, Citigroup Global Markets Limited, Dubai Islamic Bank PJSC, Emirates NBD Capital Limited, National Bank of Abu Dhabi PJSC, Samba Financial Group and Standard Chartered Bank. Certain of the Joint Lead Managers are also Facility Participants (see "*Summary of the Terms of the Islamic Facility and Facility Finance Documents*").

Delegate:	Deutsche Trustee Company Limited Pursuant to the Declaration of Trust, the Trustee shall delegate to the Delegate certain of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Seller and/or the Servicing Agent and/or JAFZ following a Dissolution Event.
Principal Paying Agent and Calculation Agent:	Deutsche Bank AG, London Branch
Registrar and Transfer Agent:	Deutsche Bank Luxembourg S.A.
Listing Agent:	The Bank of New York Mellon (Ireland) Limited
Allocation Agent:	Citibank N.A., UAE Branch
Offshore Security Agent:	Citibank N.A., London Branch
Onshore Security Agent:	Citibank N.A., UAE Branch
Offshore Account Bank:	Standard Chartered Bank (London Branch) or such other bank appointed pursuant to the terms of the Allocation Deed.
Onshore Account Bank:	Dubai Islamic Bank PJSC or such other bank appointed pursuant to the terms of the Allocation Deed.
Summary of the Transaction Structure and Documents:	An overview of the structure of the transaction and the principal cashflows is set out under "*Structure Diagram and Cashflows*" and a description of the principal terms of certain of the Transaction Documents is set out under "*Summary of the Principal Transaction Documents*".
Certificates:	U.S.$650,000,000 Trust Certificates due 2019
Closing Date:	19 June 2012
Issue Price:	100 per cent. of the aggregate face amount of the Certificates.
Periodic Distribution Dates:	The 19th day of June and the 19th day of December in each year, commencing on 19 December 2012.
Periodic Distributions:	On each Periodic Distribution Date, Certificateholders will receive, from moneys received by the Trustee in respect of the Trust Assets, a Periodic Distribution Amount in US Dollars equaling the product of: (i) 7.00 per cent. per annum; (ii) the face amount of the Certificates; and (iii) the number of days in the relevant Return Accumulation Period calculated on the basis of a year of 12 30-day months divided by 360. See Condition 9 (*Periodic Distributions*).
Return Accumulation Period:	The period from and including the Closing Date to but excluding the first Periodic Distribution Date and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date or, if earlier, the relevant Dissolution Date.

Form of Certificates:	The Certificates will be issued in registered form as described in "*Global Certificate*". The Certificates will be represented on issue by ownership interests in a Global Certificate which will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in the Global Certificate only in limited circumstances.
Clearance and Settlement:	Holders of the Certificates must hold their interest in the Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearance systems.
Face Amounts of the Certificates:	The Certificates will be issued in minimum face amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Status of the Certificates:	Each Certificate evidences an undivided ownership interest of the Certificateholders in the Trust Assets, subject to the terms of the Declaration of Trust and the Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Certificate will rank *pari passu*, without any preference or priority, with the other Certificates. All amounts due from JAFZ under the Transaction Documents to which it is a party will constitute direct, unconditional, unsubordinated and secured obligations of JAFZ and will rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and secured obligations of JAFZ, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Trust Assets:	The Trust Assets are all of the Trustee's rights, title, interest and benefit, present and future, in, to and under: (i) the Wakala Portfolio; (ii) the Transaction Documents (other than: (A) in relation to any representations given to the Trustee and the Delegate by JAFZ pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee or the Delegate in any of the Transaction Documents; and (B) the covenant given to the Trustee pursuant to Clause 17.1 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Declaration of Trust); and (iii) all monies standing to the credit of the Transaction Account from time to time, and all proceeds of the foregoing listed in (i) to (iii) above (the "**Trust Assets**"), and such Trust Assets will be held upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder.
Islamic Facility:	Pursuant to the terms of the Facility Finance Documents, the Facility Participants (as defined below) have agreed, subject to certain conditions, to make available to JAFZ a facility in an amount of AED 4,400,000,000. See "*Summary of the terms of the Islamic Facility and Facility Finance Documents*".
Allocation Deed:	The Trustee, JAFZ, the Delegate and the Agents, together with, *inter alia*, the Onshore Security Agent, the Offshore Security Agent, the

	Investment Agent, the Facility Participants and the Hedge Counterparties (if any) will enter into an allocation deed on or before the Closing Date which will regulate the allocation of proceeds generated, prior to enforcement, by the Secured Portfolio (as defined below), and following enforcement, by the enforcement of the Transaction Shared Security, and subject to which all security arrangements, enforcement and, following enforcement, all payments under the Transaction Documents and in respect of the Certificates will be governed. See "*Summary of the Terms of the Allocation Deed*".
Security:	Security will be created by JAFZ, EZW and certain of its subsidiaries in favour of the Onshore Security Agent or the Offshore Security Agent, as applicable, for the benefit of: (i) the Facility Participants; (ii) the Trustee, the Delegate, the Agents and the Certificateholders (each a "**Sukuk Finance Party**"), or in each case a representative thereof (a "**Participants' Representative**"); (iii) any Receiver or Security Delegate (each as defined in the Allocation Deed); (iv) the Hedging Counterparties; and (v) the Allocation Agent, each a "**Secured Party**" and such security being the "**Transaction Shared Security**". All lease assets wholly owned by the JAFZ and located within the Mortgaged Property will constitute the "**Secured Portfolio**" for the purposes of the Transaction Shared Security. "**Mortgaged Property**" means the Usufruct Rights in respect of part of the Jebel Ali Free Zone, as more particularly specified in the Mortgage Contract. See "*Summary of the Terms of the Security*".
Redemption of Certificates:	The Scheduled Dissolution Date of the Certificates is 19 June 2019. Unless the Certificates are previously redeemed or purchased and cancelled, the Certificates shall be redeemed by the Trustee at the Dissolution Distribution Amount and on the Scheduled Dissolution Date and the Trust will be dissolved by the Trustee.
Dissolution Date:	The Dissolution Date shall be, as the case may be: (i) following the occurrence of a Dissolution Event or a Mandatory Dissolution Event, the date on which the Certificates are redeemed in accordance with the provisions of Condition 16 (*Dissolution Events*); (ii) following the occurrence of an early redemption for tax reasons, a Total Loss Event or a Mortgaged Property Loss Event, the date on which the Certificates are redeemed in accordance with the provisions of Condition 12 (*Capital Distributions of the Trust*); (iii) any Change of Control Put Option Date; or (d) the date on which any Certificates are redeemed following the exercise of the Change of Control Trustee Call Option.
Dissolution Events:	Upon the occurrence of any Dissolution Event, the Certificates may be redeemed in full on the Dissolution Date at the Final Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amount and the Return Accumulation Period may be adjusted accordingly. See Condition 16 (*Dissolution Events*). In addition, upon the earlier to occur of: (i) an Insolvency Event (as defined in the Allocation Deed); or (ii) the Transaction Shared Security having become enforceable in accordance with its terms and the Onshore Security Agent and/or the Offshore Security Agent having received instructions from the Instructing Group to enforce the Transaction Shared Security in circumstances where the Certificates have not previously been declared due and payable in accordance

	with Condition 16 (*Dissolution Events*) (each of (i) and (ii) being a "**Mandatory Dissolution Event**"), the Certificates shall automatically and without further action become immediately due and payable at the Final Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amounts on the date of such Mandatory Dissolution Event. See Condition 16 (*Dissolution Events*). The Instructing Group shall be constituted in accordance with the Allocation Deed and shall have the meaning given to it in the section "*Summary of the terms of the Allocation Deed*".
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 13 (*Taxation*) or the Servicing Agent has or will become obliged to pay any additional amounts in respect of amounts payable under the Service Agency Agreement as a result of a change in the laws of a Relevant Jurisdiction (as defined in the Conditions) and such obligation cannot be avoided by the Trustee or the Servicing Agent, as applicable, taking reasonable measures available to it, the Trustee may, following receipt of an exercise notice from JAFZ pursuant to the Sale Undertaking, redeem the Certificates in whole but not in part at an amount equal to the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date.
Change of Control Put Option:	Each Certificateholder will have the right to require the redemption of its Certificates upon the Government of Dubai or any agency or other part thereof ceasing to be the ultimate owner (either directly or indirectly) of more than 50 per cent. of the share capital of JAFZ or otherwise cease to control, directly or indirectly, JAFZ. Any such redemption will take place on the Change of Control Put Option Date at an amount equal to the Change of Control Exercise Price. Following payment by JAFZ of the Change of Control Exercise Price under the Purchase Undertaking, the Trustee will redeem the Certificates on the Change of Control Put Option Date.
Major Loss Events and Mortgaged Property Loss Events:	Following the occurrence of a Major Loss Event (which is an event or circumstance leading to a claim or claims in respect of physical damage under any Insurances relating to more than twenty per cent. of the Secured Portfolio by revenue (as determined by JAFZ) as shown in the most recently delivered financial statements of JAFZ) which is not a Mortgaged Property Loss Event, any insurance proceeds received by the Allocation Agent will be applied by the Allocation Agent in accordance with the Allocation Deed, on a *pro rata* basis, to prepay the Islamic Facility and to redeem in part (*pari passu* and rateably) the Certificates. In the event of a Mortgaged Property Loss Event, which is an event or circumstances leading to a claim or claims in respect of physical damage under any Insurances relating to more than 60 per cent. by revenue of the property mortgaged under the Mortgage Contract as shown in the most recently delivered financial statements of JAFZ, any insurance proceeds received by the Allocation Agent will be applied by the Allocation Agent together with all other amounts available to the Allocation Agent in accordance with the Allocation Deed, to repay the Islamic Facility and to redeem the Certificates in full.

	"**Insurances**" means any insurance policy relating to the Mortgaged Property and/or the Secured Portfolio taken out by the Company or any other member of the Group.
Total Loss Events:	A "**Total Loss Event**" is: (i) the total loss or destruction of, or damage to the whole of, the Wakala Assets or any event or occurrence that renders the whole of the Wakala Assets permanently unfit for any economic use and (but only after taking into consideration any insurances payable or other indemnity granted by any third party in respect of the Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the Wakala Assets, in each case as determined by the Servicing Agent acting for and on behalf of the Trustee. The Servicing Agent will irrevocably undertake with the Trustee, in relation to the Wakala Portfolio to: (a) ensure that the Wakala Assets are properly insured (on a *takaful* basis if such *takaful* insurance is available or is available on commercially viable terms) to the extent consistent with general industry practice by prudent owners of similar assets, and, accordingly, will effect such insurances in respect of the Wakala Assets (the "**Insurances**"), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event and ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the "**Full Reinstatement Value**" (being the aggregate outstanding face amount of the Certificates plus all other amounts then due and payable under the Transaction Documents); (b) promptly make a claim in respect of each loss relating to the Wakala Assets in accordance with the terms of the Insurances; and (c) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are paid in US Dollars directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly. If the Servicing Agent fails to comply with such undertaking and as a result of such breach the amount (if any) credited to the Transaction Account pursuant to the Service Agency Agreement is less than the Full Reinstatement Value (the difference between such Full Reinstatement Value and the amount credited to the Transaction Account being the "**Total Loss Shortfall Amount**"), then the Servicing Agent (unless it proves beyond any doubt that any shortfall in the insurance proceeds is not attributable to its negligence or its failing to comply with the terms of this Agreement relating to insurance) will irrevocably and unconditionally indemnify the Trustee for the Total Loss Shortfall Amount, which will be payable (in same day, freely transferable, cleared funds) directly to the Transaction Account by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Thereafter, and subject to the Servicing Agent's strict compliance with such obligations, any insurance proceeds received from such insurer will be for the Servicing Agent's sole account. Any such breach will not however constitute a JAFZ Event.
Cancellation of Certificates held by JAFZ and/or any of its Subsidiaries:	Pursuant to Condition 15 (*Purchase and Cancellation of Certificates*), JAFZ and/or any of its Subsidiaries or the Trustee may at any time purchase Certificates in the open market or otherwise. If JAFZ wishes

	to cancel such Certificates purchased by it and/or any of its Subsidiaries, JAFZ will deliver those Certificates to the Principal Paying Agent for cancellation. JAFZ may also exercise its option under the Sale Undertaking to require the Trustee to transfer to JAFZ all of its rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate value no greater than the aggregate face amount of the Certificates so delivered to the Principal Paying Agent for cancellation and, upon such cancellation, the Trustee will transfer those Wakala Assets to JAFZ.
Wakala Asset Substitution:	The Servicing Agent may substitute Wakala Assets in accordance with the relevant provisions of the Service Agency Agreement and the Sale Undertaking, provided that the value of any substitute assets shall have an aggregate value which is not less than the aggregate value of the Wakala Assets to be so substituted.
Withholding Tax:	All payments by JAFZ under the Purchase Undertaking and Sale Undertaking and all payments by the Servicing Agent under the Service Agency Agreement shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, JAFZ and/or the Servicing Agent, as the case may be, will be required to pay, and accordingly will undertake to pay, such additional amounts so that the Trustee will receive the full amounts that it would have received in the absence of such withholding or deduction. All payments in respect of the Certificates by the Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Trustee will, save in the limited circumstances provided in Condition 13 (*Taxation*), be required to pay additional amounts so that the holders of the Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.
Negative Pledge and other Covenants:	The Purchase Undertaking contains a negative pledge and certain other restrictive covenants given by JAFZ.
Cross Acceleration:	The Declaration of Trust contains a cross acceleration provision in relation to JAFZ. See "*Summary of the Principal Transaction Documents*".
Trustee Covenants:	The Trustee has agreed to certain restrictive covenants as set out in Condition 8 (*Covenants*).
Ratings:	Upon issue, the Certificates are expected to be assigned a rating of "B1" by Moody's and "B" by Fitch. Fitch has indicated that following the redemption of the Sukuk Al-Musharaka, it is likely to upgrade its rating of the Certificates to "B+". A rating is not a recommendation to buy, sell or hold the Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Certificateholder Meetings:	A summary of the provisions for convening meetings of the Certificateholders to consider matters relating to their interests as such is set out in Condition 20 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*).

Tax Considerations:	See "*Taxation*" for a description of certain tax considerations applicable to the Certificates.
Listing and Admission to Trading:	Application has been made to the Irish Stock Exchange for the Certificates to be admitted to listing on the Official List and admitted to trading on the Regulated Market. Application has also been made for the Certificates to be admitted to listing on the Official List of Securities maintained by the Dubai Financial Services Authority and to be admitted to trading on NASDAQ Dubai.
Transaction Documents:	The Declaration of Trust, the Agency Agreement, the Sale and Purchase Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, the Allocation Deed and the Security Documents are the "**Transaction Documents**".
Governing Law and Dispute Resolution:	The Certificates and any non-contractual obligations arising out of or in connection with the Certificates will be governed by, and construed in accordance with, English law. The Declaration of Trust, the Agency Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking and the Allocation Deed and any non-contractual obligations arising out of or in connection with the same will be governed by English law. In respect of any dispute under any such agreement or deed to which it is a party, JAFZ has agreed to arbitration in London under the London Court of International Arbitration ("**LCIA**") Rules. JAFZ has also agreed to submit to the jurisdiction of the courts of England or of the courts of the Dubai International Financial Centre (the "**DIFC Courts**"), at the option of the Trustee, in respect of any dispute under the Declaration of Trust, the Agency Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking and the Allocation Deed (subject to the right of the Trustee and the Delegate to require any dispute to be resolved by any other court of competent jurisdiction). Each of the Sale and Purchase Agreement, each Sale Agreement entered into under the Purchase Undertaking and each Sale Agreement or Transfer Agreement entered into under the Sale Undertaking will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, and will be subject to the non-exclusive jurisdiction of the Dubai courts. The Mortgage Contract, the Assignment Agreement and the Onshore Account Pledge Agreement will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, and will be subject to the non-exclusive jurisdiction of the Dubai courts. The Offshore Account Pledge Agreement and any non-contractual obligations arising out of or in connection with the same will be governed by English law and will be subject to the non-exclusive jurisdiction of the courts of England. The Gazeley Share Security Agreement in respect of EZW Gazeley Limited and Gazeley Limited will be governed by English law and will be subject to the non-exclusive jurisdiction of the courts of England. The Gazeley Share Security Agreements in respect of EZW Gazeley Holdings Limited will be governed by Jersey law and subject to the non-exclusive jurisdiction of the Jersey courts.

	The Corporate Services Agreement will be governed by the laws of the DIFC and will be subject to the non-exclusive jurisdiction of the courts of the DIFC.
Waiver of Immunity:	To the extent that JAFZ may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, JAFZ will agree in the Transaction Documents to which it is a party not to claim and will irrevocably and unconditionally waive such immunity in relation to any legal proceedings or disputes. Further, JAFZ will irrevocably and unconditionally consent to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any legal proceedings or disputes. JAFZ however expressly disclaims whether Article 247 of Federal Law No.11 of 1992 regarding the Law of Civil Procedure will apply to its assets, revenues or property.
Limited Recourse:	Each Certificate represents solely an undivided ownership interest in the Trust Assets. 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 for the Trust Assets (which shall include the *pro rata* share of the proceeds of any enforcement of the Transaction Shared Security in accordance with the provisions of the Allocation Deed and the Security Documents). See Condition 4 (*Status and Limited Recourse*) for further details.
Selling Restrictions:	There are restrictions on the distribution of this Prospectus and the offer or sale of Certificates in the United States, the United Kingdom, the Republic of Ireland, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar (excluding the Qatar Financial Centre), Singapore, Hong Kong and Malaysia.
Use of Proceeds:	The proceeds of the issue of the Certificates will be paid to JAFZ as described in "*Use of Proceeds*". JAFZ will apply such amounts, together with the proceeds of the Islamic Facility and additional cash available to it, in the early redemption in full of the AED 7.5 billion sukuk al-musharaka issued by JAFZ Sukuk Limited in 2007 (the "**Sukuk Al-Musharaka**"), which is expected to occur shortly after the Closing Date. See "*Use of Proceeds*".

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

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

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

FACTORS THAT MAY AFFECT THE TRUSTEE'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE CERTIFICATES

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

The Trustee is a newly formed entity and has no operating history. The Trustee will not engage in any business activity other than the issuance of the Certificates, the acquisition of the Trust Assets as described herein, acting in its capacity as Trustee and other activities incidental or related to the foregoing as required under the Transaction Documents. The obligations of JAFZ under the Transaction Documents are secured by the Transaction Shared Security in favour of the Security Agents for the benefit of the Secured Parties.

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

Risks relating to JAFZ

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

The success of JAFZ and its ability to make payments under the Transaction Documents is dependent on the level of revenues generated within the Free Zone and the exercise by JAFZ of its rights under the Concession Documents (as defined herein). Such revenues are driven by supply of, and demand for, available space which is suitable to tenants in relevant markets, 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 land, warehouse space, office space and onsite residential accommodation, will adversely affect occupancy levels in the Free Zone and, correspondingly, leasing revenue and revenue from licensing activities and administration services.

Prospective investors should also consider that the boundaries of the Free Zone are set in the Concession Documents which means that the growth of JAFZ's business is limited to the development of undeveloped properties or the redevelopment of developed properties in the Free Zone. Demand for space in the Free Zone in the future may be adversely affected by, among other things, competitive factors (see "*— JAFZ may be subject to competition from other free zones in the UAE and the GCC*"); 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 (see "*— Risk Factors Relating to the UAE and the Middle East*"); a change in law reducing the economic advantages to tenants of doing business in the Free Zone (see "*— Risk Factors Relating to the UAE and the Middle East — No assurance can be given as to the impact of a change in law, regulation or policy*"); 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 (see "— *The Free Zone is subject to environmental regulations*"). 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 adversely affect JAFZ's ability to make payments under the Transaction Documents.

Late payment or non-payment of rent could lead to a reduction in revenue received by JAFZ

Rental payments by tenants in the Free Zone are typically made in advance in one, two or four instalments per year depending on the type of lease and the individual tenant. However, the financial stability of tenants may change over time and it is possible that rental payments owing to JAFZ will not be paid on the due date or will not be paid at all. A significant aggregation of such late payments and/or non-payments could have an adverse effect on JAFZ's ability to fulfil its payment obligations under the Transaction Documents. Although continued failure by a tenant to pay the rent due would usually result in the eviction of such tenant, there may be a delay following the departure of an evicted tenant before a replacement tenant can be found, during which period the relevant land, office or other space will remain unoccupied. JAFZ may need to expend significant time and money attracting replacement tenants and there is no guarantee that potential new tenants could be sourced or that such tenants would accept the then market rates (see "— *Revenues generated by the Free Zone are dependent upon occupancy levels and rental rates*"). Any of the foregoing factors would reduce JAFZ's cash flow and could have a material adverse effect on the business, prospects, results of operation and financial condition of JAFZ and its ability to make payments under the Transaction Documents.

Other factors could influence income from the Free Zone

Operating income from properties in the Free Zone can be affected by various factors, including the volatility of leasing revenues and the operating leverage of a property, which generally refers to the percentage of total property operating expenses (comprising repairs and maintenance, utilities and other such expenses) in relation to total leasing revenue, the breakdown of property operating expenses between those that are fixed and those that vary with revenue and the level of capital expenditure required to maintain the property and retain or replace tenants. For example, the total leasing revenue for JAFZ was AED 1,135.1 million for the year ended 31 December 2011 as compared to total leasing revenue of AED 1,066.4 million for the year ended 31 December 2010 and AED 1,052.2 million for the year ended 31 December, 2009. The total property operating expenses incurred by JAFZ in relation to total leasing revenue were AED 174.1 million or 15.3 per cent. for the year ended 31 December 2011 as compared to AED 151.4 million or 14.2 per cent. for the year ended 31 December 2010 and AED 148.3 million or 14.1 per cent. for the year ended 31 December 2009, see "*Operating and Financial Review — Consolidated Statements of Income* ".

JAFZ is responsible for the capital expenditure and operating costs of all properties other than those that are the subject of land leases. See "*Business Description — Business activities of JAFZ within the Free Zone — Existing Lease Types*". The age, construction quality and design of the properties within the Free Zone may affect its occupancy levels as well as the rents that may be charged for individual leases. Over time, there may be a requirement for increased maintenance costs and necessary capital improvements in order to maintain properties and to attract and satisfy major tenants. Even good construction will deteriorate over time if adequate maintenance is not scheduled and performed in a timely fashion.

Additionally, the properties within the Free Zone may not readily be convertible into alternative uses if such properties were to become unprofitable due to competition, decreased demand, regulatory changes, locally applicable zoning regulations, environmental factors resulting from former use or other factors. The conversion of commercial properties into alternative uses generally requires substantial capital expenditure by JAFZ or by individual tenants. A decline in the income generated from the Free Zone could adversely affect JAFZ's ability to make payments under the Transaction Documents.

JAFZ relies on published tariffs

The amounts that may be charged by JAFZ for the various services it provides are subject to the Tariff published by JAFZA as a part of the Jebel Ali Free Zone Rules governing the operation of companies within the Free Zone. While JAFZA has undertaken to consult with JAFZ before making any change to the Tariff and to change the Tariff as requested by JAFZ, the setting of the Tariff remains a regulatory function of JAFZA and is ultimately subject to its control. While the Tariff does not regulate the amount of rent that can be charged under the leases, any decrease (or proposed increase which is not accepted by JAFZA) of the administrative fees set out in the Tariff could affect the cashflows available for payments under the Transaction Documents.

JAFZ may be unable to make capital investment or expenditure

JAFZ operates in an industry that requires a material amount of capital and other long-term expenditure, including expenditure relating to the development and maintenance of superstructure and certain infrastructure within the Free Zone. JAFZ 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 that JAFZ deems necessary or desirable. In particular, JAFZ is restricted under the Facility Finance Documents from making capital expenditures beyond certain agreed levels (see "*Summary of the Terms of the Islamic Facility and Facility Finance Documents*"). In the past, JAFZ has financed these expenditures primarily through internally generated cash. In the future, JAFZ expects to utilise a combination of sources, including banking and capital markets transactions, to manage its balance sheet and meet its financing requirements. However, there is no assurance that JAFZ's shareholder will be willing to make capital contributions or that any of the other sources of capital will be available to JAFZ on acceptable terms, if at all. JAFZ'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 JAFZ, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. No assurance can be provided that JAFZ will be able to arrange any such external financing on commercially reasonable terms, if at all. Further, there are restrictions in the Conditions and the Facility Finance Documents on the ability of JAFZ to incur additional indebtedness and to grant security over its assets (which it may be required to do to obtain any external financing) — see "*Summary of the Terms of the Islamic Facility and Facility Finance Documents*" and "*Terms and Conditions of the Certificates*".

JAFZ's leverage could restrict its ability to raise capital

JAFZ's leverage could adversely affect its ability to raise additional capital to fund its operations, limit its ability to react to changes in the economy or the industry in which JAFZ operates and prevent it from meeting its debt obligations. The terms of the Facility Finance Documents and the Conditions, could, among other things:

- require a substantial portion of cash flow from operations to be dedicated to the payment of principal and profit on JAFZ's indebtedness under the Transaction Documents and Islamic Facility thereby reducing JAFZ's ability to use its cash flow to fund its operations, capital expenditures and future business opportunities and to pay dividends;
- in the case of the Islamic Facility expose JAFZ to the risk of increased profit rates with respect to JAFZ's borrowings at variable rates of profit, unless JAFZ is able to fully hedge its profit rate exposure with respect to such borrowings;
- restrict JAFZ from making strategic acquisitions;
- limit JAFZ's ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limit JAFZ's ability to adjust to changing market conditions and place JAFZ at a competitive disadvantage compared to its competitors who are less highly leveraged.

Any of the foregoing consequences could have a material adverse effect on JAFZ's business, results of operations, financial condition and prospects which could make it more difficult for JAFZ to satisfy its obligations under the Transaction Documents.

Terms of further financings could have an adverse impact on JAFZ's business and cashflows

JAFZ's current and future debt agreements may contain restrictions that limit its flexibility in operating its business including its ability to engage in specified types of transactions, including among other things:

- incurring or guaranteeing additional financial indebtedness or issuing certain redeemable shares;
- granting security or creating any security interests over its assets or securing financing facilities; and/or
- consolidating, merging or selling or otherwise disposing of any of its assets.

In addition, certain of JAFZ's debt agreements will contain cross-default clauses whereby a default under one of JAFZ's debt agreements may constitute an event of default under its other debt agreements. A breach of such provisions under JAFZ's debt agreements may allow the holders of outstanding debt securities to take action to accelerate the maturity of the securities or allow the lenders to declare all amounts outstanding under the facility to be immediately due and payable and terminate all commitments to extend further credit. There can be no assurances that cash flow will be sufficient to meet payment obligations under such debt agreements or that

JAFZ would be able to obtain alternative financing or, if it were, that the alternative financing would be on terms favourable or acceptable to JAFZ. Accordingly, any such breach could have an adverse impact on JAFZ's business and cashflows and its ability to make payments under the Transaction Documents.

JAFZ may be subject to competition from other free zones in the UAE and the GCC

There are currently several free zones in Dubai, including the Free Zone, Dubai Airport Free Zone, Dubai Internet City, Dubai Media City, Knowledge Village, Dubai International Financial Centre, Dubai Healthcare City, Dubai Silicon Oasis, Dubai Cars and Automotive Zone and two free zones at Al Maktoum International Airport. There are expected to be further free zones or special economic zones developed in Dubai such as TechnoPark. There are also free zones in the other Emirates such as the Fujairah Free Zone, the Ras Al Khaimah Free Trade Zone, the Ajman Free Zone, the Hamriyah Free Zone located in Sharjah and the new free zone at Taweelah, known as Khalifa Port and Industrial Zone, which is being financially supported by the Abu Dhabi government and is actively bringing in major industrial occupiers. Another free trade zone is being planned at Abu Dhabi International Airport by Abu Dhabi Airports Company and an industrial free zone is also being planned at Kizad in Abu Dhabi. Competition with other free zones could result in reduced rental returns and reduced occupancy levels in the Free Zone which would adversely affect the cashflows due to JAFZ under the Concession Documents and, accordingly, reduce amounts available to JAFZ to make payments due under the Transaction Documents.

Dependence on the Jebel Ali Port

One of the primary competitive advantages of the Free Zone is its proximity to the Jebel Ali Port (the "**Port**"), as a majority of JAFZ's customers in the Free Zone use the Port's facilities or otherwise benefit from activities undertaken in or in relation to the Port. Given the significance of the Port to the desirability of the Free Zone to current and prospective tenants, any event or circumstance that would have a long-term adverse effect on the Port, such as a natural disaster, catastrophic event or a fundamental change in strategy, would be likely to have an adverse effect on the level of revenue generated by the Free Zone.

In addition, neither JAFZ nor its shareholder, Economic Zones World FZE ("**EZW**") has any direct or indirect control over the operations of the Port. If there are prolonged disruptions in the operations of the Port, the desirability of the Free Zone could be adversely affected, which could potentially reduce future demand in the Free Zone and, accordingly, the level of revenue generated therefrom, which would in turn reduce amounts available to JAFZ to make payments due under the Transaction Documents.

Natural disasters and catastrophic events over which JAFZ has no control

JAFZ's business operations and development projects could be adversely affected or disrupted by natural disasters such as earthquakes, fire, storms or flooding or other potentially catastrophic events, such as major accidents, diseases, unintentional radioactive explosions or leaks, armed conflicts and terrorist attacks. Although constructed, operated, maintained and insured to protect against certain of these occurrences, the Free Zone's facilities may not be adequately protected in all circumstances. Such occurrences could result in the disruption of services provided by JAFZ to its customers, the loss of JAFZ's capital investments, the destruction of office buildings and other infrastructure that would require reconstruction by JAFZ, and could negatively affect trade at the Port. Further, the consequences of such occurrences could be exacerbated if the losses involve risks for which JAFZ is uninsured (see "— *No assurance can be given as to insurance coverage*"). As a result, there can be no assurances that any such event will not adversely affect the revenues of JAFZ from the Free Zone and, accordingly, amounts available to make payments due under the Transaction Documents.

The Free Zone is subject to environmental regulations

There are provisions under UAE federal law regarding environmental protection and development which impose liability on owners/developers if they cause harm to the environment. In addition, there are other provisions in the UAE Civil Code pursuant to which a party may be liable for environmental harm caused to another party. As a result, JAFZ, being the registered owner of the Usufruct Rights over the Concession Area, has potential environmental liability as a quasi "land owner" and developer under the provisions of UAE federal law and the UAE Civil Code. The controlled warehousing of radioactive materials is permitted in the Free Zone. Notwithstanding that JAFZ complies with various laws and guidelines governing the use of radiation sources, such as radiation pellets and radiography equipment, an unintentional leak or explosion of radioactive materials could potentially adversely affect a localised portion of the Free Zone (see "*Business Description — Safety and*

Environment”). If any environmental liability arises in relation to any property “owned” or operated by JAFZ and it is not remedied, or is not capable of being remedied, this may have an adverse effect on the reputation and revenues of JAFZ from the Free Zone (either because of the penalties and related cost implications for JAFZ or because of the disruption to services provided at the relevant property) and its ability to make payments due under the Transaction Documents.

JAFZ must comply with safety standards in the Free Zone

JAFZ has adopted safety standards in accordance with applicable laws and regulations in the UAE. In addition, JAFZ must comply with safety standards stipulated by JAFZA as competent authority with respect to the Free Zone. If JAFZ fails to comply with the relevant standards, it may have to pay penalties or compensation or may be restricted from providing leasing activities or other services which would have an adverse effect on its revenues from the Free Zone and on its reputation. In addition, any amendments to the existing laws and regulations relating to environmental and safety standards may impose more burdensome requirements on JAFZ, and its compliance with such laws or regulations may require JAFZ to incur significant capital expenditure or other obligations or liabilities, which could have an adverse effect on revenue generated by JAFZ from the Free Zone and its ability to make payments due under the Transaction Documents.

No assurance can be given as to insurance coverage

JAFZ uses insurance products to mitigate the effects of some, but not all, unexpected events. However, there can be no assurance that such insurance will be adequate to cover all losses or exposure to liability or that it will be available at reasonable prices and on reasonable commercial terms. There are also certain types of losses (such as those arising from wars, sabotage, acts of terrorism or acts of God, business interruption, property risks, third party (public) liability and radioactive damage or leak) that may not be insured against because of the perceived low threat posed or because they are either generally uninsurable or insuring them is not economically viable. In addition, insurance that is in place may not be sufficient to cover all losses stemming from a catastrophic event — see “*Business Description — Insurance*”. The occurrence of an unexpected event not fully covered by insurance could have a material adverse effect on JAFZ’s business, results of operations and financial condition and its ability to make payments due under the Transaction Documents.

No assurance can be given as to management performance

Properties deriving revenues primarily from short-term leases are generally more management-intensive than properties leased to creditworthy tenants under long-term leases. No assurance can be given that JAFZ or the board of directors and executive management of JAFZ (the “**Management**”) will act with the skill and care required to operate the Free Zone on a profitable basis. Failure by the Management to perform its obligations to the standard required could result in an adverse effect on the cashflow of JAFZ. In such circumstance, JAFZ’s business and its ability to make payments due under the Transaction Documents could be adversely affected.

JAFZ is dependent upon key personnel

Revenues of JAFZ from the Free Zone will depend, in part, on JAFZ’s ability to continue to attract, retain and motivate qualified and skilled personnel. JAFZ relies on its senior management for the implementation of its strategy and its day-to-day operations in operating the Free Zone in accordance with the Concession Documents. 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. If JAFZ were unable to retain key members of its senior management and/or hire new qualified personnel in a timely manner, this could have an adverse effect on the operation of the Free Zone by JAFZ. The loss of any member of the senior management team 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 JAFZ from diversifying its service lines and expose JAFZ to downturns in the market in which it operates, all of which could adversely affect JAFZ’s business, results of operations, financial condition and prospects and ability to make payments due under the Transaction Documents.

Conflicts of interest as regards certain officers of JAFZ in EZW

All members of the Board of Directors of JAFZ, in addition to their position in JAFZ, also hold a position in EZW and therefore indirectly provide management services to other free zones within and outside the UAE (see “*Management — Board of Directors*”).

JAFZ's obligations to manage the Free Zone and the position of these officers within EZW may cause a conflict of interest to the extent that: (i) the time and resources devoted by certain officers to the indirect management of other free zones detract from the effective management by them of the Free Zone and (ii) competition from the other free zones results in reduced rental returns and/or reduced occupancy. These factors could adversely affect the cashflows due to JAFZ under the Concession Documents and accordingly, amounts available to make payments under the Transaction Documents.

Assets of JAFZ are limited

The concession granted pursuant to the Concession Agreement, the Usufruct Rights granted pursuant to the Usufruct Agreement and the rights granted under the Master Leases, in each case to JAFZ by JAFZA, constitute the main part of JAFZ's assets and its sole source of revenues. Even though the Concession Documents restrict the termination right of JAFZA during the term of the Certificates and also include a restriction on any modification of the Concession Documents which could materially adversely affect the position of, *inter alios*, the Certificateholders, should the Usufruct Rights be appropriated for whatever reason, JAFZ would lose its main asset and source of income. Any modification of the Concession Documents restricting the concession granted pursuant to the Concession Agreement or the Usufruct Rights, or of the Master Leases affecting the amounts payable to JAFZ under the Master Leases, or any modification to the Jebel Ali Free Zone Rules governing the operation of companies within the Free Zone and the permitted use of the Usufruct Property (as defined herein) by JAFZ, could also adversely affect the cashflows available to JAFZ, which could adversely affect the position of Certificateholders, see "*Summary of the Concession and Usufruct Documents*" and "*Summary of the Master Lease Agreements and Standard Form Leases*".

Neither Dubai World nor the Government of Dubai is legally obliged to provide any additional funding to JAFZ

JAFZ is a wholly owned subsidiary of EZW which, in turn, is an indirect subsidiary of Dubai World Corporation ("**Dubai World**"), a holding company of the Government of Dubai. EZW, through its subsidiary, JAFZ Holding FZE ("**JAFZ Holding**"), invests in and develops free zones and business and logistics parks around the world. Prospective investors should, however, be aware that neither Dubai World nor the Government of Dubai is under any obligation to, nor does it, extend any funding to JAFZ nor is it under any obligation to, nor does it, guarantee the obligations relating to the Certificates. As such, Certificateholders do not benefit from any legally enforceable contractual claim against Dubai World or the Government of Dubai.

Further, on 25 November 2009, the Government of Dubai announced that it, acting through the Supreme Fiscal Committee ("**SFC**"), authorised the Dubai Financial Support Fund ("**DFSF**") to support the restructuring of Dubai World and its direct and indirect subsidiaries (together the "**Dubai World Group**"), including JAFZ and its direct and indirect subsidiaries, with immediate effect. Terms of the Dubai World restructuring (the "**Dubai World Restructuring**") require the compliance with certain restrictive covenants by EZW and its subsidiaries which may limit EZW's ability to extend financial support to its subsidiaries including JAFZ.

The Dubai World Restructuring was implemented on 29 June 2011 (the "**Implementation Date**"). Terms of the restructuring require the compliance with certain restrictive covenants by JAFZ's parent company, EZW, and its subsidiaries set out in a facilities agreement for Dubai World negotiated by Dubai World with a co-ordinating committee of Abu Dhabi Commercial Bank PJSC, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Emirates NBD Bank PJSC, HSBC Bank Middle East Limited, Lloyds TSB Bank PLC, The Royal Bank of Scotland PLC and Standard Chartered Bank, and with The Royal Bank of Scotland as facility agent and security agent, dated 23 March 2011 (the "**Facilities Agreement**"). Certain provisions of the Facilities Agreement may restrict members of the Dubai World Group from providing support to JAFZ should it encounter financial or other difficulties in the future, and no reliance should be placed by an investor on JAFZ's ability to obtain such support in those circumstances.

However, these restrictive covenants do not restrict JAFZ from conducting its business in the ordinary course as described in this Prospectus, from repaying its indebtedness or from discharging its obligations in respect of the Transaction Documents, refinancing the Sukuk Al-Musharaka or granting security in respect of such refinancing. In general, a waiver of the requirement for SFC approval to incur indebtedness exists for Dubai World subsidiaries, including EZW and its subsidiaries, and there are no constraints on JAFZ imposed indirectly 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 JAFZ to perform and comply with its payment and other material obligations in relation to the Transaction Documents.

Other interests of EZW or Dubai World may compete with JAFZ

JAFZ's direct and indirect shareholders (being EZW and Dubai World) exert significant control over JAFZ and their own interests may conflict with those of Certificateholders. The shareholders may exert control over, among other things:

- election of JAFZ's directors and, in turn, selection of JAFZ's management;
- JAFZ's business policies and strategies;
- JAFZ's budget approval and financial policies; and
- the issuance of new debt or equity securities or the arrangement of other sources of financing.

Consequently, JAFZ cannot assure prospective investors that the resolution of any matter that may involve the interests of JAFZ's shareholders will be consistent with the best interests of JAFZ or Certificateholders.

JAFZ may be able to avail itself of an automatic moratorium applicable to all creditors, secured or unsecured and without their consent, in respect of it and its assets wherever located

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 Corporation**"), including JAFZ, 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 Corporation by applying the insolvency regime of the DIFC, subject to certain modifications, to each Dubai World Corporation. Decree 57 gives the Tribunal established under it the power to impose an automatic moratorium on all secured and unsecured creditors of any Dubai World Corporation which submits a voluntary arrangement notification to the Tribunal or to order the liquidation of any such company to the extent that such voluntary arrangement is not sanctioned by the Tribunal. Accordingly, should Certificateholders (or the Delegate acting on their behalf) or either Security Agent assert a claim against JAFZ, JAFZ 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, 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 Corporation 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 Prospectus, there has been only one notification made under Decree 57, the outcome of which is unknown. The application of Decree 57 to JAFZ therefore remains untested and it is currently not known how Decree 57 will affect the conduct of any claims involving JAFZ and its creditors which are brought in Dubai or the DIFC, including claims which are the subject of arbitration, or how the Tribunal will conduct any claims brought before it.

Sovereign immunity of JAFZ

Article 3 Bis of Government Lawsuit Code No. (3) of 1996 grants the Government of Dubai and its departments and authorities (which is likely to include JAFZ) immunity from attachment to their assets. Accordingly, it is possible that Article 3 Bis of Government Lawsuit Code No. (3) of 1996 grants JAFZ immunity from attachment to its assets.

In addition, there is a risk that JAFZ may be able to claim immunity from attachment to its assets on the basis that Article 247 of the Federal Law No. 11 of 1992 regarding The Law of Civil Procedures (the "**Federal Civil Procedures Law**") states that "without prejudice to the provisions of any other law, the following may not be confiscated: (1) public or private assets owned by the State or any of the Emirates". Assets of JAFZ may be regarded as assets owned by an Emirate for the purposes of this law.

Although JAFZ will waive its rights under Article 3 Bis of the Government Lawsuit Code No. (3) of 1996 and Article 247 of the Federal Civil Procedures Law, there is still a risk that any judgments obtained in actions against JAFZ may not be enforceable in the Dubai courts if the Dubai courts decide that such waiver is not legal or binding.

Proceedings against JAFZA and JAFZ

Pursuant to the Concession Documents and the Master Leases, JAFZA undertakes to perform certain obligations for the benefit of JAFZ, including maintaining the common use infrastructure and superstructure and paying to

JAFZ all receivable form leases granted to customers in the Concession Area, respectively, as more particularly set out under "*Summary of the Concession and Usufruct Documents*" and "*Summary of the Master Leases and Standard Form Leases*". If JAFZA does not comply with its obligations under the Concession Documents and the Master Leases, JAFZ may bring proceedings against JAFZA, which rights may be delayed pursuant to Law No. 10 of 2005 which provides that proceedings may be brought against the Government of Dubai and government entities (which include JAFZA) before the courts of Dubai only if the relevant claimant has first given details of such claim to the Attorney General of Dubai and has entered into settlement negotiations for a period of two months. Only if the parties are unable to reach a mutually acceptable settlement at the end of the two months is the claimant entitled to commence proceedings against JAFZA. Any delay in JAFZ's ability to bring proceedings against JAFZA would prolong the period of time during which JAFZA's default remains unremedied, which could adversely affect JAFZ's business, results of operations, financial condition and prospects and its ability to make payments due under the Transaction Documents.

Risk Factors Relating to the UAE and the Middle East

Financial, political and general economic conditions may affect JAFZ's revenues

JAFZ's revenues will be derived from the Free Zone, which is located in the UAE and accordingly the results of its operations and prospects may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and/or the Middle East generally. While the UAE is currently seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is no guarantee that the UAE will continue to be stable in the future. In particular, since early 2011 there has been political unrest in a range of countries in the MENA) region, including Algeria, the Kingdom of Bahrain, Egypt, the Hashemite Kingdom of Jordan, Libya, the Sultanate of Oman, Syria, Tunisia and the Republic of Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict and has given rise to increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as war, terrorism, civil unrest or hostilities nor the impact of such occurrences, and no assurance can be given that JAFZ would be able to sustain its current profit levels if further adverse political events or circumstances were to occur. Any such occurrences could have a material adverse effect on JAFZ's business, financial condition and results of operations and this could therefore affect the ability of JAFZ to perform its obligations in respect of the Transaction Documents.

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 and extensive regulation of market conditions, including foreign investment, foreign trade and financial services. Whilst Dubai and the UAE have enjoyed significant economic growth and relative political stability in recent years, 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 Group's business, financial condition and results of operations and on the ability of JAFZ to perform its obligations in respect of the Transaction Documents.

Investors should also note that JAFZ's business and financial performance could be adversely affected by political, economic or related developments both within and outside the Middle East region because of interrelationships within the global financial markets. Since early 2008, global credit markets, particularly in the United States and Europe, have experienced difficult conditions of varying intensity. These challenging market conditions have resulted at times in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in credit markets. In addition, since late 2008, markets in the UAE and a number of other countries in the Middle East region have been significantly adversely affected. JAFZ could be adversely affected in the future by any deterioration of general economic conditions in the markets in which JAFZ's customers operate, as well as by international trading market conditions and/or related factors.

The UAE's economy is dependent on revenues from oil and gas

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. Despite the UAE being viewed as being less vulnerable than some of its GCC neighbours, due to the growth in the non-oil sector and the sizeable wealth of the Government of Abu Dhabi, fluctuations in energy prices have an important bearing on economic growth and on the level of trade in the UAE and through the Port. A deterioration in economic growth within the UAE and/or in trade through the Port could have an adverse effect on the Group's business, financial condition and results of operations and could therefore affect the ability of JAFZ to perform its obligations in respect of the Transaction Documents.

No assurance can be given as to the impact of a change in law, regulation or policy

The business of JAFZ and the Concession Documents are subject to Dubai law, the Federal laws of the UAE and administrative practice in effect from time to time. No assurance can be given as to the impact of any change to these laws (including, without limitation, the laws and regulations under which the Free Zone gains its "free zone" and "tax free" status) or administrative practice after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect JAFZ's ability to make scheduled payments under the Transaction Documents. In particular, changes in regulations promulgated by JAFZA could affect JAFZ's leasing activities or any of the other services provided by JAFZ and the fees charged for such services.

In addition, the Government of Dubai published in 2007 a 10-year strategic plan (the "**Dubai Strategic Plan**"), highlighting growth targets in many areas, which include significant infrastructure projects such as the Al Maktoum International Airport, roads, bridges and mass transportation systems, all of which are expected to continue to contribute significantly to the overall growth of the Dubai economy and, indirectly, to the profitability of the Free Zone. Should the Government of Dubai make significant changes to the Dubai Strategic Plan (whether because of a change in leadership at senior levels, an inability to access funding or otherwise), the desirability of Dubai and, accordingly, the Free Zone, as a place to do business could be adversely affected.

Foreign exchange movements may adversely affect JAFZ's profitability

JAFZ maintains certain accounts and reports its results in dirhams and the underlying income generated from the Free Zone is denominated in dirhams. A minor portion of JAFZ's income and expenses is incurred in US Dollars. As a result, JAFZ is exposed to movements in foreign exchange rates. Although there can be no assurance that foreign currency fluctuations will not adversely affect JAFZ's results of operations in the future, JAFZ's management believes that JAFZ is not currently subject to significant foreign exchange risk given the fact that the majority of its revenue and expenses is incurred in dirham. In addition, the dirham has been pegged at a fixed exchange rate to the U.S. dollar since 22 November 1980. There can be no assurance that the dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that materially adversely affects JAFZ. Any such de-pegging could have a material adverse effect on JAFZ's business, financial condition, cashflows and results of operation and could therefore affect the ability of JAFZ to perform its obligations in respect of 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 in some cases significant legal, economic and political risks (see "— *Financial, political and general economic conditions may affect JAFZ's revenues*"). Specific risks in the UAE and the Middle East region in general that may have a material impact on JAFZ's business, operating results, cash flows and financial condition include:

- an increase in inflation and the cost of living;
- political, social and economic instability;
- external acts of warfare and civil clashes;
- governments' actions or interventions, including tariffs, protectionism and subsidies;
- regulatory, taxation and legal structure changes;
- difficulties and delays in obtaining new permits and consents for JAFZ's operations or renewing existing ones;
- lack of infrastructure; and
- expropriation of assets.

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.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE CERTIFICATES

Risks relating to the Wakala Assets

Ownership of the Wakala Assets

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

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

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

Transfer of the Wakala Assets

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

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

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

JAFZ has agreed under the terms of the Declaration of Trust to submit to the exclusive jurisdiction of, at the option of the Trustee, the courts of England or the DIFC Courts in respect of any dispute, claim, difference or controversy arising out of or in connection with the Declaration of Trust, subject to the right of the Trustee (or the Delegate on behalf of the Certificateholders) to elect to bring proceedings in any other court or courts of competent jurisdiction. Dubai Law No. 16 of 2011 on Amending Some Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts (**Law No. 16 of 2011**) came into force in the Emirate of Dubai on 31 October 2011 and extended the jurisdiction of the DIFC Courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the DIFC Courts, even where such parties are unconnected to the DIFC. While the Trustee is incorporated in the DIFC, neither JAFZ nor the Delegate are connected to the DIFC.

If JAFZ fails to purchase the Wakala Assets in accordance with Clause 3.3 of the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 17 (*Enforcement and Exercise of Rights*) and the terms of the Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Declaration of Trust against JAFZ by commencing proceedings in the DIFC Courts. The DIFC Courts should respect the choice of English law as the governing law of the Declaration of Trust.

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

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

Risks Relating 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 the Certificates is limited to the Trust Assets and the proceeds of such Trust Assets are the sole source of payments on the Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders, will be against JAFZ to perform its obligations under the Transaction Documents to which it is a party. Certificateholders will have no recourse to any assets of the Trustee or JAFZ in respect of any shortfall in the expected amounts due under the Trust Assets. JAFZ is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against JAFZ to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to JAFZ and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of JAFZ's and the Trustee's respective obligations under the Transaction Documents, including the Security Documents, to which they are a party) will be sufficient to make all payments due in respect of the Certificates. 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 the 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 any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against JAFZ shall be to enforce the obligation of JAFZ to perform its obligations under the Transaction Documents to which it is a party, which shall (for the avoidance of doubt) include their rights as Secured Parties to enforce the Transaction Shared Security in accordance with the provisions of the Allocation Deed.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of the Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. Accordingly, the purchase of Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates. An investor in the Certificates must be prepared to hold those Certificates for an indefinite period of time or until their maturity. Application has been made for the listing the Certificates on the Irish Stock Exchange and on the Official List of Securities maintained by the Dubai Financial Services Authority but there can be no assurance that any such listing will occur or will enhance the liquidity of the Certificates.

The Certificates may be subject to early redemption

If the amount payable on the Certificates is required to be increased to include additional amounts in certain circumstances and/or JAFZ is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the DIFC or the UAE (as the case may be), or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Certificates upon giving notice in accordance with the Terms and Conditions of the Certificates.

Such early redemption feature is likely to limit the market value of the Certificates. During any period when the Trustee may elect to redeem the Certificates, the market value of the Certificates generally will not rise substantially above the Dissolution Amount payable. The Trustee may be expected to redeem the Certificates when JAFZ's cost of financing is lower than the profit rate (including such additional amounts as are referred to above) 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 and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

Risks relating to the Transaction Shared Security

Registration of the Mortgages at the DLD may be delayed or may not be completed and, even if registered, may not be enforceable

Under UAE law, details of the Mortgages (as defined in "*Summary of the terms of the Security*") must be registered at the Dubai Lands Department (the Government of Dubai's property registration authority) (the "**DLD**") for such security to take effect and to have priority over any subsequent dealings in relation to the Mortgaged Property. Pursuant to the terms of the Mortgage Contract (as defined in "*Summary of the terms of the Security*"), JAFZ has undertaken: (i) to register or procure the registration of the Mortgages with the DLD (in the form required by the DLD) as soon as reasonably practicable after its execution; and (ii) in any event to procure such registration by the date falling 15 Business Days after the Closing Date or such other date as may be agreed between JAFZ and the Onshore Security Agent acting on the instructions of the Majority Participants (as defined in "*Summary of the Terms of the Allocation Deed*"). Investors should be aware that it will not be possible for the Security Agents to enforce the security interests constituted under the Mortgages by court-ordered public auction until the registration of the Mortgages is completed at the DLD.

If JAFZ fails to register the Mortgages within the specified timeframe, such failure will constitute a Dissolution Event (after the expiry of the relevant grace period) and Certificateholders will be entitled to declare the Certificates immediately due and repayable as a result, subject as provided in Condition 16 (*Dissolution Events*). Should Certificateholders decide to do so, there can be no assurance that JAFZ will have sufficient resources available to it to be able to comply with its resulting obligation under the Purchase Undertaking to repurchase the Wakala Portfolio. The Proceeds of the issue of the Certificates will not be available to JAFZ for the purposes of complying with such obligation, as they will have been used to fund the early redemption in full of the Sukuk Al-Musharaka.

If JAFZ is unable to comply with its obligation under the Purchase Undertaking to repurchase the Wakala Portfolio as described above, the Trustee will not have sufficient funds available to it to redeem the Certificates as required under the Conditions.

Even if the Mortgages are registered within the specified timeframe, the DLD will register a mortgage only in favour of UAE licensed banks or persons. Further, the DLD will not register a mortgage if, *inter alia*, a bank mortgagee is not licensed to operate in the UAE. The Onshore Security Agent is licensed to operate in the UAE. However, in the absence of clear judicial or legislative guidance or clarification on the security agent arrangements contemplated by the Security Documents, there can be no assurance of the enforceability of the Mortgages in the UAE.

The security created under the Onshore Account Pledge Agreement and the Assignment Agreement may be deemed not valid or unenforceable

As part of the Transaction Security, a pledge will be taken over the Onshore Collection Account pursuant to the Onshore Account Pledge Agreement (as defined in "*Summary of the Terms of the Security*"). Under UAE law, it is not clear whether security can validly and effectively be created over monetary claims of account holders in respect of a bank account in which the outstanding balance could be fluctuating, as will be the case for the Onshore Collection Account. It is also unclear under the laws of the UAE whether an agreement that purports to create any security interest over rights obtained by any party in the future (such as a pledge over an account with a fluctuating balance) will be valid or effective.

In addition, an assignment will be taken over all receivables from, and insurances on, the Secured Portfolio with notices of assignment to be provided to the contract counterparties as soon as reasonably practicable and in any event no later than the date falling three Business Days after the date of the Assignment Agreement. Furthermore, following the entry into of new customer leases by JAFZ after 1 November 2012, the receivables arising thereunder will be assigned by way of unperfected supplemental assignment pursuant to the Assignment Agreement (with agreed form notices to be signed and provided by JAFZ to the occupational tenants of such leases upon an Event of Default (as defined in the Allocation Deed) which is continuing following a request to serve such a notice from the Onshore Security Agent).

Under UAE law, an assignment will not be validly and effectively perfected until such notices are served. Investors should therefore be aware that until the notices are served following an Event of Default, the assignment will not be valid. To mitigate this risk, JAFZ has agreed to enter into a power of attorney in favour of the Onshore Security Agent granting it the power to execute and serve the notices on the tenants on its behalf upon an enforcement. However, investors should be aware that under UAE law, a power of attorney cannot be irrevocable. Accordingly, upon an enforcement, such power of attorney relating to the provision of notices to tenants may be revoked by JAFZ even if it is expressed to be irrevocable. Further, UAE law requires contractual notices (such as those notifying counterparties of an assignment) to be served through a notary public or by registered letter with acknowledgement of receipt or by fax. The notices to be provided under or in connection with the Security Documents will not be notarised.

Investors should be aware that if any of the Onshore Account Pledge Agreement or Assignment Agreement is deemed not valid or effective or unenforceable, it may have a material adverse effect on the ability of Certificateholders to enforce their security and to recover amounts payable in relation to the Certificates.

Upon a default, the Trustee, Security Agents and/or Delegate may not be able to enforce their Security or realise all of the Security and, if realised, the realisation proceeds of the Security may not be sufficient to cover all loss suffered by the Certificateholders by reason of the relevant default

Although the obligations of JAFZ in relation to the Mortgages, the Onshore Account Pledge Agreement, the Assignment Agreement and the other Security Documents form part of the Transaction Shared Security granted in favour of the Security Agents for the benefit of the Secured Parties (each as defined in "*Summary of the Terms of the Security*"), it may be difficult for the Security Agents to enforce the Transaction Shared Security under the laws of either the DIFC or the UAE. Even if the Security Agents are able to enforce all of their rights under the Security Documents and dispose of the secured property, the proceeds of such disposal may not be sufficient to meet all amounts payable by JAFZ or EZW (as applicable) under the Security Documents. In particular, the Mortgages are granted over a unique and significant asset for which, upon enforcement, there would be a limited pool of potential purchasers and, in relation to which, a purchaser would be required to possess specific expertise in order to operate and manage the asset. Accordingly, investors should not place undue reliance on the Transaction Shared Security and there can be no assurance that Certificateholders will recover all their loss in the event of default (see "*Summary of the Terms of the Security*").

Risks relating to enforcement

Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Dubai

The payments under the Certificates are dependent upon JAFZ making payments to the Trustee in the manner contemplated under the Transaction Documents. If JAFZ fails to do so, it may be necessary to bring an action against JAFZ to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

Each of the Declaration of Trust, the Agency Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking and the Certificates are governed by English law (the "**English Law Documents**") and JAFZ has agreed (where the arbitration arrangements described below are not applied) to submit to the exclusive jurisdiction of, at the option of the Trustee, the courts of England or the DIFC Courts in respect of any dispute, claim, difference or controversy arising out of or in connection therewith, subject to the right of the Trustee (or the Delegate on behalf of the Certificateholders) to elect to bring proceedings in any other court or courts of competent jurisdiction. The DIFC Courts should respect the choice of English law as the governing law of the English Law Documents. Under Article 7 of Law No. 16 of 2011, any final and unappealable judgment, order or award made by the DIFC Courts in favour of the Delegate (on behalf of the Certificateholders) must, upon application by the Delegate to the Dubai Court of Execution, be enforced against JAFZ by the Dubai Court of Execution without that court being able to reconsider the merits of the case.

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

The parties to each of the English Law Documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA in London, England.

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

Compliance with Decree 57 may affect the Trustee's ability to perform its obligations under the Certificates

In the event of JAFZ's insolvency, Decree 57 may adversely affect JAFZ's ability to perform its obligations under the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. There is little precedent to predict how claims by or on behalf of the Certificateholders and/or the Delegate would be resolved, and therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances. See "— *JAFZ may be able to avail itself of an automatic moratorium applicable to all creditors, secured or unsecured and without their consent, in respect of it and its assets wherever located*".

A court may not grant an order for specific performance

If JAFZ fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include: (i) obtaining an order for specific performance of JAFZ's obligations; (ii) a claim for damages; or (iii) the enforcing of the Transaction Shared Security.

There is no assurance that a court will provide an order for specific performance, as this is generally a matter for the discretion of the relevant court. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court may award in the event of a failure by either JAFZ to perform its obligations set out in the Transaction Documents to which it is a party.

No assurance can be given as to any change of law

The structure of the issue of the Certificates is based on English law, the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, the laws of the DIFC and administrative practices in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to

English, UAE or DIFC law or administrative practices in such jurisdiction after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of JAFZ to comply with its obligations under the Transaction Documents to which it is a party.

Additional risk factors

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 advisers to determine whether and to what extent: (i) Certificates are legal investments for it; (ii) Certificates can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

Certificateholders must rely on Euroclear and Clearstream, Luxembourg procedures

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

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

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

No assurance can be given as to Shari'a rules

The Chairman of the executive *Shari'a* Committee of Abu Dhabi Islamic Bank, the *Shari'a* Supervisory Board of Citi Islamic Investment Bank E.C., the *Shari'a* Supervisory Committee of Standard Chartered Bank and the *Shari'a* advisory board of Dar Al Shari'a have confirmed that the Transaction Documents are, in their view, *Shari'a* compliant. However, there can be no assurance that the Transaction Documents or the issue and trading of the Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars. None of the Trustee, JAFZ, the Delegate or the Joint Lead Managers makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof and potential investors are reminded that, as with any *Shari'a* views, differences in opinion are possible. Potential investors should obtain their own independent *Shari'a* advice as to the compliance of the Transaction Documents and the issue and trading of the Certificates with *Shari'a* principles.

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

Credit ratings may not reflect all risks

Upon issue, the Certificates are expected to be assigned a rating of "B1" by Moody's and "B" by Fitch. Fitch has indicated that following the redemption of the Sukuk Al-Musharaka, it is likely to upgrade its rating of the Certificates to "B+". Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Certificates. 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.

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 EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU 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 listed 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 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 ECMA list.

Certificates with a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

As the Certificates have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination 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 face 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.

Consents are required in relation to the variation of Transaction Documents and other matters

The Conditions of the Certificates contain provisions for calling meetings of Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

The Declaration of Trust contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Declaration of Trust if, in the opinion of the Delegate, such modification: (a) is of a formal, minor or technical nature; or (b) is made to correct a manifest error; or (c) is not materially prejudicial to the interests of the Certificateholders and is other than in respect of a Reserved Matter (as defined in the Declaration of Trust). Unless the Delegate otherwise agrees, any such modification shall as soon as practicable thereafter be notified to the Certificateholders and shall in any event be binding upon the Certificateholders.

The Allocation Deed contains provisions permitting any group of Secured Participants from time to time and at any time without any consent or sanction of the Instructing Group to make any modification to the Finance Documents (other than the Allocation Deed and the Security Documents) if, in the opinion of the relevant Participants' Representative, such modification is: (a) a minor or administrative change or correction; and (b) not materially adverse to the interests of the appropriate group of Secured Participants. All other modifications to the Finance Documents (other than the Allocation Deed and the Security Documents) may only be made with the prior written consent of the Instructing Group.

Exchange rate risks and exchange controls

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of any Periodic Distribution Amount or Dissolution Amount 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 US Dollars for any particular Certificate may not be available at such Certificate's maturity.

Risk factors relating to taxation

EU Savings Directive

Under EC Council Directive 2003/48/EC (the "**Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of certain payments paid by a person within its jurisdiction to an individual resident in that other Member State or to certain types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non- EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Trustee nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to the Certificates as a result of the imposition of such withholding tax. The Trustee is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

GLOBAL CERTIFICATE

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

Form of the Certificates

The Certificates will be in registered form and will be issued outside the United States to persons who are not U.S. persons in reliance on Regulation S.

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

Holders

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

Cancellation

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

Payments

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

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

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

Notices

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

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

Registration of Title

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

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

Transfers

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

Exchange for Definitive Certificates

Interests in the Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 19 (*Notices*) if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that: (i) a Dissolution Event (as defined in Condition 16 (*Dissolution Events*)) has occurred; or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of legal holiday) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available. In the event of the occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in the Global Certificate) may give notice to the Registrar requesting exchange.

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

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

TERMS AND CONDITIONS OF THE CERTIFICATES

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

Each of the U.S.$650,000,000 Trust Certificates due 2019 will represent an undivided ownership interest in the Trust Assets (as defined in Condition 6(a) (*The Trust — The Trust Assets*)) which are held by JAFZ Sukuk (2019) Limited (the "**Trustee**") on trust (the "**Trust**") for, *inter alia*, the benefit of the registered holders of the Certificates pursuant to a declaration of trust (the "**Declaration of Trust**") dated 19 June 2012 (the "**Closing Date**") and made between the Trustee, Jebel Ali Free Zone FZE ("**JAFZ**") and Deutsche Trustee Company Limited (the "**Delegate**" which expression shall include any co-delegate or any successor). A sale and purchase agreement (the "**Sale and Purchase Agreement**") will be entered into in respect of the Initial Wakala Assets (as defined in Condition 6(a) (*The Trust — The Trust Assets*) on the Closing Date between JAFZ Sukuk (2019) Limited (in its capacity as Trustee and in its capacity as purchaser, the "**Purchaser**") and JAFZ (in its capacity as seller, the "**Seller**").

Payments relating to the Certificates will be made pursuant to an agency agreement dated the Closing Date (the "**Agency Agreement**") made between the Trustee, the Delegate, JAFZ, Deutsche Bank AG, London Branch in its capacities as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include any successor and, together with any further or other paying agents appointed from time to time in accordance with the Agency Agreement, the "**Paying Agents**", which expression shall include any successors) and calculation agent (in such capacity, the "**Calculation Agent**", which expression shall include any successor) and Deutsche Bank Luxembourg S.A. in its capacities as registrar (in such capacity, the "**Registrar**", which expression shall include any successor) and as transfer agent (in such capacity and together with the Registrar, the "**Transfer Agents**", which expression shall include any successors). The Paying Agents, the Calculation Agent and the Transfer Agents are together referred to in these Conditions as the "**Agents**".

Subject as set out below, copies of the documents set out below are available for inspection and obtainable free of charge by the Certificateholders during normal business hours at the specified office for the time being of the Principal Paying Agent. The holders of the Certificates (the "**Certificateholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the documents set out below:

(a) the service agency agreement between the Trustee and JAFZ (in its capacity as servicing agent, the "**Servicing Agent**") dated the Closing Date (the "**Service Agency Agreement**");

(b) the purchase undertaking made by JAFZ for the benefit of the Trustee and the Delegate dated the Closing Date (the "**Purchase Undertaking**");

(c) the sale undertaking made by the Trustee for the benefit of JAFZ dated the Closing Date (the "**Sale Undertaking**");

(d) the Sale and Purchase Agreement;

(e) the Declaration of Trust;

(f) the Agency Agreement;

(g) the Allocation Deed (as defined below); and

(h) the Security Documents (as defined below).

The documents listed above in (a) to (h) (inclusive) are referred to in these Conditions as the "**Transaction Documents**". The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

The terms of the Allocation Deed prevail over anything in these Conditions to the contrary. If there is any inconsistency between the terms of the Allocation Deed and these Conditions, these Conditions will be construed as if they have been amended to conform with the terms of the Allocation Deed.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders, to: (i) apply the sums paid by it in respect of its Certificates to the Purchaser in accordance with the Sale and Purchase Agreement; and (ii) enter into each Transaction Document to which it is a party, subject to the provisions of the Declaration of Trust and these Conditions.

1. INTERPRETATION

Words and expressions defined in the Declaration of Trust and the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. In addition, in these Conditions:

(i) any reference to face amount shall be deemed to include the relevant Dissolution Amount (as defined in Condition 10(a) (*Payment — Payments in respect of the Certificates*)), any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 12 (*Capital Distributions of the Trust*), and any other amount in the nature of face amounts payable pursuant to these Conditions;

(ii) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 12 (*Capital Distributions of the Trust*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions;

(iii) references to Certificates being "outstanding" shall be construed in accordance with the Declaration of Trust; and

(iv) any reference to a Transaction Document (as defined above) shall be construed as a reference to that Transaction Document as amended and/or supplemented from time to time,

and in these Conditions, the following expressions shall have the following meanings:

"**Account Bank**" has the meaning given thereto in the Allocation Deed;

"**Affiliate**" means:

(a) with respect to any specified Person: (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; or (ii) any other Person that owns, directly or indirectly through one or more Subsidiaries, 20 per cent. or more of any class of such specified Person's Capital Stock; and

(b) with respect to JAFZ, a Subsidiary of the Dubai World Group at the relevant time.

For the purposes of this definition, "**control**", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;

"**Allocation Agent**" means Citibank N.A., UAE Branch acting in its capacity as allocation agent pursuant to the Allocation Deed;

"**Allocation Deed**" means the allocation deed dated 14 June 2012 and made between, amongst others, the Facility Finance Parties, the Hedge Counterparties, the Security Agents and JAFZ and acceded to on the Closing Date by each of the Trustee, the Delegate and the Agents, and includes such deed as from time to time modified or supplemented in accordance with the provisions contained therein;

"**Applicable Exchange Rate**" means, in the case of any amount paid or payable in respect, or any face amount, of a Wakala Asset that is in a currency (the "**Wakala Currency**") other than U.S. dollars, the screen spot rate of exchange at which the Seller was, or would have been, able to purchase U.S. dollars with such amount of the Wakala Currency on the date on which the relevant asset became part of the Wakala Portfolio (or if it was not practicable to make such purchase on such date, on the immediately preceding date on which it was so practicable), without taking into account any premium or other costs of exchange;

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

"**Assignment Agreement**" means the agreement in relation to assignment of insurances on, and all present and future receivables from, a portfolio of leases dated 14 June 2012 made by JAFZ in favour of the Onshore Security Agent named as co-insured and sole loss payee;

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

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

(a) the sum of the products of:

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

(ii) the amount of each such principal payment;

by

(b) the sum of all such principal payments;

"**Borrowings**" means, at any time, (but without double counting), the aggregate outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness of members of the Group for or in respect of:

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

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

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

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

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis except for recourse by reference to a breach by the selling company of any standard representations relating to the relevant receivables (but not as to the creditworthiness of the debtor or the collectability of the receivables));

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

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

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

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

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

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

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

"**Business Day**" means a day (other than a Friday, Saturday or Sunday) on which banks are open for general business in Dubai, New York City and London;

"**Calculation Date**" means 30 June and 31 December in each calendar year, provided that if JAFZ were to change its financial year then such dates would be adjusted accordingly;

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

"**Change of Control Dissolution Amount**" shall mean, in relation to each Certificate to be redeemed pursuant to Condition 12(c)(i) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*), an amount equal to the face amount of such Certificate;

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

"**Change of Control Exercise Price**" means the price payable by JAFZ to the Trustee in respect of the purchase by JAFZ of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Change of Control Wakala Assets as set out in the Purchase Undertaking;

"**Change of Control Notice**" has the meaning given thereto in Condition 12(c)(i) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*);

"**Change of Control Put Option Date**" shall be the tenth day after the expiry of the Change of Control Put Period, provided that, if such day is not a day on which banks are open for general business in London, New York City and Dubai, the Change of Control Put Option Date shall be the next following day on which banks are open for general business in London, New York City and Dubai;

"**Change of Control Put Period**" shall be the period of 30 days commencing on the date that a Change of Control Notice is given;

"**Change of Control Trustee Call Option**" has the meaning given thereto in Condition 12(c)(i) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*);

"**Change of Control Wakala Assets**" means the Wakala Assets identified as such by JAFZ, in accordance with the terms of the Purchase Undertaking;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Commercial Terms Agreement**" means the commercial terms agreement dated 14 June 2012 between, among others, JAFZ, Dubai Islamic Bank PJSC as investment agent, the Onshore Security Agent, the Offshore Security Agent, the Mandated Lead Arrangers named therein and the financial institutions named therein as Original Participants;

"**Concession Agreement**" means the agreement dated 13 November 2007 (as amended and restated on 29 April 2012) and made between the Jebel Ali Free Zone Authority and JAFZ, and includes such agreement as from time to time modified or supplemented in accordance with the provisions contained therein;

"**Concession Area**" means the area comprising substantially all of the Jebel Ali Free Zone, over which JAFZ was granted the exclusive right and privilege to provide certain administrative services at its own expense pursuant to the Concession Agreement;

"**Consolidated Net Income**" means the consolidated net income or loss of JAFZ determined in accordance with IFRS by reference to the most recently available consolidated financial statements of the Group;

"**Consolidated Total Gross Indebtedness**" means, for any Measurement Period, the aggregate amount of all obligations of the Group for or in respect of Borrowings as at the last day of such Measurement Period, as determined by reference to the most recently available consolidated financial statements of the Group;

"**Convention Centre**" means the convention centre owned by JAFZ and located on plot number 4 in the Jebel Ali Free Zone;

"**Corporate Services Agreement**" means the corporate services agreement dated 12 June 2012 between the Trustee and Maples Fund Services (Middle East) Limited;

"**Definitive Certificate**" means a trust certificate in definitive registered form which has been issued by the Trustee in accordance with the provisions of the Declaration of Trust in exchange for the Global Certificate, such trust certificate substantially in the form set out in Part B (*Form of Definitive Certificate*) of Schedule 1 (*Form of Certificates*) of the Declaration of Trust;

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

"**Dissolution Amount**" has the meaning given thereto in Condition 10(a) (*Payment — Payments in respect of the Certificates*);

"**Dissolution Date**" means, as the case may be: (a) following the occurrence of a Dissolution Event or a Mandatory Dissolution Event (each as defined in Condition 16 (*Dissolution Events*)), the date on which the

Certificates are redeemed in accordance with the provisions of Condition 16 (*Dissolution Events*); (b) the date on which the Certificates are redeemed in accordance with the provisions of Condition 12(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), Condition 12(d) (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*) and Condition 12(f) (*Capital Distributions of the Trust — Dissolution following a Mortgaged Property Loss Event*); (c) any Change of Control Put Option Date; or (d) the date on which any Certificates are redeemed following the exercise of the Change of Control Trustee Call Option;

"**Dissolution Distribution Amount**" in relation to a Certificate means its outstanding face amount plus all accrued and unpaid Periodic Distribution Amounts in respect of such Certificate;

"**Dissolution Event**" has the meaning given thereto in Condition 16 (*Dissolution Events*);

"**Dubai World Group**" means the Dubai World Corporation and its Subsidiaries;

"**Early Dissolution Amount (Tax)**" means the Final Dissolution Amount;

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

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

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

(c) before taking into account any Exceptional Items;

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

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

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

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

"**Eligible Wakala Asset**" means a Real Estate Asset:

(a) in respect of which the Lessee under the related Real Estate Asset is not in breach of its payment obligations in respect of that Real Estate Asset;

(b) which constitutes legal, valid, binding and enforceable obligations of a Lessee thereof in the jurisdiction in which such Lessee is located in the Jebel Ali Free Zone;

(c) in respect of which the Seller is entitled to receive all payments due;

(d) in respect of which there has not occurred an event of default, any acceleration or analogous event; and

(e) which is capable of being sold and transferred by the Seller to the Purchaser in accordance with the terms set out in the Sale and Purchase Agreement;

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System;

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

"**Exercise Price**" means the Wakala Portfolio Exercise Price or the Change of Control Exercise Price, as applicable in the context;

"**Extraordinary Resolution**" has the meaning given thereto in Condition 20 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*);

"**Facility Finance Documents**" means the Transaction Documents (as defined in the Commercial Terms Agreement) and any agreement, note, instrument, or document relating to the Islamic Facility;

"**Facility Finance Parties**" has the meaning given thereto in the Allocation Deed;

"**Fair Market Value**" means:

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

(b) with respect to leases, the aggregate of all present and future rental income that would be paid in an arm's-length transaction between an independent, informed and willing lessee under no compulsion to lease a property and an independent, informed and willing lessor under no compulsion to lease its property;

"**Finance Documents**" has the meaning given thereto in the Allocation Deed and includes, for the avoidance of doubt, the Transaction Documents;

"**Final Dissolution Amount**" in relation to a Certificate means its outstanding face amount;

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

(a) moneys borrowed;

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

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

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

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

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

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

(h) any derivative transaction (including any *Shari'a* compliant transaction (including, without limitation, any *murabaha* or a series of *murabahas*) having the commercial effect of a derivative transaction) entered into in connection with protection against or to obtain benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(j) shares which are expressed to be redeemable on or prior to the Scheduled Dissolution Date; and

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

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

"**Gazeley Share Security Agreements**" means each of the English law share charge and the Jersey law security interest agreement giving security in favour of the Offshore Security Agent over the shares in EZW Gazeley Limited, EZW Gazeley Holdings Limited and Gazeley Limited;

"**Global Certificate**" means a trust certificate in global form issued by the Trustee substantially in the form set out in Part A (*Form of Global Certificate*) of Schedule 1 (*Form of Certificates*) of the Declaration of Trust, which is registered in the name of the nominee for, and deposited with, the common depositary for Euroclear and Clearstream, Luxembourg;

"**Group**" means JAFZ and its Subsidiaries at the relevant point in time;

"**Hedge Counterparties**" has the meaning given thereto in the Allocation Deed;

"**Hedging Documents**" means the documents entered into between JAFZ and a Hedge Counterparty for the purpose of protecting against or benefiting from fluctuation in any rate or price in relation to a profit amount due under the Facility Finance Documents;

"**Hedging Liabilities**" means the Liabilities owed by JAFZ to the Hedge Counterparties under or in connection with any Hedging Document;

"**IASB**" means the International Accounting Standard Board;

"**IFRS**" means International Financial Reporting Standards as published by the IASB;

"**Incentive Payment**" means the amounts that remain standing to the credit of the Wakala Reserve Collection Account following payment of all amounts due and payable under the Certificates on the final Dissolution Date which the Servicing Agent shall be entitled to retain for its own account as an incentive payment for acting as Servicing Agent;

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

"**Independent Appraiser**" means any independent firm of appraisers or internationally recognised investment banking firm or firm of public accountants, in each case, of international standing selected by JAFZ and approved by the Delegate;

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

"**Instructing Group**" has the meaning given thereto in Schedule 3 of the Allocation Deed;

"**Insurance Proceeds**" has the meaning given thereto in Schedule 3 of the Allocation Deed;

"**Insurance Proceeds Account**" has the meaning given thereto in the Allocation Deed;

"**Insurances**" means any insurance policy relating to the property mortgaged under the Mortgage Contract and/or the Secured Portfolio taken out by JAFZ or any other member of the Group;

"**Investment**" in any Person means any direct or indirect advance, loan or other extension of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Financial Indebtedness or other similar instruments issued by, such Person;

"**Investment Agent**" has the meaning given thereto in the Allocation Deed;

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

"**Investment Grade Status**" means that the Certificates have an Investment Grade Rating from any two Rating Agencies;

"**Islamic Facility**" means the amortising facility structured on a *Shari'a*-compliant basis in an amount of AED 4,400,000,000 made available under the Facility Finance Documents;

"**JAFZ Event**" has the meaning given thereto in Condition 16 (*Dissolution Events*);

"**JAFZ Finance Documents**" means the Facility Finance Documents, the Allocation Deed and the Security Documents;

"**Lease**" means each lease entered into with a third party relating to a Real Estate Asset;

"**Lessee**" means any tenant or other party to a Lease who has undertaken to make payments pursuant to the terms of such Lease;

"**Liabilities**" has the meaning given thereto in the Allocation Deed;

"**Liquidity Facility**" has the meaning given thereto in the Service Agency Agreement;

"**Major Loss Event**" means an event or circumstances leading to a claim or claims in respect of physical damage under any Insurances relating to more than twenty per cent. of the Secured Portfolio by revenue (as determined by JAFZ) as shown in the most recently delivered financial statements of JAFZ;

"**Major Loss Event Date**" means the date specified as such in the Exercise Notice delivered pursuant to the Purchase Undertaking, being a date falling no more than five Business Days after the date on which the relevant Insurance Proceeds are received in the Transaction Account;

"**Major Loss Event Exercise Price**" means the amount transferred to the Transaction Account from the Insurance Proceeds Account following a Major Loss Event in accordance with the Allocation Deed;

"**Mandatory Dissolution Event**" has the meaning given thereto in Condition 16 (*Dissolution Events*);

"**Measurement Period**" means each period of 12 months ending on a Calculation Date;

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

"**Mortgage Contract**" means the mortgage contract in respect of the mortgages over the Usufruct Right dated 14 June 2012 entered into between JAFZ and the Onshore Security Agent;

"**Mortgaged Property Loss Event**" means an event or circumstances leading to a claim or claims in respect of physical damage under any Insurances relating to more than 60 per cent. by revenue of the property mortgaged under the Mortgage Contract as shown in the most recently delivered financial statements of JAFZ;

"**Non-Ordinary Course Lease**" means any lease granted by any member of the Group or (prior to 1 November 2012) Jebel Ali Free Zone Authority over property in the Jebel Ali Free Zone where the lease tenure is five years or longer and the rental income for all or substantially all of the lease tenure is monetised in advance by way of initial premium payable by or on behalf of the relevant Lessee;

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

"**Officers' Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Officers' Certificate*) of the Declaration of Trust as delivered by JAFZ and the Trustee from time to time pursuant to Clause 15.1.4 (*Undertakings*) of the Declaration of Trust;

"**Offshore Account Pledge Agreement**" means the charge over specified offshore accounts dated 14 June 2012 entered into by JAFZ in favour of the Offshore Security Agent;

"**Offshore Security Agent**" means Citibank N.A., London Branch;

"**Onshore Account Pledge Agreement**" means the pledge over specified onshore accounts dated 14 June 2012 entered into by JAFZ in favour of the Onshore Security Agent;

"**Onshore Collections Account**" has the meaning given thereto in the Allocation Deed;

"**Onshore Security Agent**" means Citibank N.A., UAE Branch;

"**Payment Business Day**" has the meaning given thereto in Condition 10(a) (*Payment — Payments in respect of the Certificates*);

"**Periodic Distribution Amount**" has the meaning given thereto in Condition 9(a) (*Periodic Distributions — Periodic Distribution Amounts and Periodic Distribution Dates*) or Condition 9(b) (*Periodic Distributions — Calculation of Periodic Distribution Amounts payable other than on a Periodic Distribution Date*), as applicable;

"**Periodic Distribution Date**" has the meaning given thereto in Condition 9(a) (*Periodic Distributions — Periodic Distribution Amounts and Periodic Distribution Dates*);

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness created pursuant to the terms of the JAFZ Finance Documents;

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

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

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

(e) Refinancing Financial Indebtedness Incurred by JAFZ or a Subsidiary of JAFZ in respect of Financial Indebtedness incurred by JAFZ or a Subsidiary of JAFZ pursuant to Condition 5 (*Negative Pledge and Other Restrictive Covenants*) or pursuant to paragraphs (a), (b) or (c) above;

(f) any amounts owed to suppliers in respect of goods supplied in the ordinary course of business; and

(g) any Non-recourse Project Financing of JAFZ or a Subsidiary of JAFZ the aggregate outstanding amount of which does not at any time exceed U.S.$100,000,000 (or its equivalent in another currency or currencies);

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

(a) demand or time deposits, certificates of deposit (including for the avoidance of doubt any monies on deposit in any bank account) and other short-term unsecured debt obligations (including for the avoidance of doubt, money market funds rated at least Aaa/MR1+ by Moody's) provided that, in each case, at the time the deposit is made or the certificate or obligation is acquired the then current rating of the unsecured and unguaranteed debt obligations of that institution (or, where the investment in question is guaranteed, of the guaranteeing institution) is P-l/A-1 and A-l+ or (if different) the then highest rating conferred in respect of such obligations by Moody's; or

(b) short-term unsecured debt obligations (including commercial paper) issued by a body corporate provided that the then current rating of the unsecured and unguaranteed debt obligations of that body corporate (or where the debt obligations in question are guaranteed, of the guaranteeing institution) is P-1/A-l and A-l + or (if different) the then highest rating conferred in respect of such obligations by Moody's;

"**Permitted Reorganisation**" means:

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

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

"**Permitted Security Interest**" means:

(a) any Security Interest created pursuant to the terms of the JAFZ Finance Documents;

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

(c) any Security Interest over the Convention Centre;

(d) any Security Interest granted by a Person where such Security Interest exists at the time that such Person is merged into, or consolidated with, JAFZ or the relevant Principal Subsidiary, 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 JAFZ or the relevant Principal Subsidiary;

(e) any Security Interest existing on any property or assets prior to the acquisition thereof by JAFZ or the relevant Principal Subsidiary and not created in contemplation of such acquisition;

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

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or agency, or political subdivision thereof, or other entity;

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

"**Principal Subsidiary**" means any Subsidiary of JAFZ:

(a) whose EBITDA (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of JAFZ and its Subsidiaries relate, are equal to) not less than 5 per cent. of EBITDA or, as the case may be, consolidated total assets of JAFZ and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of JAFZ and its Subsidiaries, provided that in the case of a Subsidiary of JAFZ acquired after the end of the financial period to which the then latest audited consolidated accounts of JAFZ and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of JAFZ and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by JAFZ;

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

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of JAFZ and its Subsidiaries relate, generate EBITDA equal to) not less than 5 per cent. of EBITDA, or represent (or, in the case aforesaid, are equal to) not less than 5 per cent. of the consolidated total assets of JAFZ and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate EBITDA equal to) not less than 5 per cent. of EBITDA, or its assets represent (or, in the case aforesaid, are equal to) not less than 5 per cent. of the consolidated total assets of JAFZ and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (c) on the date on which the consolidated accounts of JAFZ and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Declaration of Trust.

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

"**Put Notice**" has the meaning given thereto in Condition 12(c) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*);

"**Real Estate Asset**" means a real estate related asset consisting of a plot of land (and in certain cases where JAFZ owns the building, the buildings attached thereto) situated in the Concession Area which is leased to a third party as at the Closing Date;

"**Record Date**" has the meaning given thereto in Condition 10(a) (*Payment — Payments in respect of the Certificates*);

"**Rating Agency**" means Fitch, Moody's or Standard & Poor's or any of their successors or any other statistical rating organisation approved in writing by the Delegate;

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

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

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

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

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

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

provided further, however, that Refinancing Financial Indebtedness shall not include Financial Indebtedness of a Subsidiary that Refinances Financial Indebtedness of JAFZ;

"**Register**" has the meaning given thereto in Condition 2(a) (*Form, Denomination and Title — Form and Denomination*);

"**Relevant Jurisdiction**" means the DIFC and the United Arab Emirates or any Emirate therein or, in either case, any political subdivision or authority thereof or therein having power to tax;

"**Reserved Matter**" has the meaning given thereto in Schedule 4 (*Provisions for Meetings of Certificateholders*) of the Declaration of Trust;

"**Scheduled Dissolution Date**" means 19 June 2019;

"**Secured Parties**" has the meaning given thereto in the Allocation Deed;

"**Secured Portfolio**" has the meaning given thereto in the Allocation Deed;

"**Security Agents**" means the Onshore Security Agent and the Offshore Security Agent and a reference to a "**Security Agent**" shall mean each of them unless the context requires otherwise;

"**Security Documents**" means the Mortgage Contract, the Assignment Agreement, the Gazeley Share Security Agreements, the Onshore Account Pledge Agreement, the Offshore Account Pledge Agreement and any other document entered into from time to time by JAFZ creating any guarantee, indemnity or other security interest in favour of the Onshore Security Agent or the Offshore Security Agent, as applicable;

"**Security Interest**" has the meaning given thereto in Condition 5 (*Negative Pledge and Other Restrictive Covenants*);

"**Service Agency Liabilities Amounts**" has the meaning given thereto in the Service Agency Agreement;

"**Signing Date**" means 14 June 2012;

"**Specified Denomination**" has the meaning given thereto in Condition 2(a) (*Form, Denomination and Title — Form and Denomination*);

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

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

"**Subsidiary**" means in relation to any person (the "**first person**"), at any particular time, any person (the "**second person**"):

(a) which is then directly or indirectly controlled by the first person; or

(b) more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the first person.

For the second person to be "**controlled**" by the first person means that the first person (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 second person or otherwise controls, or has the power to control, the affairs and policies of the second person;

"**Taxes**" has the meaning given thereto in Condition 13 (*Taxation*);

"**Tax Dissolution Date**" has the meaning given thereto in Condition 12(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*);

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

"**Total Gross Indebtedness to EBITDA Ratio**" has the meaning given thereto in Condition 5 (*Negative Pledge and Other Restrictive Covenants*);

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

"**Transaction Account**" means, the non-interest bearing transaction account established by the Trustee and held with the Principal Paying Agent denominated in U.S. Dollars into which, among other things: (i) the Servicing Agent will deposit the amounts of Wakala Portfolio Revenues due to the Trustee; and (ii) subject to the Allocation Deed, the Delegate will deposit all the proceeds of any action to enforce or realise the Trust Assets taken in accordance with Condition 17 (*Enforcement and Exercise of Rights*);

"**Transaction Shared Security**" has the meaning given thereto in the Allocation Deed;

"**Trust Assets**" has the meaning given thereto in Condition 6(a) (*The Trust — The Trust Assets*);

"**Usufruct Agreement**" means the agreement dated 13 November 2007 and made between the Jebel Ali Free Zone Authority and JAFZ, as varied by the variation agreement dated 29 April 2012 between those parties and includes such agreement as from time to time further modified or supplemented in accordance with the provisions contained therein;

"**Usufruct Right**" has the meaning given thereto in the Usufruct Agreement;

"**Value**" means, in respect of any Wakala Asset, the amount in U.S. dollars (following conversion, if necessary, of any relevant amount(s) at the Applicable Exchange Rate) determined by JAFZ as being equal to the value of that Wakala Asset on the day on which it formed part of the Wakala Portfolio (as set out in the Sale and Purchase Agreement or the relevant substitution notice, as applicable);

"**Wakala Asset**" means each asset constituting the Wakala Portfolio;

"**Wakala Portfolio**" means: (a) the Initial Wakala Portfolio; and (b) from the time of any acquisition of a Wakala Asset on the Trustee's behalf or substitution of a Wakala Asset in accordance with the Service Agency Agreement or the Sale Undertaking, the Eligible Wakala Asset(s) so acquired or substituted for the relevant Wakala Asset but shall not include: (i) the Wakala Asset so substituted, or (ii) in the case of (a) or (b) above, any obligations or liabilities of JAFZ in respect of any such assets, or (iii) from the time of any other transfer of a Wakala Asset to JAFZ in accordance with the Sale Undertaking or purchase of a Wakala Asset by JAFZ pursuant to the Purchase Undertaking, the Wakala Asset so transferred or purchased;

"**Wakala Portfolio Exercise Price**" means the price payable by JAFZ to the Trustee in respect of the purchase by JAFZ of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio, which shall be an amount in U.S. dollars equal to the aggregate of:

(a) (after accounting for any insurance proceeds paid to Certificateholders) the aggregate outstanding face amount of the Certificates on the relevant Dissolution Date;

(b) (without double counting) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; and

(c) an amount equal to the sum of any outstanding (i) amounts repayable in respect of the Liquidity Facility and (ii) any Service Agency Liabilities Amounts;

"**Wakala Portfolio Revenues**" means all rental and other amounts payable by the relevant Lessee under the relevant Lease and all damages, compensation or other sums, in each case as received by the Servicing Agent or JAFZ in respect of or otherwise in connection with the Wakala Assets; and

"**Wakala Reserve Collection Account**" means the account specified as such in the Service Agency Agreement.

2. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Certificates are issued in registered form in face amounts of U.S.$200,000 and integral multiples of U.S.$1,000 (each a "**Specified Denomination**") in excess thereof. A Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the "**Register**") which the Trustee will cause to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

Upon issue, the Certificates will be represented by beneficial interests in the Global Certificate, in fully registered form, which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants.

(b) Title

Title to the Certificates passes only by registration in the Register. Subject to the terms of the Global Certificate, the registered holder of any Certificate will (except as otherwise required by law) be treated as the absolute owner of the Certificates represented by the 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 Certificate. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

The Trustee and the Delegate may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to any Certificateholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of Euroclear or Clearstream, Luxembourg to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular nominal amount of Certificates credited to his or her securities account.

3. TRANSFERS OF CERTIFICATES

(a) Transfers

Subject to Condition 3(d) (*Closed Periods*), Condition 3(e) (*Regulations*) and the provisions of the Agency Agreement, a Certificate may be transferred whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Certificate, with the form of transfer on the back, duly completed and signed, at the specified office of any 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 the Certificates represented by a Global Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

(b) **Delivery of New Certificates**

Each new 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 Certificate to the address specified in the form of transfer. For the purposes of this Condition, "**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 Certificate is issued are to be transferred, a new Certificate in respect of the Certificates not so transferred will, within five (5) business days of receipt by the Transfer Agent of the original 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 the Global Certificate, owners of interests in the 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 or any Periodic Distribution Amount or any other date on which payment of the face amount (or any part thereof) or payment of any profit in respect of a Certificate falls due.

(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 Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the 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(a) (*Form, Denomination and Title — Form and Denomination*), only one 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 Certificate, a new Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3(b) (*Delivery of New Certificates*).

4. **STATUS AND LIMITED RECOURSE**

(a) **Status**

Each Certificate evidences an undivided ownership interest in the Trust Assets, subject to the terms of the Declaration of Trust and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Certificate ranks *pari passu*, without any preference or priority, with the other Certificates.

The obligations of JAFZ under the Transaction Documents, subject as provided in Condition 7(c) (*Security — Release of Security*), are secured by the Transaction Shared Security in the manner described in the Allocation Deed and the Security Documents.

(b) **Limited Recourse**

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of any of the Trustee, JAFZ, the Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that:

(i) they will not have recourse to any assets of the Trustee, the Delegate, the Agents, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished; and

(ii) any recourse to the assets of JAFZ shall be limited to the Trust Assets, which include obligations of JAFZ under the Transaction Documents, in particular the Allocation Deed and the Security Documents.

JAFZ is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate (acting in the name of and on behalf of the Trustee) will have direct recourse against JAFZ to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following the distribution of such proceeds (including after enforcement of the Transaction Shared Security), there remains a shortfall in payments due under the Certificates, subject to Condition 17 (*Enforcement and Exercise of Rights*), no holder of Certificates will have any claim against the Trustee, JAFZ (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents, or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Certificates 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, JAFZ (to the extent that it fulfils all of its obligations under the Transaction Documents), 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 and on behalf of the Trustee) or any of their respective agents on their behalf except to the extent funds are available therefor from the 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), JAFZ (and/or its directors, officers, administrators or shareholders) (to the extent that it fulfils all of 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 Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, JAFZ, 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, it will not institute against, or 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;

(v) it shall not be entitled to claim or exercise any right of set off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations by the Trustee under the Certificates (without prejudice to the Transaction Shared Security referred to in Condition 7(a) (*Security — Security*));

(vi) it hereby authorises and directs each of the Trustee and the Delegate to enter into such relevant documents as are required in order to comply with their respective obligations under Clause 14.3 (*Further assurance*) of the Allocation Deed in respect of a Permitted Refinancing (as defined in the Allocation Deed);

(vii) the rights of the Trustee, the Delegate and the Certificateholders under the Certificates and the other Transaction Documents are in certain circumstances subject to provisions contained in the Allocation Deed including, but not limited to, any actions which may be taken by a Security Agent acting in accordance with instructions given to it pursuant to Clause 6.8 (*Security Agent instructions*) or Clause 9.1 (*Enforcement instructions*) of the Allocation Deed following the occurrence of an Insolvency Event or an Acceleration Event (each as defined therein); and

(viii) in the event that the Trustee makes a payment to Certificateholders of an amount which it was or becomes obliged to pay to the Offshore Security Agent in accordance with the terms of Clause 7.1 (*Turnover by the Secured Parties*) of the Allocation Deed, such amount should not have been paid to them by or on behalf of the Trustee, and that the Offshore Security Agent shall be entitled to request from it its *pro rata* share of such amount, subject to receipt by such Certificateholder from the Trustee of such evidence as it may reasonably require of the Trustee's obligation to turn over such amount and the calculation thereof.

5. NEGATIVE PLEDGE AND OTHER RESTRICTIVE COVENANTS

JAFZ has agreed in the Purchase Undertaking and the Declaration of Trust that, so long as any Certificate remains outstanding, it shall comply with the following covenants.

(a) Negative Pledge

So long as any Certificate remains outstanding, JAFZ will not, and JAFZ will procure that no Principal Subsidiary 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, without at the same time or prior thereto securing all amounts payable by it to the Trustee under the Transaction Documents to which it is a party equally and rateably therewith or providing such other security for the payment of such amounts by it under the Transaction Documents to which it is a party as either: (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (ii) as shall be approved by an Extraordinary Resolution.

(b) Financial Covenants

So long as any Certificate remains outstanding, JAFZ undertakes that it will not create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "**Incur**" or, as appropriate, an "**Incurrence**") any Financial Indebtedness (other than Permitted Financial Indebtedness); provided that JAFZ will be permitted to Incur additional Financial Indebtedness if on the date of such Incurrence and after giving effect thereto on a pro forma basis:

(i) no Potential Dissolution Event or Dissolution Event has occurred and is continuing or would occur as a consequence of such Incurrence; and

(ii) either:

a. the ratio of Consolidated Total Gross Indebtedness to EBITDA (the "**Total Gross Indebtedness to EBITDA Ratio**") for the immediately preceding Measurement Period as stated in the most recently delivered Officers' Certificate does not exceed a ratio of 4:1; or

b. the Certificates have Investment Grade Status.

So long as any Certificate remains outstanding, JAFZ will procure that none of its Subsidiaries will Incur any Financial Indebtedness (other than Permitted Financial Indebtedness).

(c) **Disposals**

So long as any Certificate remains outstanding, JAFZ will not, and JAFZ will procure that no Subsidiary will, directly or indirectly enter into an Asset Sale, unless:

(i) the consideration received by JAFZ or its Subsidiary (as the case may be) is at least equal to the Fair Market Value of the assets sold or disposed of; and

(ii)

a. in the case of any Asset Sale other than to an Affiliate of JAFZ in respect of an asset with a book value (as determined by reference to the most recently available consolidated financial statements of JAFZ or its relevant Subsidiary (as the case may be) prepared in accordance with IFRS, or such other international financial reporting standards as may be adopted from time to time by JAFZ) that exceeds 3 per cent. of the then consolidated Total Assets of the Group at the time of any such proposed Asset Sale; or

b. in the case of any Asset Sale to any Affiliate of JAFZ (other than a Subsidiary of JAFZ) in respect of any asset with a book value (as determined by reference to the most recently available consolidated financial statements of JAFZ or its relevant Subsidiary (as the case may be) prepared in accordance with IFRS, or such other international financial reporting standards as may be adopted from time to time by JAFZ) that, when aggregated with previous Asset Sales to any Affiliate of JAFZ (other than a Subsidiary of JAFZ) in the same calendar year, exceed in aggregate U.S.$5,000,000 per annum (or its equivalent in any other currency or currencies); or

c. any Asset Sale where the consideration is other than in the form of cash,

in each instance, the determination as to whether such Asset Sale complies with paragraph (i) above shall be made by an Independent Appraiser (which, for the avoidance of doubt, shall in the case of paragraph (ii)(c) above also require a determination of the Fair Market Value of the non-cash consideration received).

(d) **Restricted Payments**

So long as any Certificate remains outstanding, JAFZ undertakes that it shall not (and shall ensure that no Subsidiary shall) directly or indirectly:

(i) declare or pay any dividend, in cash or otherwise, or make any other payment or distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital (other than dividends, payments or distributions payable to JAFZ or any of its Subsidiaries and other than dividends or distributions payable in the form of shares of JAFZ); or

(ii) voluntarily purchase, redeem or otherwise acquire or retire for value any Capital Stock of JAFZ or any of its Affiliates; or

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Financial Indebtedness of JAFZ that is contractually subordinated to the obligations of JAFZ under the Transaction Documents (excluding any intercompany Financial Indebtedness between or among JAFZ and any of its Subsidiaries), except a payment of interest or principal (or equivalent amounts) at the Stated Maturity thereof; or

(iv) make any Investment (other than a Permitted Investment) in any Person,

(all such payments and other actions set out in (i) to (iv) (inclusive) above being together referred to herein as "**Restricted Payments**"),

unless at the time of and after giving effect to such Restricted Payment:

a. no Potential Dissolution Event or Dissolution Event has occurred and is continuing or would occur as a consequence of such Restricted Payment;

b. the Total Gross Indebtedness to EBITDA Ratio for the immediately preceding Measurement Period as stated in the most recently delivered Officers' Certificate does not exceed a ratio of 4:1; and

c. such Restricted Payment when aggregated with all other Restricted Payments declared or made since the Signing Date is less than 50 per cent. of the Consolidated Net Income of JAFZ for the period (taken as one accounting period) from the beginning of the first semi-annual period commencing after the Signing Date to the end of JAFZ's most recently ended semi-annual period for which financial statements are available at the time of such Restricted Payment (for the purposes of calculating 50 per cent. of the Consolidated Net Income for such period, 50 per cent. of the Consolidated Net Income for each semi-annual period will be aggregated, provided that where the Consolidated Net Income for any semi-annual period is a deficit, 100 per cent. of such deficit shall be subtracted from the total).

The provisions of this Condition 5(d) shall cease to apply immediately upon the Certificates having Investment Grade Status, however, they shall be immediately reinstated should the Certificates subsequently fail to have Investment Grade Status.

(e) **Financial Information**

So long as any Certificate remains outstanding, JAFZ undertakes that it shall: (i) provide its latest reviewed semi-annual consolidated financial statements and its audited annual consolidated financial statements to the Delegate, in each case, within a period of 120 days from the end of each relevant period; and (ii) arrange for all such financial statements to be published on the Irish Stock Exchange and the Official List of Securities maintained by the Dubai Financial Services Authority in a manner customary for such exchanges.

(f) **Transactions with Affiliates**

(i) So long as any Certificate remains outstanding, JAFZ undertakes that it shall not (and shall ensure that no Subsidiary shall) directly or indirectly, conduct any business, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, transfer, assignment, lease, conveyance or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate (an "**Affiliate Transaction**") including, without limitation, intercompany loans, unless the terms of such Affiliate Transaction are no less favourable to such entity than those that could be obtained (at the time of such transaction or, if such transaction is pursuant to a written agreement, at the time of the execution of the agreement providing therefor) in a comparable arm's length transaction with a Person that is not an Affiliate of such entity.

(ii) Paragraph (i) above does not apply to:

a. any Affiliate Transaction between JAFZ and its Subsidiaries and/or between JAFZ's Subsidiaries; or

b. any Affiliate Transaction not involving, individually or in aggregate, payments or value over time in excess of U.S.$15,000,000 (provided that such exception shall be without prejudice to the requirements of Condition 5(c) (— *Disposals*) in respect of Asset Sales which are also Affiliate Transactions); or

c. compensation or employee benefit arrangements with any employee, officer or director of JAFZ or any of its Subsidiaries arising as a result of their employment contract; or

d. any other arrangement existing on the Signing Date and disclosed in the Prospectus.

(g) **Officers' Certificate**

JAFZ and the Trustee have undertaken in Clause 15.1.4 (*Undertakings*) of the Declaration of Trust to furnish to the Delegate an Officers' Certificate delivered together with each copy of its financial statements referred to in Condition 5(e) (— *Financial Information*) and otherwise promptly upon request by the Delegate (and in any event within 10 days of such request): (i) certifying compliance with the provisions of Condition 5; (ii) in JAFZ's Officers' Certificate only listing its Principal Subsidiaries as at such date; (iii) in JAFZ's Officers' Certificate only setting out the Total Gross Indebtedness to EBITDA Ratio for the immediately preceding Measurement Period; and (iv) stating whether since the date of the last Certificate or (if none) the date of the Declaration of Trust, any Dissolution Event, Potential Dissolution Event, Change of Control Event, Major Loss Event, Insolvency Event, Mandatory Dissolution Event, Mortgaged Property Loss Event, Acceleration Event or Total Loss Event (or if such exists or existed specifying the same) has occurred, and in JAFZ's Officers' Certificate only if any such event shall have occurred, what action JAFZ is taking or proposes to take with respect thereto.

6. THE TRUST

(a) **The Trust Assets**

Pursuant to the Sale and Purchase Agreement, the Seller will sell a portfolio (the "**Initial Wakala Portfolio**") of identified assets (the "**Initial Wakala Assets**") specified in the Sale and Purchase Agreement to the Trustee as Purchaser and the Trustee will purchase the Initial Wakala Portfolio using the proceeds of the issue of the Certificates. The Trustee has also entered into the Service Agency Agreement with the Servicing Agent as servicing agent of the Wakala Portfolio.

JAFZ has entered into the Purchase Undertaking in favour of the Trustee and the Delegate under which it grants the Trustee the right to require JAFZ to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio on the Scheduled Dissolution Date or, if earlier, on the due date for dissolution in accordance with Condition 12 (*Capital Distributions of the Trust*) at the relevant Dissolution Amount. The Purchase Undertaking may also be exercised ahead of a Change of Control Put Option Date (as defined in Condition 12(c) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*)) to fund the redemption of the Certificates under Condition 12 (*Capital Distributions of the Trust*) through the purchase by JAFZ of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate value no greater than the aggregate face amount of such Certificates being redeemed.

Pursuant to the Sale Undertaking, subject to the Trustee being entitled to redeem the Certificates early pursuant to Condition 12(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), JAFZ may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the Tax Dissolution Date (as defined in Condition 12(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*)), oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio on the Tax Dissolution Date at the Early Dissolution Amount (Tax). If, following a Change of Control Event (as defined in Condition 12(c) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*)), 75 per cent. or more of the Certificateholders exercise their option to require the Trustee to redeem their Certificates, JAFZ may, by exercising its option under the Sale Undertaking, oblige the Trustee to sell all of its rights, title, interest, benefits and entitlements in, to and under the Wakala Portfolio on the date specified for that purpose (which must be within 30 days of the Change of Control Put Option Date) at the Change of Control Dissolution Amount.

Following any purchase of Certificates by or on behalf of JAFZ or any of its Subsidiaries pursuant to Condition 15(a) (*Purchase and Cancellation of Certificates — Purchases*), the Sale Undertaking may also be exercised in respect of the purchase by JAFZ of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate Value no greater than to the aggregate face amount of the Certificates so purchased against cancellation of such Certificates by the Principal Paying Agent.

Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets upon trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates held by each holder. The term "**Trust Assets**" means:

(i) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Wakala Portfolio;

(ii) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (excluding: (i) any representations given by JAFZ to the Trustee and the Delegate pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee or the Delegate in any of the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to Clause 17.1 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Declaration of Trust;

(iii) all monies standing to the credit of the Transaction Account,

in each case and all proceeds of the foregoing which are held by the Trustee upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each holder in accordance with the terms of the Declaration of Trust and the Conditions.

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

On each Periodic Distribution Date and on the Scheduled Dissolution Date or any earlier Dissolution Date or Major Loss Event Date, the monies standing to the credit of the Transaction Account shall be applied by the Principal Paying Agent in the following order of priority:

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

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

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

(iv) *fourth*, only if such payment is due on a Major Loss Event Date, to the Principal Paying Agent for application in or towards partial redemption of the Certificates in accordance with Condition 12(e) (*Capital Distributions of the Trust — Partial Dissolution following a Major Loss Event*);

(v) *fifth*, only if such payment is made on the Scheduled Dissolution Date or a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Amount or the amount payable on a Total Loss Event or a Mortgaged Property Loss Event, as the case may be; and

(vi) *sixth*, only if such payment is made on the Scheduled Dissolution Date or a Dissolution Date, to the Servicing Agent to retain as an Incentive Payment in accordance with the Service Agency Agreement.

7. SECURITY

(a) Security

The obligations of JAFZ under the Transaction Documents, subject as provided in Condition 7(c) (*— Release of Security*), are secured by the Transaction Shared Security in the manner described in the Allocation Deed and the Security Documents.

(b) Enforceability

Subject to the provisions of the Allocation Deed, the Transaction Shared Security will become enforceable upon: (i) the delivery by the Delegate of a Dissolution Notice in accordance with Condition 16 (*Dissolution Events*), subject to Condition 17 (*Enforcement and Exercise of Rights*); (ii) the delivery by the Investment Agent of a notice in accordance with Clause 13.17 (*Acceleration*) of the Commercial Terms Agreement; or (iii) to the extent not covered by (i) or (ii) in this paragraph, the occurrence of a Mandatory Dissolution Event.

All monies received as a result of such enforcement shall be applied in accordance with Clause 11.2 (*Application of Proceeds — Order of application — enforcement*) of the Allocation Deed.

(c) Release of Security

The Allocation Deed provides that the Transaction Shared Security will be released in the following circumstances, all as more particularly set out in the Allocation Deed:

(i) if each of the Islamic Facility and the Hedging Liabilities has been discharged and repaid in whole, but not in part, by or on behalf of JAFZ in compliance with the terms thereof; and

(ii) no Potential Dissolution Event or Dissolution Event has occurred or is continuing or would occur as a result of discharge and repayment; and

(iii) in any event, the Certificates have, immediately prior to such release, Investment Grade Status.

On release of the Transaction Shared Security in accordance with its terms, the Allocation Deed shall be terminated. For the avoidance of doubt, the covenant under Condition 5(a) (*Negative Pledge and Other Restrictive Covenants — Negative Pledge*) shall survive such termination of the Allocation Deed and/or release of the Transaction Shared Security and shall continue to apply.

8. **COVENANTS**

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

(i) incur any indebtedness in respect of borrowed money whatsoever (including any Islamic financing), 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) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(ii) save as permitted by the Transaction Documents, grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);

(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 interest in any of the Trust Assets, except pursuant to the Transaction Documents;

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

(v) 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 memorandum and articles of association and by-laws;

(vi) act as trustee in respect of any trust (other than pursuant to the Declaration of Trust);

(vii) have any subsidiaries or employees;

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

(ix) 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, 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 or any permitted amendment or supplement thereto 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 Trust Assets as provided in the Transaction Documents; and

    (C) such other matters which are incidental thereto.

9. **PERIODIC DISTRIBUTIONS**

(a) **Periodic Distribution Amounts and Periodic Distribution Dates**

Subject to Condition 6(b) (*The Trust — Application of Proceeds from the Trust Assets*) and Condition 10 (*Payment*), the Principal Paying Agent shall distribute to holders of the Certificates, *pro rata* to their respective holdings, out of amounts transferred into the Transaction Account, a distribution in relation to the Certificates on each Periodic Distribution Date equal to the applicable Periodic Distribution Amount. The Periodic Distribution Amount payable on each Periodic Distribution Date shall be U.S.$35.00 per U.S.$1,000 in face amount of Certificates (the "**Periodic Distribution Amount**"). For this purpose, "**Periodic Distribution Date**" means the 19th day of June and the 19th day of December in each year commencing on 19 December 2012 and, subject to Condition 9(c) (*Cessation of Accrual*), ending on the Scheduled Dissolution Date).

(b) **Calculation of Periodic Distribution Amounts payable other than on a Periodic Distribution Date**

If a Periodic Distribution Amount is required to be calculated in respect of a period of less than a full Return Accumulation Period (the "**Relevant Period**"), it shall be calculated as an amount equal to the product of: (a) 7.00 per cent. per annum; (b) the face amount of the relevant Certificate; and (c) the number of days in such Relevant Period calculated on the basis of a year of 12 30-day months divided by 360 (with the result being rounded to the nearest U.S.$0.01, U.S.$0.005 being rounded upwards). The period from and including the Closing Date to but excluding the first Periodic Distribution Date and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date is called a "**Return Accumulation Period**".

(c) **Cessation of Accrual**

No further amounts will be payable on any Certificate from and including its due date for redemption, as a result of the failure of JAFZ to pay the relevant Exercise Price and enter into a sale and purchase agreement in accordance with the terms of the Purchase Undertaking or Sale Undertaking (as the case may be) and/or the failure to liquidate the Wakala Portfolio in accordance with the terms of the Service Agency Agreement and the Allocation Deed, unless default is made in payment of the Dissolution Distribution Amount, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 9, provided that, in respect of such accrual, no Sale and Purchase Agreement has been executed or a Total Loss Event has occurred.

10. **PAYMENT**

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

Subject to Condition 10(b) (*Payments subject to Applicable Laws*), payment of any Dissolution Amount and any Periodic Distribution Amount will be made by transfer to the registered account of each Certificateholder. Payments of any Dissolution Amount will only be made against surrender, or in the case of partial payment pursuant to Condition 12(e) (*Capital Distributions of the Trust — Partial Dissolution following a Major Loss Event*), presentation, of the relevant Certificate at the specified office of any of the Paying Agents. Each Dissolution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

If a Paying Agent makes a partial payment in respect of any Certificate pursuant to Condition 12(e) (*Capital Distributions of the Trust — Partial Dissolution following a Major Loss Event*), the Trustee shall procure that the amount and date of such payment are noted on the Register.

For the purposes of this Condition:

(i) "**Dissolution Amount**" means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Change of Control Dissolution Amount or such other amount in the nature of a redemption amount as may determined in accordance with these Conditions (including any amount payable following a Total Loss Event, Major Loss Event or Mortgaged Property Loss Event);

(ii) "**Payment Business Day**" means:

(A) in the case where presentation and surrender of a Definitive Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of the Definitive Certificate are open for presentation and payment of securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which banks are open for general business (including dealings in foreign currencies) in New York City, Dubai and London;

(iii) a Certificateholder's "**registered account**" means the account maintained by or on behalf of such Certificateholder with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the relevant Record Date;

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

(v) "**Record Date**" means: (i) (where the Certificate is represented by the Global Certificate), at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the Periodic Distribution Date, Scheduled Dissolution Date, or Dissolution Date or Major Loss Event Date, as the case may be; or (ii) (where the Certificate is in definitive form), 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 a Dissolution Amount, the date falling two Payment Business Days before the Scheduled Dissolution Date, or Dissolution Date or Major Loss Event Date, as the case may be.

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

Payments in respect of Certificates are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*).

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

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the due date for payment or, in the case of a payment of the Dissolution Amount, if later, on the Payment Business Day on which the relevant Definitive Certificate is surrendered at the specified office of a Paying Agent for value as soon as practicable thereafter.

Certificateholders will not be entitled to any additional payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the relevant Certificateholder is late in surrendering its Definitive Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

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

(d) **Allocation Deed to prevail**

All payments under these Conditions shall be made in accordance with the terms of the Allocation Deed for so long as it is in effect. The terms of the Allocation Deed shall prevail over anything in this Condition to the contrary. If there is any inconsistency between the terms of the Allocation Deed and this Condition, this Condition shall be construed as if it had been amended to conform with the terms of the Allocation Deed.

11. **AGENTS**

(a) **Agents of Trustee**

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 therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

(b) **Specified Offices**

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided, however, that:

(a) there will at all times be a Principal Paying Agent;

(b) there will at all times be a Registrar;

(c) there will at all times be a Calculation Agent;

(d) there will at all times be an Allocation Agent (appointed in accordance with the Allocation Deed);

(e) there will at all times be an Onshore Security Agent and an Offshore Security Agent (appointed in accordance with the Allocation Deed);

(f) there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in Ireland; and

(g) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 19 (*Notices*).

12. **CAPITAL DISTRIBUTIONS OF THE TRUST**

(a) **Scheduled Dissolution**

Unless the Certificates are previously redeemed, or purchased and cancelled, in full, the Trustee will redeem each Certificate on the Scheduled Dissolution Date at the Final Dissolution Amount together with any

Periodic Distribution Amounts payable. Upon payment in full of such amounts to the Certificateholders, the Trust will terminate, 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.

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

The Certificates may be redeemed by the Trustee in whole, but not in part at any time (such date, the "**Tax Dissolution Date**") on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), at the Early Dissolution Amount (Tax), together with any accrued but unpaid Periodic Distribution Amounts, if a Tax Event occurs where "**Tax Event**" means:

(a) the determination by JAFZ that: (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*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 Signing Date; and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) the receipt by the Trustee of notice from JAFZ that: (1) JAFZ has or will become obliged to pay additional amounts pursuant to the terms of the Service Agency Agreement 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 Signing Date; and (2) such obligation cannot be avoided by JAFZ taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given unless an exercise notice has been received by the Trustee from JAFZ under the Sale Undertaking and no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which: (i) (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due; or (ii) (in the case of (b) above) JAFZ would be obliged to pay such additional amounts if a payment to the Trustee under the Service Agency Agreement was then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Trustee shall deliver to the Delegate: (i) a certificate signed by one director of the Trustee (in the case of (a) above) or two Authorised Signatories of JAFZ (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or, as the case may be, JAFZ has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Certificateholders. Upon the expiry of any such notice as is referred to in this Condition 12(b), the Trustee shall be bound to redeem the Certificates at the Early Dissolution Amount (Tax), together with any accrued but unpaid Periodic Distribution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, 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.

(c) **Dissolution at the option of the Certificateholders**

(i) If a Change of Control Event occurs, the Trustee will, upon the holder of any Certificate giving notice within the Change of Control Put Period to the Trustee in accordance with Condition 19 (*Notices*) (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Trustee has given notice of redemption under Condition 12(b) (*Early Dissolution for Tax Reasons*)), redeem such Certificate on the Change of Control Put Option Date at the Change of Control Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amounts.

Promptly upon the Trustee becoming aware that a Change of Control Event has occurred, the Trustee shall give notice (a "**Change of Control Notice**") to the Certificateholders in accordance with Condition 19 (*Notices*) to that effect.

If 75 per cent. or more in face amount of the Certificates then outstanding have been redeemed pursuant to this Condition 12(c)(i) the Trustee may, on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 19 (*Notices*) (such notice to be given within 30 days of the Change of Control Put Option Date), redeem all (but not some only) of the remaining outstanding Certificates at their Change of Control Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amounts (the "**Change of Control Trustee Call Option**") and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, 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; provided, however, that no such notice of redemption shall be given unless the Trustee has received an exercise notice from JAFZ under the Sale Undertaking.

(ii) To exercise the right to require redemption of a Certificate, the holder of the Certificate must, if the Certificate is in definitive form and held outside Clearstream, Luxembourg and Euroclear, deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 12(c) and the face amount thereof to be redeemed and, if less than the full amount of the Certificates so surrendered is to be redeemed, an address to which a new Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the provisions of Condition 3(b) (*Transfers of Certificates — Delivery of New Certificates*).

If a Certificate is represented by the Global Certificate or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of a Certificate the holder of the Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Clearstream, Luxembourg and Euroclear (which may include notice being given on such Certificateholder's instruction by Clearstream, Luxembourg and Euroclear or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Clearstream, Luxembourg and Euroclear from time to time and if a Certificate is represented by the Global Certificate, at the same time present or procure the presentation of the Global Certificate to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Clearstream, Luxembourg and Euroclear by a holder of a Certificate pursuant to this Condition 12(c) shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates to be redeemed pursuant to Condition 16 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 12(c).

(d) **Dissolution following a Total Loss Event**

Upon the occurrence of a Total Loss Event, the Certificates may be redeemed and the Trust dissolved on the dates specified by the Delegate. The Certificates will be redeemed using the proceeds of insurance payable in respect of the Total Loss Event which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event. Upon such redemption, the Trust will dissolve, 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.

*Under the Service Agency Agreement the Servicing Agent undertakes to be responsible for insuring that the Wakala Assets are properly insured (on a takaful basis if at all possible) against total loss in an amount equal to their full reinstatement value (which value will be a sum not to be less than the aggregate outstanding face amount of the Certificates). If the obligations of the Servicing Agent thereunder are not strictly complied with and as a result any insurance amounts paid into the Transaction Account are less than the full reinstatement value of the Wakala Assets (the difference between the amount (if any) paid into the Transaction Account and such full reinstatement value being the "**Total Loss Shortfall Amount**"), the Servicing Agent (unless it proves beyond any doubt that any shortfall in the insurance proceedings is not attributable to its negligence or its failing to comply with the terms of the Service Agency Agreement relating to insurance) irrevocably and unconditionally indemnifies the Trustee for the Total Loss Shortfall Amount plus all other amounts then due and payable under the Transaction Documents, which will be payable directly into the Transaction Account on the 31st day following the occurrence of the Total Loss Event. Upon the occurrence of a Total Loss Event, all of the Wakala Portfolio Revenues credited to the Collection Accounts (as defined in the Service Agency Agreement) will immediately be paid by the Servicing*

Agent into the Transaction Account. The aggregate of such amounts and any insurance proceeds and/or Total Loss Shortfall Amount are intended to be equal to the aggregate face amount of the Certificates together with all accrued and unpaid Periodic Distribution Amounts.

(e) **Partial Dissolution following a Major Loss Event**

Following a Major Loss Event which is not a Mortgaged Property Loss Event, the Certificates will be partially redeemed *pari passu* and rateably on the Major Loss Event Date using amounts transferred to the Transaction Account from the Insurance Proceeds Account in accordance with the provisions relating to the sharing and application of such amounts as set out in Schedule 2 to the Allocation Deed. The foregoing provisions of this paragraph shall not apply if the Allocation Deed is terminated as referred to in Condition 7(c) (*Release of Security*).

(f) **Dissolution following a Mortgaged Property Loss Event**

Upon the occurrence of a Mortgaged Property Loss Event, the Certificates will be redeemed and the Trust dissolved on the dates specified by the Delegate (upon being notified of the same by JAFZ). The Certificates will be redeemed in accordance with the Purchase Undertaking and using amounts transferred to the Transaction Account from the Insurance Proceeds Account in accordance with the provisions relating to the sharing and application of such amounts as set out in Schedule 2 to the Allocation Deed, together with any other amounts available to the Allocation Agent pursuant to the Allocation Deed. Upon such redemption, the Trust will dissolve, 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. The foregoing provisions of this paragraph shall not apply if the Allocation Deed is terminated as referred to in Condition 7(c) (*Release of Security*).

(g) **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust, otherwise than as provided in this Condition, Condition 15 (*Purchase and Cancellation of Certificates*) and Condition 16 (*Dissolution Events*).

(h) **Cancellations**

All Certificates which are redeemed, and all Certificates purchased by or on behalf of JAFZ or any of its Subsidiaries and delivered by JAFZ to the Principal Paying Agent for cancellation, will forthwith be cancelled and accordingly such Certificates may not be held, reissued or resold.

13. TAXATION

All payments 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, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by the parties entitled thereto, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate:

(a) the holder of which is liable for such Taxes in respect of such Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Certificate; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment (where presentation is required) by or on behalf of a Certificateholder who would be able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a different Member State of the European Union.

As used in these Conditions:

"**Relevant Date**" means, in relation to any payment, whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received;

"**Relevant Jurisdiction**" means the DIFC and the United Arab Emirates or any Emirate therein or, in either case, any political subdivision or authority thereof or therein having the power to tax; and

"**Taxes**" means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction.

The Purchase Undertaking, the Sale Undertaking and the Service Agency Agreement provide that payments and transfers thereunder by JAFZ, shall be made free and clear of and 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 or transfer, as the case may be, by JAFZ, of additional amounts so that the full amount which would otherwise have been due and payable or transferable, as the case may be, is received by the Trustee.

14. PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within a period of 10 years (in the case of Dissolution Amounts) and a period of five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof, subject to the provisions of Condition 10 (*Payment*).

15. PURCHASE AND CANCELLATION OF CERTIFICATES

(a) Purchases

The Trustee or JAFZ or any of its Subsidiaries may at any time purchase Certificates at any price in the open market or otherwise (subject, in the case of JAFZ and its Subsidiaries, to the terms of the Allocation Deed).

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

Following any purchase of Certificates by or on behalf of JAFZ or any of its Subsidiaries pursuant to Condition 15(a) (*Purchases*), the Sale Undertaking may be exercised by JAFZ to oblige the Trustee to transfer its rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate Value not greater than the aggregate face amount of the Certificates so purchased against cancellation of such Certificates pursuant to Condition 12(h) (*Capital Distributions of the Trust — Cancellations*).

16. DISSOLUTION EVENTS

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

(a) default is made in the payment of any Dissolution Amount, Periodic Distribution Amount or amounts payable pursuant to Condition 12(e) (*Capital Distributions of the Trust — Partial Dissolution following a Major Loss Event*) on the due date for payment thereof and such default continues unremedied for a period of seven (7) Business Days in the case of the Dissolution Amount or amounts payable pursuant to Condition 12(e) and fourteen (14) Business Days in the case of any Periodic Distribution Amount; or

(b) the Trustee fails to perform or observe any one or more of its other duties, obligations or undertakings under the Certificates or the Transaction Documents, which failure is, in the opinion of the Delegate, incapable of remedy or, if in the opinion of the Delegate capable of remedy, is not, in the opinion of the Delegate, remedied within the period of thirty (30) days following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or

(c) a JAFZ Event (as defined below) occurs; or

(d) the Trustee repudiates the Declaration of Trust or does or causes to be done any act or thing evidencing an intention to repudiate the Declaration of Trust; or

(e) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Certificates or the Transaction Documents or any of the obligations of the Trustee under the Certificates or the Transaction Documents are not or cease to be legal, valid, and binding; or

(f) either: (i) the Trustee is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due; or (ii) 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); or (iii) 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 (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) an order or decree is made or an effective resolution is passed for the winding up, liquidation, dissolution or administration of the Trustee; or

(h) any event occurs which under the laws of the DIFC has an analogous effect to any of the events referred to in paragraphs (f) and (g) (inclusive) above,

the Delegate, upon receiving notice thereof under the Declaration of Trust or otherwise becoming aware of a Dissolution Event and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Dissolution Event to the holders of Certificates in accordance with Condition 19 (*Notices*) (with a copy to the Allocation Agent) with a request to such holders to indicate to the Trustee and the Delegate if they wish the Certificates to be redeemed and the Trust to be dissolved. Following the issuance of such notice, the Delegate in its sole discretion may, and if so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Certificates (each a "**Dissolution Request**") shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Trustee, JAFZ and the holders of the Certificates in accordance with Condition 19 (*Notices*) (with a copy to the Allocation Agent) that the Certificates are immediately due and payable at the Final Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amounts on the date of such notice, whereupon they shall become so due and payable.

Notwithstanding the foregoing provisions of this Condition 16, immediately upon the earlier to occur of: (i) an Insolvency Event (as defined in the Allocation Deed); or (ii) the Transaction Shared Security having become enforceable in accordance with its terms and the Security Agents (or any of them) having received instructions from the Instructing Group to enforce the Transaction Shared Security in circumstances where the Certificates have not previously been declared due and payable in accordance with the foregoing provisions of this Condition 16 (each of (i) and (ii) being a "**Mandatory Dissolution Event**"), the Certificates shall automatically and without further action become immediately due and payable at the Final Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amounts on the date of such Mandatory Dissolution Event, whereupon they shall become so due and payable. Upon the occurrence of a Mandatory Dissolution Event, the Delegate, upon receiving notice thereof under the Declaration of Trust or otherwise becoming aware of a Mandatory Dissolution Event and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Mandatory Dissolution Event to the holders of the Certificates in accordance with Condition 19 (*Notices*). Upon payment in full of the Final Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts in respect of such Mandatory Dissolution Event, the Trust shall be terminated.

Upon the Certificates having been declared due and payable in accordance with any of the foregoing provisions of this Condition 16, all payments in respect of the Certificates shall be made, and all rights of the Trustee and/or the Delegate (acting on behalf of the Certificateholders) under the Transaction Documents shall be exercised, in each case in compliance with the provisions of the Allocation Deed for so long as it is in effect.

To the extent that the Allocation Agent is entitled pursuant to the provisions of the Allocation Deed to request the Trustee and/or the Delegate to take or refrain from taking certain actions in order to give effect to the provisions of Clause 6 (*Effect of Insolvency Event*) or Clause 9 (*Enforcement of Security*), as the case may be, of the Allocation Deed, the Trustee and/or the Delegate will take or refrain from taking such actions.

Upon payment in full of such amounts, the Trust will terminate, 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 the purpose of paragraph (a) above, amounts shall be considered due in respect of the Certificates (including, without limitation, any amounts calculated as being payable under Condition 9 (*Periodic Distributions*) and Condition 12 (*Capital Distributions of the Trust*)) notwithstanding that the Trustee has, at the relevant time, insufficient funds or Trust Assets to pay such amounts.

For the purposes of this Condition, "**JAFZ Event**" shall mean each of the following events (but in the case of the happening of any of the events described in paragraph (c) below or paragraphs (e) to (i) (inclusive) below (other than the happening of any such event in relation to JAFZ), only if the Delegate shall have certified in writing to the Trustee and JAFZ that such event is, in its opinion, materially prejudicial to the interests of the Certificateholders):

(a) if default is made by JAFZ in the payment of: (A) any Wakala Portfolio Revenues (as defined in the Service Agency Agreement) to be paid into the Transaction Account by the Servicing Agent in accordance with the terms of the Service Agency Agreement and the default continues for a period of fourteen (14) Business Days; or (B) the Wakala Portfolio Exercise Price, the Change of Control Exercise Price, any Total Loss Shortfall Amount or Major Loss Event Exercise Price and the default continues for a period of seven (7) Business Days; or

(b) if JAFZ fails to perform or observe any one or more of its other obligations under Condition 5 (*Negative Pledge and Other Restrictive Covenants*), other than its obligations set out in Condition 5(e) (*Negative Pledge and Other Restrictive Covenants — Financial Information*); or

(c) if JAFZ fails to perform or observe any one or more of its other obligations under the Transaction Documents to which it is a party, which failure is, in the opinion of the Delegate, incapable of remedy or, if in the opinion of the Delegate capable of remedy, is not, in the opinion of the Delegate, remedied within the period of thirty (30) days following the service by the Delegate on the Trustee or JAFZ (as the case may be) of notice requiring the same to be remedied, except that a failure by JAFZ (acting in its capacity as Servicing Agent) to comply with its obligations set out in any of Clauses 3.2 and 3.4 of the Servicing Agency Agreement will not constitute a JAFZ Event; or

(d) if: (i) the holders of any Indebtedness of JAFZ or any Principal Subsidiary accelerate such Indebtedness or declare such Indebtedness to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or pursuant to an option granted to the holders by the terms of such Indebtedness), prior to the stated maturity thereof; or (ii) JAFZ or any Principal Subsidiary fails to pay in full any principal of, or interest or profit, as the case may be, on, any of its Indebtedness when due (after expiration of any originally applicable grace period) or any guarantee of any Indebtedness of others given by JAFZ or any Principal Subsidiary shall not be honoured when due and called upon; provided that the aggregate amount of the relevant Indebtedness or guarantee in respect of which one or more of the events mentioned above in this paragraph (d) shall have occurred equals or exceeds U.S.$25,000,000 (or its equivalent in any other currency or currencies); or

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

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

(g) if one or more judgments or orders for the payment of any sum in excess of U.S.$25,000,000 (or its equivalent in any currency or currencies), whether individually or in aggregate, is rendered against JAFZ or any Subsidiary and continues unsatisfied and unstayed for a period of thirty (30) days after the date thereof; or

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

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

(j) if any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order: (i) to enable JAFZ to lawfully enter into, exercise its rights and perform and comply with its obligations under the Transaction Documents to which it is party; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Transaction Documents to which it is party admissible in evidence in the courts of the United Arab Emirates is not taken, fulfilled or done, except that, provided no other Dissolution Event has occurred, the non-registration of legal title to the Wakala Assets in the name of the Trustee will not constitute a JAFZ Event for these purposes; or

(k) if JAFZ repudiates or challenges, or does or causes to be done any act or thing evidencing an intention to repudiate or challenge, these Conditions or any or any part of a Transaction Document to which it is a party or if at any time it is or becomes unlawful for JAFZ or any Principal Subsidiary to perform any or all of its obligations under or in respect of the Transaction Documents to which it is a party (or for any other party to any Transaction Document to perform any or all of its obligations) or any of the obligations of JAFZ thereunder are not or cease to be legal, valid, binding or enforceable; or

(l) all or any substantial part of the undertaking, assets and revenues of JAFZ or any Principal Subsidiary is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government; or (ii) JAFZ or any Principal Subsidiary is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues; or

(m) if any event occurs which under the laws of the United Arab Emirates or any Emirate or any other relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e), (h) and (i) above, or any event occurs which under the laws of the jurisdiction under which the relevant Principal Subsidiary is incorporated or constituted has an analogous effect to any of the events referred to in paragraphs (e), (h) and (i) above; or

(n) if any Security Interest, present or future, created or assumed by JAFZ or any Principal Subsidiary and securing an amount which equals or exceeds U.S.$25,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce the Security Interest (including the taking of possession or the appointment of a receiver, manager or other similar person) unless the full amount of the debt which is secured by the relevant Security Interest is discharged within sixty (60) days of the later of the first date on which: (a) a step is taken to enforce the relevant Security Interest; or (b) JAFZ or the relevant Principal Subsidiary, as the case may be, is notified that a step has been taken to enforce the relevant Security Interest;

(o) if: (i) JAFZ ceases to be the registered holder of the Usufruct Rights or (ii) the rights granted to JAFZ pursuant to the Concession Agreement and/or the Usufruct Agreement are revoked, cancelled or amended in a manner which is materially adverse to the Group; or

(p) a Mortgaged Property Loss Event occurs.

17. ENFORCEMENT AND EXERCISE OF RIGHTS

(a) Enforcement

Subject to the provisions of the Allocation Deed for so long as it is in effect, upon the earlier to occur of: (i) a Dissolution Event and the delivery of a Dissolution Notice by the Delegate pursuant to Condition 16 (*Dissolution Events*); or (ii) a Mandatory Dissolution Event, in each case to the extent that the amounts payable in respect of the Certificates have not been paid in full pursuant to Condition 16 (*Dissolution Events*), subject to Condition 17(b) (*Delegate not obliged to take action*) and Condition 17(e) (*Allocation Deed to prevail*), the Delegate (acting on behalf of Certificateholders) shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), take one or more of the following steps:

(i) enforce the provisions of the Purchase Undertaking against JAFZ and/or the Service Agency Agreement against the Servicing Agent; and/or

(ii) direct the Security Agents to enforce the Transaction Shared Security as provided in Condition 7 (*Security*) and the Allocation Deed; and/or

(iii) take such other steps as the Delegate may consider necessary in its absolute discretion to protect the interests of the Certificateholders.

Notwithstanding the foregoing but subject to Condition 17(b) (*Delegate not obliged to take action*) and Condition 17(e) (*Allocation Deed to prevail*), the Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or JAFZ to enforce their respective obligations under the Transaction Documents, these Conditions and the Certificates.

(b) **Delegate not obliged to take action**

Neither the Trustee nor the Delegate shall be bound in any circumstances to take any action, proceeding or step to enforce or to realise the Trust Assets or take any action against (in the case of the Delegate) the Trustee and/or JAFZ and (in the case of the Trustee) JAFZ under any Transaction Document 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 shall be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing, provided that neither the Trustee nor the Delegate shall be 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.

(c) **Direct Enforcement by Certificateholder**

No Certificateholder shall be entitled to proceed directly against the Trustee or JAFZ or provide instructions (not otherwise permitted by the Declaration of Trust) to the Delegate to proceed against the Trustee and/or JAFZ under any Transaction Document unless: (a) the Delegate, having become bound to proceed pursuant to Condition 17(b) (*Delegate not obliged to take action*) fails to do so within a reasonable period of becoming so bound and such failure is 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 JAFZ as the case may be) holds at least one-fifth of the then aggregate face amount of the Certificates outstanding. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than pursuant to the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and JAFZ shall be to enforce their respective obligations under the Transaction Documents.

(d) **Limited Recourse**

Paragraphs (a) to (c) (inclusive) above are subject to the provisions of Condition 4(b) (*Status and Limited Recourse — Limited Recourse*).

(e) **Allocation Deed to prevail**

Any enforcement action or exercise of rights under and/or pursuant to these Conditions shall be effected in accordance with the terms of the Allocation Deed, including (but not limited to) giving the Security Agents the discretion to enforce the Transaction Shared Security following an Insolvency Event (as defined in the Allocation Deed) or to act on the instructions of the Instructing Group to enforce or refrain from enforcing (as the case may be) the Transaction Shared Security once it has become enforceable in accordance with its terms, which shall in each case prevail over the exercise of any of the rights in respect of the Transaction Shared Security contained in this Condition 17. The terms of the Allocation Deed shall prevail over anything in this Condition to the contrary. If there is any inconsistency between the terms of the Allocation Deed and this Condition, this Condition shall be construed as if it had been amended to conform with the terms of the Allocation Deed.

18. REPLACEMENT OF DEFINITIVE CERTIFICATES

Should any Definitive Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar (and if the Certificates are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee, JAFZ, the Registrar, the Paying Agent or the Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

19. NOTICES

All notices to Certificateholders will be valid if:

(a) published in a daily newspaper having general circulation in London (which is expected to be the *Financial Times*); or

(b) mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective registered addresses.

Until such time as any Definitive Certificates are issued, there may, so long as the Global Certificate representing the Certificates is held on behalf of one or more clearing systems, be substituted for such publication in such newspaper(s) and/or mailing is accordance with paragraph (b) above the delivery of the relevant notice to the relevant clearing systems for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the day after the day on which the said notice was given to the relevant clearing systems.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst the Certificates are represented by a Global Certificate held on behalf of one or more clearing systems, such notice may be given by any holder of a Certificate to the Principal Paying Agent through the clearing system in which its interest in the Certificates is held in such manner as the Principal Paying Agent and the relevant clearing system may approve for this purpose.

20. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

(a) The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or the provisions of the Declaration of Trust or any other Transaction Document. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing more than half of the aggregate face amount of the outstanding Certificates, or at any adjourned such meeting one or more persons present whatever the outstanding face amount of the Certificates held or represented by him or them, except that at any meeting the business of which includes the modification of certain provisions of the Certificates (including modifying the Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates or altering the currency of payment of the Certificates, amending the covenant given by the Trustee and the Delegate in Clause 13.1 (*Application of Moneys*) of the Declaration of Trust or Condition 6(b) (*The Trust — Application of Proceeds from the Trust Assets*), modifying the provisions contained in the Conditions and the Declaration of Trust concerning the quorum required at any meeting of the Certificateholders or the majority required to pass an Extraordinary Resolution or changing any of JAFZ's covenants set out in the Purchase Undertaking or any of its covenants to make a payment under any Transaction Document to which it is a party), the quorum shall be one or more persons present holding or representing not less than three quarters in the outstanding face amount of the Certificates, or at any adjourned such meeting one or more persons present holding or representing not less than one quarter in the outstanding face amount of the Certificates. The expression "**Extraordinary Resolution**" is defined in the Declaration of Trust to mean either: (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than three-fourths of the votes cast; or (ii) a resolution in writing signed by or on behalf of the holders of the Certificates representing in the aggregate not less than 90 per cent. in the outstanding face amount of the Certificates who are entitled to receive notice of the meeting.

(b) Promptly upon receipt of a notification from the Allocation Agent under the Allocation Deed that a decision, instruction or consent (as applicable) is requested or expressly required to be given by the Secured Parties (or any of them), the Trustee and/or the Delegate (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) will, subject to and in accordance with the Declaration of Trust, convene a meeting of the Certificateholders to consider the requested decision, instruction, or consent by way of Extraordinary Resolution(s). In respect thereof the following provisions of this Condition 20(b) will apply. The notice of meeting given in such circumstances will contain all the details received by the Trustee and/or the Delegate from the Allocation Agent or from any other Secured Party pursuant to the Allocation Deed in connection with such requested decision, instruction or consent (as applicable), and to the extent such details (the subject of such Extraordinary Resolution(s)) change from time to time the Trustee and/or the Delegate will notify the Certificateholders of the changes provided that any such change is notified to Certificateholders at least 14 clear days prior to the date fixed for the meeting. Promptly upon the conclusion of the meeting to consider such decision, instruction or consent (as applicable), the Trustee and/or the Delegate will provide a certificate to the Allocation Agent setting out the instructions to the Allocation Agent requested in respect of the Allocation Deed which shall have been the subject of the Extraordinary Resolution(s) duly passed at such meeting, and such certificate will be binding in respect of the entire aggregate face amount of the Certificates then outstanding. At any meeting so convened, the requested decision, instruction or consent (as applicable) and any associated instructions to the Trustee and/or the Delegate shall be taken by one or more Extraordinary Resolutions. Notwithstanding the references to a meeting of the Certificateholders being convened and held under this paragraph, for the avoidance of doubt such decision, instruction or consent (as applicable) may, in the alternative, take effect as an Extraordinary Resolution passed by way of a written resolution in accordance with Condition 20(a) above. If after the date upon which a notice convening a meeting of Certificateholders has been given in accordance with this paragraph but before the date specified for such meeting has passed the Allocation Agent has received from the other Secured Participants (not being Certificateholders) sufficient responses in respect of such decision, instruction or consent (as applicable) as to constitute the Instructing Group and the Delegate and the Trustee have been notified in writing promptly (and in any event by no later than 5 Business Days before the date specified for the relevant meeting of Certificateholders) of that fact by the Allocation Agent in accordance with the Allocation Deed, the Trustee and/or the Delegate (as applicable) shall be entitled (in its sole discretion) to issue a further notice to Certificateholders cancelling such meeting of Certificateholders, with such further notice containing the information received by the Trustee and the Delegate from the Allocation Agent as aforementioned and the meeting shall forthwith be cancelled and any voting instructions or forms of proxy shall thereupon be cancelled and cease to have effect.

(c) Clause 20 (*Consents, Amendments and Override*) of the Allocation Deed prescribes that if in relation to: (i) a request for a "Consent" (as defined in the Allocation Deed) in relation to any of the terms of the Allocation Deed; (ii) a request to participate in any other vote of Secured Participants (as defined in the Allocation Deed and which, pursuant to the Declaration of Trust, requires a decision of the Certificateholders or the Delegate acting on their behalf, as applicable) or Permitted Refinancing Debt Creditors (as defined in the Allocation Deed) under the terms of the Allocation Deed; (iii) a request to approve any other action under the Allocation Deed; or (iv) a request to provide any confirmation or notification under the Allocation Deed, any Secured Participant fails to respond to that request or to instruct its relevant Participants' Representative in the manner prescribed by the Allocation Deed within 30 Business Days of that request being made, then indebtedness and rights of that Secured Participant will be disregarded for the purposes of obtaining the relevant Consent. Accordingly, if the required actions in respect of the Certificates pursuant to the Allocation Deed and the Declaration of Trust are not taken within such timeframe, the rights of the Certificateholders to participate in the matters described above shall expire and the Certificateholders will be bound by the resulting decision(s) of the other Secured Participants regardless of whether or not the Certificateholders (or any of them) are in favour or against such Consent being given.

(d) The Allocation Deed contains provisions under which any group of Secured Parties may amend or waive the terms of the Transaction Documents (except the Allocation Deed and the Security Documents) to which they are a party in accordance with their terms (and subject to any consent required under them) at any time, unless such amendment:

   (i) in the case of the Islamic Facility, is an increase in the Total Participation Amount (as defined in the Facility Finance Documents) and such increase is in an amount greater than 10 per cent. of the principal amount of the Islamic Facility at the date of the Commercial Terms Agreement unless such excess over 10 per cent. is postponed and subordinated to the Liabilities, or

   (ii) is a change to scheduled dates of repayment (other than any deferral in any such date) or a change to the early dissolution provisions as set out in Condition 12(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), Condition 12(c) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*), Condition 12(d) (*Capital Distributions of the Trust —*

Dissolution following a Total Loss Event), Condition 12(e) (*Capital Distributions of the Trust — Partial Dissolution following a Major Loss Event*) and Condition 12(f) (*Capital Distributions of the Trust — Dissolution following a Mortgaged Property Loss Event*), as applicable;

(iii) is a change in the basis on which profit, fees or commissions are realised, calculated or payable which results in an increase in the amounts payable to Secured Parties by more than two per cent. in aggregate with respect to the profit or commission payable in relation to the Islamic Facility or the Certificates, as applicable, but excluding any increase or addition of fees and/or commission relating to the Finance Documents if that increase or addition is in consideration for the amendment or waiver of, or the giving of consent under, any term of the Finance Documents;

(iv) is a change the effect of which is to make JAFZ liable to make additional or increased payments under the terms of the relevant Finance Documents (save as the result of an increase permitted pursuant to paragraphs (i) or (ii) above); or

(v) is a change to any provision which is reasonably likely to reduce the cash available to service, repay or pay any fees relating to early settlement of any of the Islamic Facility or the Certificates (save as the result of an increase permitted pursuant to paragraphs (i) or (ii) above); or

(vi) is a change that would otherwise result in the relevant Finance Documents becoming more onerous to JAFZ to the extent this would be (i) in the opinion of the Secured Parties (or any of them) (other than the Certificateholders) materially prejudicial to their interests or (ii) in the opinion of the Delegate materially prejudicial to the interests of the Certificateholders,

provided that:

(A) any amendment otherwise prohibited by the above paragraphs may be made with the prior written consent of the Instructing Group;

(B) any amendment which is a formal, minor, technical or administrative change or correction may be made in accordance with the terms of the relevant Finance Documents and without the prior written consent of the Instructing Group; and

(C) the Delegate shall be entitled to assume for the purposes of paragraph (vi) above that such change would not be materially adverse to the interests of the Trustee and/or the Certificateholders, unless it has received prior notice to the contrary from the Trustee and/or has been directed by the Certificateholders (having passed an Extraordinary Resolution to such effect) instructing the Delegate to the contrary.

(e) The Delegate may agree, without the consent or sanction of the Certificateholders, to any modification (other than in respect of a Reserved Matter) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Declaration of Trust or any other Transaction Document, or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or an event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event shall not be treated as such if, in the opinion of the Delegate: (i) such modification is of a formal, minor or technical nature; (ii) such modification is made to correct a manifest error; or (iii) such modification, waiver, authorisation or determination is not, in the opinion of the Delegate, materially prejudicial to the interests of the Certificateholders. No such direction or request will affect a previous consent, waiver, authorisation or determination.

(f) In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Delegate shall have regard to the general interests of the Certificateholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof) and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Delegate or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

(g) Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

21. INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

(a) The Declaration of Trust contains provisions for the indemnification of each of the Delegate and the Trustee 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 as well as provisions entitling the Delegate to be paid its costs and expenses in priority to the claims of the Certificateholders.

(b) Neither the Delegate nor the Trustee makes any representation and assumes no responsibility for the validity or enforceability of the Trust Assets other than as expressly provided in the Declaration of Trust.

(c) Each of the Trustee and the Delegate is exempted from: (i) any liability in respect of any decline in value or loss realised upon any sale or other disposition of any of the Trust Assets or any cash; (ii) any obligation to insure the Trust Assets pursuant to the Declaration of Trust and these Conditions; and (iii) any defect or failure in the right or title over any of the Trust Assets, unless such decline in value or loss defect or failure arises as a result of the gross negligence wilful default or fraud by the Trustee or the Delegate, as the case may be.

(d) The Declaration of Trust also contains provisions pursuant to which the Delegate is entitled, *inter alia*, (a) to enter into business transactions with JAFZ and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to JAFZ and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

(e) Neither the Trustee nor the Delegate shall be responsible for monitoring or ascertaining whether or not a Mandatory Dissolution Event, Dissolution Event, Potential Dissolution Event, Default (as defined in the Allocation Deed) Major Loss Event, Mortgaged Property Loss Event, Insolvency Event, Acceleration Event, Total Loss Event or Change of Control Event has occurred or exists or if the Transaction Shared Security has become enforceable and, unless and until it shall have received express notice to the contrary, it will assume that no such event or circumstance exists or has occurred.

(f) Neither the Trustee nor the Delegate assumes any responsibility for the sufficiency, validity or enforceability of the Transaction Shared Security or for any loss occasioned thereby. In addition, neither the Trustee nor the Delegate has any duty to monitor the performance by the Security Agents, the Allocation Agent or other parties to the Transaction Documents of their obligations nor is it obliged (unless indemnified and/or secured and/or prefunded to its satisfaction) to take any other action, proceeding or step which may involve the Trustee or the Delegate in any personal liability or expenses.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

23. GOVERNING LAW AND DISPUTE RESOLUTION

(a) **Governing Law**

The Declaration of Trust, the Certificates and these Conditions (including the remaining provisions of this Condition 23) and any non-contractual obligations arising out of or in connection with the Declaration of Trust, the Certificates and these Conditions are governed by, and shall be construed in accordance with, English law.

(b) **Agreement to arbitrate**

Subject to Condition 23(c) (*Option to litigate*) below, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Declaration of Trust, the Certificates and these Conditions (including any dispute as to the existence, validity, interpretation, performance, breach or termination of the Declaration of Trust, the Certificates and these Conditions or the consequences of the nullity of any of them or a 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 LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition. For these purposes:

(i) the seat of arbitration shall be London;

(ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and

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

(c) **Option to litigate**

Notwithstanding Condition 23(b) (*Agreement to arbitrate*) above, the Delegate (or, but only where permitted to take action in accordance with the terms of the Declaration of Trust, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and JAFZ:

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

(ii) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Delegate gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 23(e) (*Effect of exercise of option to litigate*) and, subject as provided below, any arbitration commenced under Condition 23(b) (*Agreement to arbitrate*) in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by JAFZ), each of the parties to the terminated arbitration will bear its own costs in relation thereto.

(d) If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate must also promptly give notice to the LCIA 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:

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

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

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

(e) **Effect of exercise of option to litigate**

In the event that a notice pursuant to Condition 23(c) (*Option to litigate*) is issued, the following provisions shall apply:

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

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

(iii) this Condition 23(e) is for the benefit of the Trustee, the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (i) above, the Trustee, the Delegate and any Certificateholder (where permitted so to do) may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee, the Delegate and the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

(f) **Process Agent**

Each of the Trustee and JAFZ has in the Declaration of Trust appointed TMF Corporate Services Limited at its registered office at 6 St. Andrew Street, 5th Floor, London EC4A 3AE as its agent for service of process and has undertaken that, in the event of TMF Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Delegate as its agent for service of process in England in respect of any Proceedings or Disputes. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(g) **Waiver of Immunity**

Under the Declaration of Trust, JAFZ has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity in relation to any Proceedings or Disputes. Further, JAFZ has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes. However, notwithstanding the foregoing, JAFZ expressly disclaims whether Article 247 of Federal Law No.11 of 1992 regarding the Law of Civil Procedure will apply to its assets, revenues or property.

(h) **Waiver of interest**

Each of the Trustee, the Delegate and JAFZ has agreed in the Declaration of Trust that, if any arbitration or Proceedings are commenced in relation to a Dispute and/or any Proceedings are brought by or on behalf of a party under the Declaration of Trust or the Sale Undertaking Deed, it will:

(i) not claim interest under, or in connection with, such arbitration and/or Proceedings; and

(ii) to the fullest extent permitted by law, waive all and any entitlement it may have to interest awarded in its favour by any arbitrator as a result of such arbitration and/or by any court as a result of such Proceedings.

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

USE OF PROCEEDS

The Proceeds of the issue of Certificates will be paid by the Trustee (as Purchaser) to JAFZ as the Seller for the purchase from the Seller of all of its rights, title, interests, benefits and entitlements in, to and under the Initial Wakala Portfolio. JAFZ will apply the Proceeds, together with all amounts received by it under the Islamic Facility and additional cash available to it, in the early redemption in full of the Sukuk Al-Musharaka, which is expected to occur shortly after the Closing Date.

DESCRIPTION OF THE TRUSTEE

General

The Trustee was incorporated in the DIFC on 11 April 2012 as a special purpose company under the Companies Law, DIFC Law No. 3 of 2006 and the Special Purpose Company Regulations under the name JAFZ Sukuk (2019) Limited and with registered number 1190. The Trustee's registered office address is c/o Maples Fund Services (Middle East) Limited, Office 801, 8th Floor, Liberty House, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates and telephone number is +971 (0) 4 511 4200.

Business of the Trustee

The primary purpose of the Trustee is to issue the Certificates and enter into the transactions contemplated by the Transaction Documents. The Trustee is a newly formed DIFC entity and as at the date of this Prospectus, has not commenced business and does not have any substantial assets or liabilities.

Share Capital of the Trustee

The Trustee has no subsidiaries. The Trustee has an authorised Share Capital of U.S.$300 consisting of 300 shares of U.S.$1 par value each, of which all 300 shares have been issued and fully paid up as at the date of this Prospectus.

The Trustee's entire issued share capital is held by MaplesFS Limited under the terms of an irrevocable charitable trust dated 12 June 2012 under which MaplesFS Limited holds the shares of the Trustee in trust until the termination date defined in the charitable trust.

Prior to the termination date of the charitable trust, the trust is an accumulation trust but MaplesFS Limited (as trustee of the shares in the Trustee) has the power to benefit a qualified charity (as defined in the charitable trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the termination date of the charitable trust, MaplesFS Limited (as trustee of the shares in the Trustee) will wind up the trust and make a final distribution to charity. MaplesFS Limited (as trustee of the shares in the Trustee) has no beneficial interest in and derives no benefit (other than its fee for acting as trustee of the shares in the Trustee) from its holding of the shares in the Trustee.

Directors of the Trustee

The Directors of the Trustee are all officers of the Trustee Administrator. The directors of the Trustee and their other principal activities as at the date hereof are as follows:

Name	Other principal activities
Andrew Millar	Senior Vice President, Maples Fund Services (Middle East) Limited
Hugh Thompson	Senior Vice President, Maples Fund Services (Middle East) Limited

The business address of each Director is c/o Maples Fund Services (Middle East) Limited, Office 801, 8th Floor, Liberty House, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates.

Corporate Administration

Maples Fund Services (Middle East) Limited will act as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator will serve as the general business office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement, the Trustee Administrator will perform in the DIFC or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement.

The Trustee and the Trustee Administrator will also enter into a registered office agreement (the "**Registered Office Agreement**") for the provision of registered office facilities to the Trustee.

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. The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Trustee or the Trustee Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

Directors' Interests

No director listed above has any interest in the promotion of, or any property acquired or proposed to be acquired by, the Trustee and no director has any conflict of interest and/or any potential conflict of interest between any of its duties to the Trustee and its private interests and/or other duties, save for the fact that each Director is an employee and/or officer of the Trustee Administrator (or an affiliate thereof).

As a matter of DIFC law, each director is under a duty to act honestly and in good faith with a view to the best interests of the Trustee, regardless of any other directorships he or she may hold.

Financial Statements

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

SUMMARY FINANCIAL INFORMATION

The historical consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, "*Operating and Financial Review*" and the Financial Statements included elsewhere in this Prospectus. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Jebel Ali Free Zone FZE and its Subsidiaries
Consolidated balance sheet

As at 31 December 2011, 31 December 2010 and 31 December 2009

	2011	2010	2009
		(AED '000) **(Audited)**	
ASSETS			
Non current assets			
Fixed assets	19,788	31,743	42,903
Investment properties	3,804,235	3,639,143	3,544,681
Land use right	8,610,538	8,642,730	8,732,861
Due from a related party	541,472	507,805	569,365
Accounts receivable and prepayments	55,890	119,221	143,138
	13,031,923	**12,940,642**	**13,032,948**
Current assets			
Due from related parties	332,572	572,905	1,545,547
Accounts receivable and prepayments	27,958	240,448	23,880
Cash and short-term deposits	1,083,570	493,455	29,577
	1,444,100	**1,306,808**	**1,599,004**
TOTAL ASSETS	**14,476,023**	**14,247,450**	**14,631,952**

NOTE: Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet as at 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus. Refer to "*Operating and Financial Review*" for additional information in this regard.

	2011	2010	2009
EQUITY AND LIABILITIES			
Equity			
Share capital	4,268,000	4,268,000	4,268,000
Retained earnings	1,527,124	1,285,488	1,145,782
Cumulative changes in fair value	(124,203)	(213,592)	(217,028)
Total equity	**5,670,921**	**5,339,896**	**5,196,754**
Non current liabilities			
Employees' end of service benefits	12,509	12,768	13,249
Sukuk Al-Musharaka	—	7,500,000	7,500,000
Derivative financial instruments	—	107,537	105,293
Deferred revenue	41,720	42,612	—
	54,229	**7,662,917**	**7,618,542**
Current liabilities			
Sukuk Al-Musharaka	7,500,000	—	—
Derivative financial instruments	124,203	106,055	111,735
Interest bearing loan from a bank	—	—	367,500
Accounts payable and accruals	848,246	873,675	1,068,265
Due to related parties	5,754	11,168	17,866
Deferred revenue	272,670	253,739	251,290
	8,750,873	1,244,637	1,816,656
Total liabilities	8,805,102	8,907,554	9,435,198
TOTAL EQUITY AND LIABILITIES	**14,476,023**	**14,247,450**	**14,631,952**

NOTE: Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet as at 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus. Refer to "*Operating and Financial Review*" for additional information in this regard.

Jebel Ali Free Zone FZE and its Subsidiaries
Consolidated statements of income

As at 31 December 2011, 31 December 2010 and 31 December 2009

	2011	2010	2009
		(AED '000) **(Audited)**	
Revenue	1,338,582	1,245,582	1,252,779
Cost of sales	(604,732)	(521,708)	(341,280)
Gross Profit	**733,850**	**723,874**	**911,499**
Other operating income	42,867	64,085	50,956
General and administrative expenses	(164,496)	(194,643)	(230,923)
Selling and marketing expenses	(30,368)	(28,941)	(27,854)
Gain on long term lease of investment properties	—	—	151,689
Operating profit	**581,853**	**564,375**	**855,367**
Finance income	45,294	29,292	15,143
Sukuk Al-Musharaka profit charges	(380,094)	(385,901)	(419,455)
Other finance costs	(5,417)	(68,060)	(164,321)
Finance costs — net	**(340,217)**	**(424,669)**	**(568,633)**
PROFIT FOR THE YEAR	**241,636**	**139,706**	**286,734**

NOTE: Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet as at 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus. Refer to "*Operating and Financial Review*" for additional information in this regard.

Jebel Ali Free Zone FZE and its Subsidiaries
EBITDA

As at 31 December 2011, 31 December 2010 and 31 December 2009

	2011	2010	2009
		(AED '000) **(Audited)**	
Profit for the Year	241,636	139,706	286,734
Depreciation	102,203	91,232	79,558
Amortisation of land use right	90,476	90,131	90,131
Loss on impairment of investment property	247,017	198,303	28,446
Finance cost-net	340,217	424,669	568,633
Gain on long-term of investment property	—	—	(151,689)
EBITDA	**1,021,549**	**944,041**	**901,813**

NOTE: Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet as at 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus. Refer to "*Operating and Financial Review*" for additional information in this regard. EBITDA is calculated as profit for the year after adding back (i) net finance costs, (ii) depreciation, (iii) amortisation of land use rights, and (iv) loss on impairment of investment property; less any gain on long term investment property. Such basis of calculation differs in certain respects from the basis of calculation of EBITDA for the purposes of JAFZ's covenant described in Condition 5 (*Negative Pledge and Other Restrictive Covenants*) of the Certificates.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the information set out in "Presentation of Certain Financial and Other Information", "Summary of Financial Information" and the Financial Statements and notes thereto which appear below and elsewhere in this Prospectus.

The following discussion of the Group's financial condition and results of operations is based upon the Financial Statements, which have been prepared in accordance with IFRS, except as specified below under — "Composition of the Financial Statements and Comparability of Financial Information". This discussion 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 Prospectus, particularly under the headings "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

Overview

The Free Zone is a major trade and industrial area in Dubai which, as at the date of this Prospectus, comprises approximately 55 square kilometres. The Free Zone 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 Dubai (Sheikh Zayed Road), adjacent to the Jebel Ali Port.

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. JAFZ's business activities in the Free Zone comprise:

- *leasing*: which includes the provision and renewal of leases in relation to the land, warehouses, offices and onsite residential accommodation;
- *commercial services*: which includes granting trading licences (both general and specific), industrial licences, service licences and national industrial licences, as appropriate; and
- *administration services*: which includes assisting tenants in the Free Zone in interfacing with various government authorities, ministries and departments of the UAE including, *inter alia*, immigration and visa services, assistance in obtaining health cards and driving licences, etc.

For the year ended 31 December 2011, 84.8 per cent. of total revenue in the Free Zone was derived from Leasing Activities, 7.8 per cent. from Commercial Services and 7.4 per cent. from Administration Services (each described in detail under "*Business Description — Business Activities of JAFZ within the Free Zone*").

As at 31 December 2011, approximately 6,700 companies were operating in the Free Zone from over 100 different countries (with approximately 125 "Fortune 500" and large multinational companies as tenants). For the year ended 31 December 2011, approximately 49.0 per cent. of the Free Zone's total customers had a geographic base (based on country of incorporation) in the GCC and Middle East, 21.0 per cent. in Europe, 19.0 per cent. in Asia and 11.0 per cent. in America and Africa. The Free Zone has maintained a 5.0 per cent. cumulative annualised growth rate of the number of companies established in the Free Zone over the last five years.

JAFZ proposes to undertake an incremental development strategy for the Free Zone and the anticipated capital expenditure for planned developments in 2012 is budgeted to be less than the annual average capital expenditure incurred over the period of 2009-2011 which was AED 543.8 million (see "*Business Description — Key Strengths — Strong revenue profile and growth potential*").

Composition of the Financial Statements and Comparability of Financial Information

The financial statements present the results of operations and financial position of JAFZ and its subsidiaries.

During the year ended 31 December 2011, JAFZ changed the presentation of certain line items in its consolidated statements of income and consolidated statement of financial position to better reflect the substance of certain transactions. As a result, the 2010 financial information (as presented within the 2011 financial statements) was reclassified to conform to the presentation of the 2011 financial statements. Accordingly, on an individual line item basis, the 2010 financial information (as presented within the 2011 financial statements) is not comparable to the 2010 financial information within the audited consolidated financial statements as at and for the year ended

31 December 2010, included elsewhere in this prospectus. However, such reclassification in the 2010 financial statements had no effect on the reported net profits or the equity of the Group. In addition, the 2009 financial information (as presented within the 2010 financial statements) was reclassified to conform to the presentation of the 2011 financial statements. Accordingly, on an individual line item basis, the 2009 financial information (as presented within the 2010 financial statements) is not comparable to the 2009 financial information within the financial statements as at and for the year ended 31 December 2009, included elsewhere in this Prospectus. However, such reclassification in the 2009 financial statements had no effect on the reported net profits or equity of the Group. See Note 26 ("Comparatives") to the 2011 financial statements.

The 2010 financial statements of JAFZ, prior to the reclassification adjustments discussed above, which are included elsewhere in this Prospectus, were audited by Ernst & Young Middle East (Dubai Branch), as stated in their audit report appearing elsewhere in this Prospectus. The 2011 financial statements of JAFZ were audited by PricewaterhouseCoopers (Dubai Branch), as stated in their audit report appearing elsewhere in this Prospectus. Effective 1 January 2011, JAFZ changed its independent public accountants from Ernst & Young Middle East (Dubai Branch) to PricewaterhouseCoopers (Dubai Branch). PricewaterhouseCoopers (Dubai Branch) were not engaged to audit, review or apply any procedures to the reclassified financial information as at and for the year ended 31 December 2009 appearing in this Prospectus. Accordingly, the reclassified financial information included in this Prospectus as at and for the year ended 31 December 2009 has not been audited.

For the avoidance of doubt, all 2010 financial information provided in this Prospectus has been derived from the 2010 reclassified financial information as presented within the 2011 financial statements. All 2009 financial information provided in this Prospectus has been derived from the 2009 reclassified financial information prepared by JAFZ from the 2009 audited financial statements, except for line items that were not affected by the change in presentation discussed above, which have been derived from the 2009 financial statements or the 2010 financial statements, as applicable. The line items reclassified in the 2011 financial statements under Cost of Sales are "administrative and selling expenses", "depreciation", "repairs and maintenance of investment property", "amortisation" and "impairment loss of investment property". The line items reclassified in the 2011 financial statements under Other Operating Income and General and Administrative Expenses are "gain on sale of investment property" and "provision for doubtful trade receivables" respectively. See Note 26 ("Comparatives") to the 2011 financial statements.

Certain Factors Affecting Financial Condition and Results of Operations

As described below, as a result of the evolution of JAFZ's business during the periods under review, JAFZ's financial condition and results of operations for such periods were affected by the following principal factors which may impact comparability. The following is a discussion of the most significant factors that have affected, or are expected to affect, JAFZ's financial condition and results of operations.

Dubai and UAE Macroeconomic, Financial and Political Conditions

JAFZ's business is subject to economic and political conditions in Dubai, as well as in the UAE as a whole. JAFZ's financial condition and 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 and the UAE. The current level of development in the supply of office space and other business-related infrastructure may exceed demand in the near future, which may affect JAFZ's ability to attract and retain customers and/or its ability to maintain or increase JAFZ's leasing revenue. See "*Risk Factors — Risk Factors Relating to the UAE and the Middle East"* and *"Overview of the UAE and the Emirate of Dubai*".

Management of Tenant Mix

Whether through leasing revenue from Leasing Activities ("**Leasing Revenue**"), income from Administration Services ("**Administration Services Revenue**") or revenue from Commercial Services ("**Commercial Services Revenue**"), the nature and mix of tenants is the primary factor affecting JAFZ's overall revenue. While JAFZ aims to allocate the land and facilities available to it among a mix of tenants that will yield the most revenue, various factors may adversely affect JAFZ's ability to achieve such a mix, including changes in demand patterns (or a mis-estimation of such patterns by JAFZ) and reduced overall levels of demand.

Competition

JAFZ competes for customers and qualified staff in the domestic and international markets. Within Dubai and the UAE, JAFZ competes against other free zones, business parks and industrial parks. Internationally, JAFZ competes primarily against other large logistics-oriented industrial free zones, some of which may be operated by affiliates of JAFZ. Competition from other free zones in particular may limit JAFZ's ability to raise rent levels in the future and may also effectively require JAFZ to undertake additional unplanned capital expenditures to ensure that its facilities and infrastructure are competitive with offerings outside the Free Zone. See "*Risk Factors — Risks relating to JAFZ — JAFZ may be subject to competition from other free zones*".

Level of Throughput Volumes at the Jebel Ali Port

The majority of JAFZ's customers rely on the Port to facilitate the sea transport of their logistical operations. A reduction in the capacity of the Port or the inability of the Port to increase throughput volume to meet demand could adversely affect the desirability of the Free Zone as a location for tenants and, accordingly, the level of JAFZ's revenue. See "*Risk Factors — Risk Factors Relating to JAFZ — Dependence on the Jebel Ali Port*".

Capacity for Future Growth

The land on which JAFZ can develop and operate is limited to the Free Zone. The Free Zone has been largely developed and the geographical limitations of the Free Zone may lead to a potential constraint on JAFZ's future expansion and development plans. See "*Risk Factors — JAFZ may be unable to make capital investment or expenditure*".

Regulatory Environment for JAFZ

JAFZ currently enjoys a favourable and supportive regulatory environment due in part to the Government's support for the Free Zone. However, there exists a risk that the current regulatory environment may become more restrictive, which could negatively affect JAFZ's future growth, financial condition and results of operations.

Regulatory Environment for Tenants

The majority of JAFZ's customers operate under environmental regulations imposed by JAFZA and other authorities operating within the ambit of the PCFC EHS Department. Furthermore, all customers who wish to construct facilities within the Free Zone are required to obtain building and other related permits, which are issued by the PCFC EHS Department. An adverse change in the regulatory environment for tenants could reduce the desirability of the Free Zone and negatively impact JAFZ's future revenues.

JAFZ's financial condition

JAFZ will apply the proceeds of the issue of Certificates, together with amounts received by it under the Islamic Facility and additional cash available to it, to redeem in full the Sukuk Al Musharaka, see "*Liquidity and Capital Resources — Financial D*ebt" and "*Use of Proceeds*". A resulting reduction in JAFZ's indebtedness could improve its financial condition. However, JAFZ's outstanding indebtedness and leverage could adversely affect its ability to raise additional capital to fund its operations, (see "*Risk Factors — JAFZ's leverage could restrict its ability to raise capital*") and the servicing of this indebtedness will impact, among other things, JAFZ's cashflows and cash balances.

Critical Accounting Policies and Estimates

The Group's consolidated financial statements have been prepared in accordance with IFRS. The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

JAFZ believes the following significant accounting policy is affected by management's judgement, estimates and assumptions, changes to which could have a significant impact on the Group's consolidated financial statements:

Impairment of non-financial assets

The 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 and in setting a suitable discount rate which involves complex valuation processes and methodologies. The key assumptions on which management bases its cash flow projections when determining the recoverable amount of the assets are as follows: (i) management's projections were 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; (ii) the discount rate of 11.8 per cent. 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; and (iii) a growth rate of 3.0 per cent. based on a conservative view of the long-term rate of growth.

Changes in facts and circumstances may result in revised assumptions, estimates and projections and actual results could differ from those assumptions, estimates and projections.

JAFZ reviews its non-financial assets 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.

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.

Description of Principal Line Items of JAFZ's Financial Statements

Revenue

JAFZ's revenue is comprised of income earned from: (a) the leasing of land, warehouse facilities, office space, residential staff units and other properties located in the Free Zone; (b) commercial services, such as the registration of entities located in the Free Zone and the issuance of licences for renewal and new Free Zone companies; and (c) administration services, such as immigration, medical, police and traffic-related services in coordination with the respective government departments provided to companies operating under a JAFZA licence. 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. JAFZ 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.

The Free Zone has maintained a 5.0 per cent. cumulative annualised growth rate of the number of companies established in the Free Zone over the last five years, see "*Business Description — Overview*" for further detail.

Cost of Sales

JAFZ's cost of sales is comprised of: (a) depreciation of investment property using the straight line method to allocate their cost at their residual values over their estimated useful lives; (b) amortisation of JAFZ's land use right calculated using the straight-line method to allocate the cost over the term of 99 years under the Usufruct Agreement; (c) impairment of investment property based on a reduction of carrying value versus the net present value of future cashflows; (d) repairs and maintenance on JAFZ's investment property; (e) utilities; (f) allocated portion of depreciation of property and equipment calculated using the straight-line method to allocate the cost of fixed asset property and equipment to their residual values over their estimated useful lives; and (g) other direct costs, such as operating rental lease cost, insurances of investment property, concession fee etc.

Other Operating Income

Other operating income is comprised of: (a) gains on the sale of investment property; (b) public health services; (c) security service allocation; (d) lease transfer, sub-lease income and lease commission; (e) rent on occupancy post termination; (f) postal service income; (g) fines and penalties income; and (h) other operating income.

General and Administrative Expenses

General and administrative expenses include staff costs for all employees, except for sales and marketing employees, which is allocated under "*Selling and Marketing Expenses*", expenses charged by related parties, depreciation on property and equipment deployed in general administrative functions and provision for impairment of trade and other receivables.

Selling and Marketing Expenses

Selling and marketing expenses include staff costs for sales and marketing employees and other related expenses.

Finance Income

Finance income is comprised of: (a) interest income on bank deposits; (b) interest income on balance due from a related party; (c) unwinding of fair value loss due from related party; and (d) other finance income.

Finance Expenses

Finance expenses are comprised of: (a) fair value losses on interest rate swaps designated as cash flow hedges transferred from equity; (b) profit commission provided to the holders of the AED 7,500 million Sukuk Al-Musharaka issued on 21 November 2007; and (c) interest on bank borrowing, bank charges and other related fees.

JAFZ's Historical Results of Operations

The following discussion and analysis for the years ended 31 December 2011, 2010 and 2009 is based on the audited consolidated financial statements of JAFZ, except as discussed above in "— *Composition of the Financial Statements and Comparability of Financial Information*".

The following table sets forth the selected income statement data for JAFZ for the years indicated.

CONSOLIDATED STATEMENTS OF INCOME

Years ended 31 December 2011, 2010 and 2009(1)

	2011	2010	2009
		(AED '000) **(Audited)**	
Revenue	1,338,582	1,245,582	1,252,779
Cost of sales	(604,732)	(521,708)	(341,280)
Gross Profit	**733,850**	**723,874**	**911,499**
Other operating income	42,867	64,085	50,956
General and administrative expenses	(164,496)	(194,643)	(230,923)
Selling and marketing expenses	(30,368)	(28,941)	(27,854)
Gain on long term lease of investment properties	—	—	151,689
Operating profit	**581,853**	**564,375**	**855,367**
Finance income	45,294	29,292	15,143
Sukuk Al-Musharaka profit charges	(380,094)	(385,901)	(419,455)
Other finance costs	(5,417)	(68,060)	(164,321)
Finance costs — net	**(340,217)**	**(424,669)**	**(568,633)**
Profit for the Year	**241,636**	**139,706**	**286,734**

(1) Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet for the years ended 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus.

Revenue

JAFZ's revenue for the year ended 31 December 2011 was AED 1,338.6 million as compared to AED 1,245.6 million for the year ended 31 December 2010, representing an increase of AED 93.0 million, or 7.5 per cent. This increase was attributable primarily to higher leasing revenue from plots, warehouses and offices and increase in revenue from both administrative and commercial services. Higher leasing revenue was driven by improved average lease rates in plots and an increase in leased area for warehouse and office without any dilution in lease rates, while increase in revenue from administrative and commercial services was primarily due to an increase in administrative transactions, re-introduction of medical services after a gap of one and a half years and improvement in pending renewal of licences.

JAFZ's revenue for the year ended 31 December 2010 was AED 1,245.6 million as compared to AED 1,252.8 million for the year ended 31 December 2009, representing a decrease of AED 7.2 million, or 0.6 per cent. This decrease in revenue was largely due to the full recognition in 2009 of income from the long term leasing of a large office block during 2009.

The following table presents revenue information for each of JAFZ's revenue-yielding segments for the years ended 31 December 2011, 2010 and 2009.

	2011	2010	2009
		(AED '000) **(Audited)**	
Revenue(1):			
Leasing Revenue	1,135,127	1,066,425	1,052,222
Commercial Services Revenue	103,793	95,669	112,472
Administration Services Revenue	99,662	83,488	88,085
Total	**1,338,582**	**1,245,582**	**1,252,779**

(1) Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet for the years ended 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus.

JAFZ's Leasing Revenue increased in 2011 by 6.4 per cent. as compared to 2010 primarily due to an increase in revenue from offices as a result of new contracts entered into. Overall Leasing Revenue increased in 2010 by 1.3 per cent. as compared to 2009, with such increase being primarily driven by the leasing of new facilities developed by JAFZ which became available for rent during 2010 as well as incremental rate increases imposed upon the renewal of existing land leases. The Commercial Services Revenue increased in 2011 by 8.5 per cent. compared to 2010 and decreased in 2010 by 14.9 per cent compared to 2009 (as discussed in further detail below). The Administration Services Revenue increased in 2011 by 19.4 per cent. compared to 2010 and decreased in 2010 by 5.99 per cent. compared to 2009 (as discussed in further detail below).

Leasing Revenue

The following table presents revenue information from JAFZ's Leasing Revenue segments for the years ended 31 December 2011, 2010 and 2009.

	2011	2010	2009
		(AED '000) **(Audited)**	
Leasing Revenue(1)			
Land	437,690	412,785	439,107
Warehouses	251,787	233,275	199,866
Offices	207,586	183,076	208,049
Onsite Residences (OSRs)	222,885	223,982	201,387
Other	15,179	13,307	3,813
Total	**1,135,127**	**1,066,425**	**1,052,222**

(1) Certain line items in JAFZ's statement of income and in the statement of financial position for the years ended 31 December 2010 and 31 December 2009 included above have been modified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus.

Land Leasing Revenue

Leasing Revenue from leasing plots of land for the year ended 31 December 2011 was AED 437.7 million as compared to AED 412.8 million for the year ended 31 December 2010, an increase of AED 24.9 million, or 6.0 per cent., mainly driven by increase in average lease rates due to new leases and lease renewals at higher rates.

Leasing Revenue from leasing plots of land for the year ended 31 December 2010 was AED 412.8 million as compared to AED 439.1 million for the year ended 31 December 2009, a decrease of AED 26.3 million, or 6.0 per cent. This decrease was primarily due to a reduction in leased space and one time rental discounts being offered to certain customers.

Warehouses Leasing Revenue

Leasing Revenue from warehouses for the year ended 31 December 2011 was AED 251.8 million as compared to AED 233.3 million for the year ended 31 December 2010, an increase of AED 18.5 million, or 7.9 per cent., due to full year impact of the new facilities added during 2010, along with improvement in both occupancy and average lease rates.

Leasing Revenue from warehouses leasing for the year ended 31 December 2010 was AED 233.3 million as compared to AED 199.9 million for the year ended 31 December 2009, an increase of AED 33.4 million, or 16.7 per cent. This increase was primarily due to rent increases upon lease renewal in relation to certain customers, the full year impact of twenty additional warehouses leased during the final quarter of 2009 and an additional eighteen warehouses leased during 2010.

Office Leasing Revenue

Leasing Revenue from offices for the year ended 31 December 2011 was AED 207.6 million as compared to AED 183.1 million for the year ended 31 December 2010, an increase of AED 24.5 million, or 13.4 per cent. This increase was primarily due to an increase in the new lease contracts entered into as a result of an increase in new lease space becoming available.

Leasing Revenue from offices for the year ended 31 December 2010 was AED 183.1 million as compared to AED 208.0 million for the year ended 31 December 2009, a decrease of AED 24.9 million, or 12.0 per cent. This decrease was primarily due to a decrease in the leasable office area due to long term lease of one office building, "JAFZA-17", to a related party during 2009 and recognising one time income on a long term lease during the same year.

Onsite Residence (OSR) Leasing Revenue

Leasing Revenue from OSR leasing for the year ended 31 December 2011 was AED 222.9 million as compared to AED 224.0 million for the year ended 31 December 2010, a decrease of AED 1.1 million, or 0.5 per cent. There was no significant movement in overall revenue from OSR as the impact of a minor increase in occupancy rate was offset by a minimal reduction in average lease rates.

Leasing Revenue from OSR leasing for the year ended 31 December 2010 was AED 224.0 million as compared to AED 201.4 million for the year ended 31 December 2009, an increase of AED 22.6 million, or 11.2 per cent. This increase was primarily due to an increase in rent on lease renewal and the full year impact of the additional onsite residential accommodation provided by the completion of certain OSR in 2009 and the subsequent leasing thereof.

Other Leasing Revenue

Leasing Revenue from other properties for the year ended 31 December 2011 was AED 15.2 million as compared to AED 13.3 million for the year ended 31 December 2010, an increase of AED 1.9 million, or 14.1 per cent. This increase was primarily due to new lease contracts being entered into during 2011 and the full year impact of new lease contracts entered into in 2010.

Leasing Revenue from other properties for the year ended 31 December 2010 was AED 13.3 million as compared to AED 3.8 million for the year ended 31 December 2009, an increase of AED 9.5 million, or 250.0 per cent. This increase was primarily due to full year impact of the new facilities added during 2009, particularly in JAFZA south, such as a food court.

Commercial Services Revenue

Revenue from commercial services for the year ended 31 December 2011 was AED 103.8 million as compared to AED 95.7 million for the year ended 31 December 2010, an increase of AED 8.1 million, or 8.5 per cent. This increase is primarily due to the increase in the number of companies operating from JAFZA and the issue of new licences and renewals.

Revenue from commercial services for the year ended 31 December 2010 was AED 95.7 million as compared to AED 112.5 million for the year ended 31 December 2009, a decrease of AED 16.8 million, or 14.9 per cent. This decrease was largely driven by higher terminations of active licences and deferment of licence renewals by customers.

Administration Services Revenue

Revenue from administration services for the year ended 31 December 2011 was AED 99.7 million as compared to AED 83.5 million for the year ended 31 December 2010, an increase of AED 16.2 million, or 19.4 per cent. This increase was primarily driven by an increase in administrative transactions such as immigration and traffic-related services and the reintroduction in 2011 of services that were offered previously but terminated in 2010 (as described below), such as medical services.

Revenue from administration services for the year ended 31 December 2010 was AED 83.5 million as compared to AED 88.1 million for the year ended 31 December 2009, a decrease of AED 4.6 million or 5.2 per cent. This decrease was largely driven by the termination of medical services due to lack of resources and reduction in administrative transactions due to a decrease in demand for such services from JAFZA-sponsored employees working with JAFZA customers.

Cost of sales

Cost of sales for the year ended 31 December 2011 was AED 604.7 million as compared to AED 521.7 million for the year ended 31 December 2010, an increase of AED 83.0 million, or 15.9 per cent. This increase was primarily due to higher impairment being recognised on investment property as a result of the delay in the completion of the Convention Centre, higher utility costs and higher depreciation as compared to the previous year. See "— *Critical Accounting Policies — Impairment of non-financial assets*" above and "— *Liquidity and Capital Resources — Capital Expenditures*" below.

Cost of sales for the year ended 31 December 2010 was AED 521.7 million as compared to AED 341.3 million for the year ended 31 December 2009, an increase of AED 180.4 million, or 52.9 per cent. This increase was primarily due to higher impairment being recognised on investment properties during 2010 as a result of the delay in the completion of the Convention Centre.

Other operating income

Other operating income for the year ended 31 December 2011 was AED 42.9 million as compared to AED 64.1 million for the year ended 31 December 2010, a decrease of AED 21.2 million, or 33.1 per cent. This decrease was primarily due to the write back of certain prior period excess provisions during 2010, no such items being repeated during 2011 and a net gain of AED 13.0 million on the sale of one warehouse during 2010.

Other operating income for the year ended 31 December 2010 was AED 64.1 million as compared to AED 51.0 million for the year ended 31 December 2009, an increase of AED 13.1 million, or 25.7 per cent. This increase was primarily due to a one-off net gain of AED 13.0 million on the sale of one warehouse during 2010, as explained above.

General and administrative expenses

General and administrative expenses for the year ended 31 December 2011 were AED 164.5 million as compared to AED 194.6 million for the year ended 31 December 2010, a decrease of AED 30.1 million, or 15.5 per cent. This decrease was primarily due to: (i) a decrease in staff costs by AED 17.8 million on account of reversal of prior year provision for staff benefits; and (ii) a decrease of AED 21.8 million in expenses recharged by the Group companies due to cost rationalisation at the Group level.

General and administrative expenses for the year ended 31 December 2010 were AED 194.6 million as compared to AED 230.9 million for the year ended 31 December 2009, a decrease of AED 36.3 million, or 15.7 per cent. This decrease was primarily due to a decrease in expenses recharged from Group companies due to cost rationalisation at the Group level.

Selling and marketing expenses

Selling and marketing expenses for the year ended 31 December 2011 were AED 30.4 million as compared to AED 28.9 million for the year ended 31 December 2010, an increase of AED 1.4 million, or 4.9 per cent. This increase over 2010 was primarily due to an increase in staff costs resulting from an increased number of employees.

Selling and marketing expenses for the year ended 31 December 2010 were AED 28.9 million as compared to AED 27.9 million for the year ended 31 December 2009, an increase of AED 1.0 million, or 3.6 per cent. There were no major changes during 2010 over 2009, as the marketing activities remained the same over these years.

Gain on long term lease of investment properties

Net gain on long term lease of investment properties for the year ended 31 December 2009 was AED 151.7 million, relating to the long term lease of JAFZA 17 granted to a related party. The gain on the long term lease of investment properties was a one-off transaction in 2009 and JAFZ did not recognise a gain on long term lease of investment properties for either of the years ended 31 December 2011 or 2010.

Finance income

Finance income for the year ended 31 December 2011 was AED 45.3 million as compared to AED 29.3 million for the year ended 31 December 2010, an increase of AED 16.0 million, or 54.6 per cent. This increase was primarily due to higher interest income on fixed bank deposits due to an increase in bank deposit amounts and due to unwinding of fair value loss on related party receivables recognised during prior years.

Finance income for the year ended 31 December 2010 was AED 29.3 million as compared to AED 15.1 million for the year ended 31 December 2009, an increase of AED 14.2 million, or 94.0 per cent. This increase was primarily due to higher interest rates charged on loans to related parties.

Sukuk Al-Musharaka profit charges

Sukuk Al-Musharaka profit charges for the year ended 31 December 2011 was AED 380.1 million as compared to AED 385.9 million for the year ended 31 December 2010, a decrease of AED 5.8 million, or 1.5 per cent. This decrease was primarily due to movement in benchmark rate index EIBOR.

Sukuk Al-Musharaka profit charges for the year ended 31 December 2010 was AED 385.9 million as compared to AED 419.5 million for the year ended 31 December 2009, a decrease of AED 33.6 million, or 8.0 per cent. This decrease was primarily due to movement in benchmark rate index EIBOR.

Other finance costs

Other finance costs for the year ended 31 December 2011 was AED 5.4 million as compared to AED 68.1 million for the year ended 31 December 2010, a decrease of AED 62.7 million, or 92.1 per cent. This decrease was primarily due to the impairment balance recognised on intercompany balances during 2010.

Other finance costs for the year ended 31 December 2010 was AED 68.1 million as compared to AED 164.3 million for the year ended 31 December 2009, a decrease of AED 96.2 million, or 58.6 per cent. This decrease was primarily due to a lower impairment amount recognised on intercompany balances during 2010 as compared to 2009.

Profit for the Year

As a result of the factors described above, JAFZ's profit for the year ended 31 December 2011 was AED 241.6 million as compared to AED 139.7 million for the year ended 31 December 2010, an increase of AED 101.9 million, or 72.9 per cent.

As a result of the factors described above, JAFZ's profit for the year ended 31 December 2010 was AED 139.7 million as compared to AED 286.7 million for the year ended 31 December 2009, a decrease of AED 147.0 million, or 51.3 per cent.

Liquidity and Capital Resources

Overview

JAFZ's primary sources of funds for liquidity consists of net cash provided by operating activities, and bank borrowings and issuances of debt securities and trust certificates.

JAFZ's current assets to total assets ratio for the years ended 31 December 2011, 31 December 2010 and 31 December 2009 was 10.0 per cent., 9.2 per cent. and 10.9 per cent. respectively. The net proceeds of the issue of Certificates will be used to refinance the Sukuk Al-Musharaka (see "*Capitalisation*" and "*Use of Proceeds*" included elsewhere in this Prospectus).

Financial Debt

Pursuant to the terms of the Facility Finance Documents, each Facility Participant will make available to JAFZ a facility (the "**Islamic Facility**") in the amount of AED 4,400,000,000. In addition, the Facility Participants, JAFZ and Dubai Islamic Bank PJSC, as Investment Agent, entered into a commercial terms agreement setting out the key commercial terms relating to the Islamic Facility, including the representations, covenants and events of default. For further details on the Islamic Facility (including definitions of the capitalised terms used in this sub-section), see "*Summary of the Terms of the Islamic Facility and Facility Finance Documents*" below.

Net Cash Flows

The following table sets forth information about the consolidated cash flows of JAFZ for the years indicated.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended 31 December 2011, 2010 and 2009

	Years ended 31 December		
	2011	**2010**	**2009**
		(AED '000) **(Audited)**	
Net cash generated from operating activities	1,248,155	1,668,090	928,690
Net cash used in investing activities	(1,026,365)	(440,376)	(849,927)
Net cash used in financing activities	(382,678)	(763,836)	(83,951)
Net (decrease)/increase in cash and cash equivalents	(160,888)	463,878	(5,188)
Cash and cash equivalents at beginning of the year	493,455	29,577	34,765
Cash and cash equivalents at end of the year	332,567	493,455	29,577

(1) Certain line items in JAFZ's consolidated statement of income and in the consolidated balance sheet for the years ended 31 December 2010 and 31 December 2009 included above have been reclassified to ensure balances are comparable to the new presentation used in the 2011 financial statements included elsewhere in this Prospectus.

Net cash generated from operating activities

Net cash generated from operating activities for the year ended 31 December 2011 was AED 1,248.2 million as compared to AED 1,668.1 million for the year ended 31 December 2010, a decrease of AED 419.9 million, or 25.2 per cent. This decrease was primarily due to settlement of intercompany receivables by AED 805.0 million during 2010, (see Note 16 to the 2010 financial statements) partly offset by recovery owing to JAFZ by a customer of a related party of receivables of AED 204 million (see Note 9 to the 2011 financial statements) and higher revenue during 2011.

Net cash generated from operating activities for the year ended 31 December 2010 was AED 1,668.1 million as compared to AED 928.7 million for the year ended 31 December 2009, an increase of AED 739.4 million, or 79.6 per cent. This increase was primarily due to the settlement of intercompany receivables by AED 805.0 million during 2010 owed to JAFZ.

Net cash used in investing activities

Net cash used in investing activities for the year ended 31 December 2011 was AED 1,026.4 million as compared to AED 440.4 million for the year ended 31 December 2010, an increase of AED 586.0 million. This increase was primarily due to investment in term deposits of greater than 3 months during 2011 being partly offset by the decrease in payments for investment property. Investment in term deposits have an original maturity of greater than three months and less than one year.

Net cash used in investing activities for the year ended 31 December 2010 was AED 440.4 million as compared to AED 849.9 million for the year ended 31 December 2009, a decrease of AED 409.5 million, or 48.2 per cent. This decrease was primarily due to reduction in payments for investment property.

Net cash used in financing activities

Net cash used in financing activities for the year ended 31 December 2011 was AED 382.7 million as compared to AED 763.8 million for the year ended 31 December 2010, a decrease of AED 381.1 million, or 49.9 per cent. This decrease was primarily due to repayment of AED 367.5 million of bank borrowings during 2010, while no such repayment was made during 2011.

Net cash used in financing activities for the year ended 31 December 2010 was AED 763.8 million as compared to AED 84.0 million for the year ended 31 December 2009, an increase of AED 679.8 million, or 809.3 per cent. This increase was due to the repayment of AED 367.5 million of bank borrowings during 2010, which was met by the proceeds from a bank loan of AED 367.5 million during 2009 and a decrease in the profit payable in respect of the Sukuk Al-Musharaka by AED 57.5 million.

JAFZ is restricted under the Facility Finance Documents from making capital expenditures beyond certain agreed levels. JAFZ expects to meet its working capital requirements and capital expenditure requirement according to cashflow and investment requirements for the next 12 months primarily through cashflows from operations. In the future, JAFZ expects to utilise a combination of resources including banking and capital markets transactions to manage JAFZ's balance sheet and meet its financing requirements, depending, *inter alia*, on its future financial condition and general economic and capital markets requirements.

Capital Expenditures

For the years ended 31 December 2011, 2010 and 2009, JAFZ made capital expenditures of AED 344.1 million, AED 385.0 million and AED 902.4 million, respectively. Capital expenditure from 2009 to 2011 was utilised on infrastructure development for the Free Zone and the construction of onsite residential accommodation, a showroom facility and the Convention Centre.

In 2009, JAFZ commenced the construction of a multi-use facility comprising two office towers with approximately 110,000 square metres of leasable space, a 320 room four star hotel and a convention centre (the "**Convention Centre**"). The net book value of this project as at 31 December 2011 was AED 898.6 million. As at the date of this prospectus, JAFZ is exploring various options to complete the Convention Centre but JAFZ does not intend to incur any material capital expenditure on further development of the Convention Centre. JAFZ's committed capital expenditure amounted to AED 45.0 million, AED 1,015.4 million and AED 1.5 million for the years ended 31 December 2011, 31 December 2010 and 31 December 2009, respectively.

JAFZ expects that its capital expenditure for the planned developments of infrastructure and other facilities within the Free Zone is expected to occur between 2012 and 2015 will be in the range of AED 300 million to AED 400 million. JAFZ estimates that capital expenditures in 2012 will be less than the annual average capital expenditure incurred over the period of 2009-2011 which was AED 543.8 million.

Contractual Obligations

Other than its obligations under the Concession Documents, and the long-term debt obligations it has in respect of the Sukuk Al-Musharaka, JAFZ does not have any other material long-term contractual commitments.

Off-Balance Sheet Arrangements

JAFZ does not have any off-balance sheet arrangements as at 31 December 2011 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.

Related Party Transactions / Other

Related parties include the parent and the ultimate parent company, the shareholders, key management personnel, associates, joint ventures and any businesses which are controlled, directly or indirectly by the shareholders and directors or over which they exercise significant management influence. The transactions entered into with related parties were in the normal course of business and at prices and terms agreed by the Group's management and are either (i) payable on demand or (ii) which cannot be repaid on demand.

The table below sets out the amounts outstanding as at 31 December 2011 and 31 December 2010 in respect of transactions entered into by JAFZ with related parties.

	2011	2010
	(AED '000) **(Audited)**	
Income:		
Revenue generated from other related parties	19,153	18,722
Other operating income — other related parties	6,783	4,024
Finance income — ultimate parent company	28,142	23,682
Expenses:		
Cost recharged from the parent company	55,036	61,327
Cost recharged from other related parties	676	16,211
Other operating expenses — other related parties	6,099	12,550
Balance Sheet Terms:		
Transfer-in of investment property — parent company	156,016	—
Transfer-in of land use rights — parent company	58,284	—
Related party balances include the following:		
Due from related parties comprises:		
Due from the parent company	255,203(1)	461,324
Due from other related parties	77,369	111,581
	332,572	572,905
Loan to the ultimate parent	721,367(2)	701,158
Less: fair value loss	(179,895)	(193,353)
Total	**874,044**	**1,080,710**
Due to related parties comprises:		
Other related parties	5,754	11,168

(1) AED 255,203,000 represents a non-interest bearing loan from EZW payable on demand by JAFZ.

(2) AED 721,367,000 represents an interest-bearing loan from Dubai World payable by 2019. The loan cannot be repaid on demand.

Market Risk Disclosures

The Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing interest rate risk, credit risk and liquidity risk, each of which is summarised below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. JAFZ is exposed to interest rate risk on the Sukuk Al-Musharaka transaction. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Management has sought to limit its exposure to any adverse future movements in interest rates by entering into interest rate swap arrangements, which are accounted for on a mark-to-market basis. Management is therefore of the opinion that JAFZ's exposure to interest rate risk is limited.

The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates with all other variables held constant. The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on JAFZ's profit for one year, taking into account interest rate swap arrangements, based on the floating rate financial assets and financial liabilities held at 31 December 2011.

	Increase/decrease in basis points	Effect on profit for fiscal year ended 31 December 2011
AED	+100	(35,000,000)
AED	-100	35,000,000

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. 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 derivative financial instruments.

Credit risk is managed on a Group basis. The Group seeks to limit the credit risk with respect to customers by ensuring that rental contracts are entered into only with lessees with an appropriate credit history. The Group limits its credit risk with regard to bank deposits by only dealing with banks it believes to be reputable. With respect to credit risk arising from JAFZ's other financial assets, including cash and cash equivalents, and derivative financial instruments with positive values, 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 limits its credit risk with regard to other financial instruments by only dealing with banks it believes to be reputable.

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.

CAPITALISATION

Capitalisation

On 27 November 2007, JAFZ issued trust certificates through JAFZ Sukuk Limited for a nominal value of AED 7.5 billion ("**Sukuk Al-Musharaka**"). The Sukuk Al-Musharaka matures on 27 November 2012 and bears a profit commission at a rate of six months EIBOR plus 1.30 per cent. per annum, paid semi-annually. Other than short-term trade payables, JAFZ does not have any other debt as at the date of this Prospectus.

JAFZ's equity capital as at 31 December 2011 is based on the difference between its total assets comprising its right under the Concession Documents, investment properties and other assets such as receivables and its total liabilities. For the years ended 31 December 2011, 2010 and 2009, JAFZ's equity capital was AED 5,671 million, AED 5,340 million and AED 5,197 million, respectively.

The table below shows the Group's capitalisation and indebtedness as at 31 December 2011. This table should be read together with the 2011 financial statements included elsewhere in this Prospectus.

	As at 31 December 2011
	(AED million)
Cash and short-term deposits[(1)]	**1,084**
Existing Borrowings:	
Sukuk Al-Musharaka	**7,500**
Total borrowings	**7,500**
Equity:	
Share capital	4,268
Retained earnings	1,527
Hedge reserve	(124)
Total equity	**5,671**
Total capitalisation[(2)]	**12,087**

Notes:

(1) Principally comprises cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less minus bank overdrafts.

(2) Total equity plus net debt less cash and short-term deposits. The Group's net debt (total borrowings less cash and short-term deposits) as at 31 December 2011 was AED 6,416 million.

Although the financial information included in the capitalisation and indebtedness table above is more than 90 days old from the date of this Prospectus there has not been any material change since 31 December 2011 that could have an effect on the aforementioned financial information.

New Borrowings

JAFZ has entered into the Islamic Facility in an amount of AED 4,400,000,000, and is expected to draw down the full amount of the facility on the Closing Date. The Islamic Facility is an eight year amortising facility with a maturity date falling in 2020. In addition, on the Closing Date, the Trustee will issue the Certificates. JAFZ will apply the proceeds it receives in respect of the sale of the Initial Wakala Portfolio to the Trustee under the Sale and Purchase Agreement, along with drawings under the Facility Finance Documents (see further "*Summary of the Terms of the Islamic Facility and Facility Finance Documents*") and approximately AED700 million from JAFZ's own cash sources, towards the prepayment in full of the Sukuk Al-Musharaka as described under "*Use of Proceeds*".

BUSINESS DESCRIPTION

Overview

The Jebel Ali Free Zone FZE ("**JAFZ**") was established pursuant to Law No. 9 of 1992 of the Emirate of Dubai ("**Dubai**") as a Free Zone Establishment (as defined herein) under registration number 01283 on 5 March 2006 as a wholly owned subsidiary of Economic Zones World FZE ("**EZW**"), which in turn is ultimately owned by Dubai World Corporation ("**Dubai World**"). This was effected pursuant to a restructuring plan designed to separate the regulatory activities and day-to-day commercial activities of the Jebel Ali Free Zone Authority ("**JAFZA**"), with JAFZA retaining the regulatory function and JAFZ managing the operational and commercial activities within the Jebel Ali Free Zone (the "**Free Zone**") (see further "— *Corporate History*").

The Free Zone is a major industrial and commercial development in Dubai which, as at the date of this Prospectus comprises approximately 55 square kilometres and has grown from hosting 19 companies to approximately 6,700 companies over a period of more than 26 years. The Free Zone 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 Dubai (Sheikh Zayed Road) and which is adjacent to the Jebel Ali Port (the "**Port**") (see satellite image of the Free Zone below).

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. JAFZ's business activities in the Free Zone (as described in more detail under "— *Business Activities of JAFZ within the Free Zone*") comprise:

- *leasing*: which includes the provision and renewal of leases in relation to the land, warehouses, offices and onsite residential accommodation;
- *commercial services*: which includes the registration of companies and granting trading licenses (both general and specific), industrial licenses, logistics licenses, service licenses and national industrial licenses, as appropriate; and
- *administration services*: which includes 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 etc.

For the year ended 31 December 2011, 84.8 per cent. of total revenue in the Free Zone was derived from Leasing Activities, 7.8 per cent. from Commercial Services and 7.4 per cent. from Administration Services (each as defined below).

Approximately 79.0 per cent. of land (of which 100 per cent. is leasable), 90.0 per cent. of warehouses; 78.0 per cent. of offices and 88.0 per cent. of onsite residential accommodation was occupied as at 31 December 2011 (see "— *Business Activities of JAFZ within the Free Zone — Leasing Activities*" for a detailed explanation of these leases).

As at 31 December 2011, approximately 6,700 companies were operating in the Free Zone from over 100 different countries (with approximately 125 "Fortune 500" and large multinational companies as tenants). For the year ended 31 December 2011, approximately 49.0 per cent. of the Free Zone's total customers had a geographic base (based on country of incorporation) in the Gulf Cooperation Council (the "**GCC**") and Middle East, 21.0 per cent. in Europe, 19.0 per cent. in Asia and 11.0 per cent. in America and Africa. The Free Zone has maintained a 5.0 per cent. cumulative annualised growth rate of the number of companies established in the Free Zone over the last five years.

JAFZ has undertaken and proposes to undertake an incremental development strategy for the Free Zone and the anticipated capital expenditure for planned developments in 2012 is budgeted to be less than the annual average capital expenditure incurred over the period of 2009-2011. Capital expenditure over the next three years is currently estimated by JAFZ to be in the range of AED 300 million to AED 400 million (see "*Operating and Financial Review — Liquidity and Capital Resources — Capital Expenditures*" above and "— *Key Strengths — Strong revenue profile and growth potential*" below).

The satellite image below illustrates the area comprising the Free Zone and its juxtaposition to the Sheikh Zayed Road, the Port and the Al Maktoum International Airport.

Source: JAFZ

Key Strengths

Strategic location and one of the largest operating free zones in the GCC

The Free Zone's strategic location is one of its key strengths as it borders both the Port (which, according to the website of DP World Limited, is the largest container port between Rotterdam and Singapore with an aggregate capacity of approximately 14 million twenty-foot equivalent units per year) and the upcoming Al Maktoum International Airport (the second airport in Dubai which is being developed for cargo and airfreight). JAFZ believes that the Free Zone provides its customers with a strategic base from which to carry out their operations in the Middle East and access other emerging markets such as the Indian subcontinent, Africa and Central Asia. Coupled with the multi-modal transport links between the Free Zone, the Port and the Al Maktoum International Airport (provided by the Port and by the Al Maktoum International Airport), this comprises a significant competitive advantage when compared to other free zones in the UAE and the Middle East generally.

Additionally, based on industry information available to it, JAFZ believes that the Free Zone is one of the largest operating free zones in the UAE and the wider GCC, in each case, based on land mass, working population and number of registered companies operating within the Free Zone.

JAFZ's customers benefit from the multi-modal transport links of: (i) *sea*, which provides global ocean freight connectivity from the Port which is connected to all major global ports; (ii) *land*, which, through the GCC region's extensive and modern highway network, provides access by road to every major market in the Middle East; and (iii) *air*, which permits sea to air transhipments from the Al Maktoum International Airport located in close proximity to the Free Zone. The Free Zone is connected to a dedicated logistics corridor known as the "Dubai Logistics Corridor", connecting the Port, the Free Zone and the Al Maktoum International Airport for streamlined and efficient movement of cargo. This positions JAFZ as the only logistics hub to be located within the same customs-bonded complex (governed by a customs regime with a single customs entry point for the transportation of cargo from one transport system to another) as a major port and airport.

The Free Zone is also well positioned to benefit from a future planned rail project consisting of the development of a regional rail network linking each of the six member states of the GCC, to be known as the GCC Rail Network. Upon completion, the rail network would offer significant efficiencies in transportation and encourage additional customers to consider the Free Zone. As at the date of this Prospectus, construction of infrastructure on this rail project has not commenced.

Competitive advantage

JAFZ believes it has a leading position in the GCC as no other free zone operating in the region has the Free Zone's length of experience in the region or is able to match the range of products, facilities and services offered by the Free Zone.

There is currently no direct competitor of JAFZ in the UAE or the GCC that provides substantially the same features and services as provided by JAFZ on the same scale. The existing free zones in Dubai are limited to specific activities or industries, for example, healthcare in Dubai Healthcare City or financial services in the Dubai International Financial Centre (see "*Risk Factors — Risks relating to JAFZ — JAFZ may be subject to competition from other free zones in the UAE and the GCC*"). Furthermore, JAFZ believes that it has a strong competitive advantage due to the importance for tenants of being integrated with the Port (see "*— Strategic location and one of the largest operating free zones in the GCC*" above), and in terms of the goodwill, operating efficiencies, physical infrastructure, information technology, human resources and other capabilities required to operate an economic free zone, which JAFZ and JAFZA have established in the Free Zone over a period of more than 26 years. For the relationship between JAFZ and JAFZA, see "*— Corporate History*" and "*— Corporate Structure*" below.

Additionally, the period of time and capital expenditure required to develop the facilities that are available on the scale at which they are provided within the Free Zone create significant barriers to entry for other potential competitors.

Strong revenue profile and growth potential

The Free Zone has a strong revenue profile as indicated by the following:

- a stable and recurrent revenue stream from Leasing Activities, Commercial Services and Administration Services, accounting for 84.8 per cent., 7.8 per cent. and 7.4 per cent., respectively, of total revenues in the Free Zone, for the year ended 31 December 2011 (see "*Operating and Financial Review*");

- approximately 79.0 per cent. of leasable land, 90.0 per cent. of warehouses, 78.0 per cent. of offices and 88.0 per cent. of onsite residential accommodation was occupied as at 31 December 2011 (see "— *Business Activities of JAFZ within the Free Zone — Leasing Activities*" below). The land is leased on a long-term basis and, as at 31 December 2011, the weighted average remaining term of the land leases was 7.2 years;
- strong customer commitment which is reflected in high customer retention figures, where 80.0 per cent. of companies established in the Free Zone as at 1 January 2007 continue to operate in the Free Zone as at the date of this Prospectus; and
- specifically in the case of land lease tenants (who accounted for 38.6 per cent. of JAFZ's total leasing revenue for the year ended 31 December 2011), high opportunity costs associated with relocation outside the Free Zone or to other free zones because, upon termination of the relevant land lease, all constructions on the land (which pursuant to JAFZ's lease terms, are required to be funded by the tenant) revert to the landlord under the terms of the lease arrangements.

JAFZ's management has deployed a discretionary capital expenditure policy under which JAFZ incurred significant capital expenditure on superstructure and certain infrastructure (such as connecting roads within the Free Zone) for the purposes of developing the Free Zone until 2008 and then reduced the capital expenditure from 2009 onwards (excluding maintenance capital expenditure which, when incurred, is recognised in JAFZ's income statement). Consequently, by 2009, there was significant infrastructure already in place that placed JAFZ in a position to accommodate increased customer demand, whilst at the same time benefitting from its economies of scale.

The factors described above, together with the Free Zone's unutilised lease capacity, combine to give the Free Zone a strong growth potential, particularly given the availability of approximately 21.0 per cent. of leasable land as at 31 December 2011, which can be leased by JAFZ to tenants as land or which JAFZ can utilise itself for the development of new warehouse facilities, offices or onsite residential accommodation, based on demand.

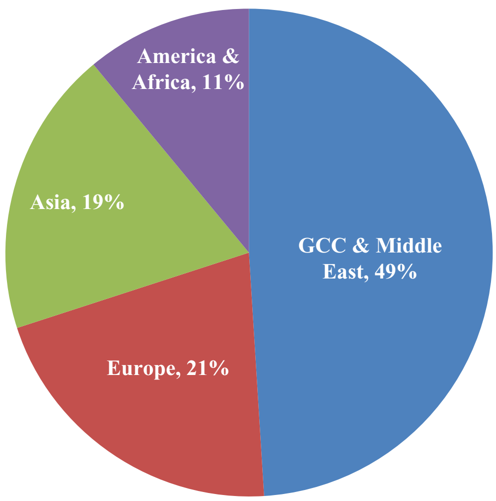
For further details on revenue profile, see "— *Business Activities of JAFZ within the Free Zone*" below.

Diversification of revenue and low volatility of operating income

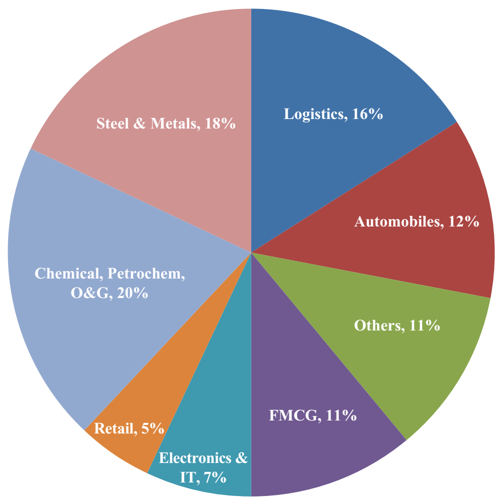
Apart from offering a variety of lease facilities comprising of land, warehouses, offices and onsite residential accommodation (with each of these accounting for 38.6 per cent., 22.2 per cent., 18.3 per cent. and 19.6 per cent., respectively, of JAFZ's total leasing revenue for the year ended 31 December 2011), the Free Zone also caters to a diverse tenant base with approximately 5,000 separate leases in the Free Zone. No single tenant accounted for more than 3.0 per cent. of total leasing revenue, and the ten largest tenants accounted for only 10.4 per cent. of total leasing revenue, in each case, in respect of the year ended 31 December 2011. The number of tenants referred to above (approximately 5,000) is less than the total number of companies hosted in the Free Zone as at the date of this Prospectus (approximately 6,700) since not all companies hosted require separate rental space, including as a result of companies within a group of companies benefiting from a lease taken out by a single company within such group.

The Free Zone also maintains a diverse portfolio of tenants in terms of industry sector and geographic base segments.

Geographically Diverse Tenant Base



Land Tenants' Profile by Industry Sector



Source: JAFZ data (by number of tenants) as at 31 December 2011.

This diversification of client profile enables JAFZ to experience a steady revenue stream, which has continued throughout the recent global financial crisis and downturn in the real estate market in Dubai and other countries in the MENA region and throughout the recent political unrest in the MENA region.

Unique value proposition

One of the key competitive advantages of the Free Zone is that it offers tenants a “one-stop shop”, including pre-built facilities, warehouses, offices, onsite residential accommodation, streamlined labour and immigration procedures, a single point of contact for all licensing, staff and other regulatory needs, online and individual customer service support, as well as established banks, restaurants and retail outlets located within the Free Zone. In addition, for the convenience of tenants and in order to support the “one-stop shop” strategy, the Government extends its support to the Free Zone by maintaining branches of key departments, such as immigration, the Dubai Chamber of Commerce and Industry and national security onsite within the Free Zone. This enables JAFZ to register a new client within a short period of time upon receipt of an application.

As part of its flexible product offering and to promote the value of the Free Zone to companies or countries unfamiliar with the region or Dubai, JAFZ has also developed an “incubation approach” under which JAFZ leases out small office areas to export agencies or foreign trade departments of various target countries and liaises with these offices in order to popularise the Free Zone with companies operating within such countries. This approach was initiated in 2008-09 with Brazil and JAFZ is now engaged in similar initiatives with, amongst other countries, Argentina and Korea.

Further, JAFZ attempts to maximise efficiency by strategic selection and placement of customers in close proximity based on the customers’ industry type (see “— *Corporate Strategy — Maximising efficiency*” below). In addition, JAFZ seeks to maintain regular communication with its clients in order to ensure customer satisfaction.

Attractive operating environment for foreign companies

The Free Zone offers a number of incentives to foreign companies to establish operations in the Free Zone, including:

- permitting 100 per cent. foreign ownership of establishments in the Free Zone (which contrasts with the laws of the UAE outside of established free zones, where this is not always possible);
- import and export tax exemptions;
- zero corporate and income tax rates (which are applicable to customers for a period of 50 years from the date of commencement of business by a company in the Free Zone and are subject to renewal by JAFZA);
- no restrictions on repatriation of capital and profits; and
- assistance with labour recruitment and additional support services such as sponsorship, assistance with visa processing and housing.

Importance of the Free Zone to the economy of Dubai

JAFZ and JAFZA are both ultimately wholly owned by the Government and the Free Zone is a significant contributor to the economy of Dubai. According to “*The Impact of Jebel Ali Free Zone on the Dubai and UAE Economies*” (a study conducted by PricewaterhouseCoopers in 2009 and published in April 2011), the economic contribution of companies located in the Free Zone comprised approximately 21.1 per cent. of Dubai’s overall gross domestic product, with such companies accounting for approximately 55.0 per cent. of the total import, export and re-export (i.e, excluding transhipments and empty containers) handled at the Port in 2009. Further, the Free Zone attracted AED 1.9 billion of foreign direct investment and tenants in the Free Zone employed approximately 10.1 per cent. of Dubai’s total working population of 1.4 million (Dubai Statistics Centre estimate for 2009).

Further, in 2007, the Government adopted a set of guiding principles for various sectors of the economy with the aim of ensuring an understanding of the Government’s vision for these sectors among all government entities and a common framework for the operations of these entities (the “**Dubai Strategic Plan 2015**”). The Dubai Strategic Plan 2015 envisages trade and transport to be among the key industries for Dubai’s growth and the importance of these sectors was reaffirmed during the reassessment of the Dubai Strategic Plan 2015 in 2011. JAFZ believes that the Free Zone represents a key driver for development of the trade and transport industries in Dubai. As a result, the Government has a direct interest in the successful and long-term operation of the Free

Zone. Accordingly, JAFZ believes that it is in the Government's interest to ensure that the legislative framework applicable to JAFZ and JAFZA does not materially adversely affect the commercial viability of the Free Zone (see "*Risk Factors – Risk Factors Relating to the UAE and the Middle East – No assurance can be given as to the impact of a change in law, regulation or policy*" above).

JAFZ is also a member of and has a representative in the Dubai Free Zones Council, which seeks to encourage investment into Dubai by facilitating discussions between the various free zone authorities themselves, and between the free zone authorities and the Government. JAFZ believes that it is a beneficiary of the Dubai Free Zones Council's efforts to further enhance Dubai's appeal as an investment and business destination by unifying and standardising the measures and procedures of registering and licensing new businesses.

Experienced management

JAFZ has the benefit of an established track record, goodwill and expertise developed over 26 years of the Free Zone's operation due, in large part, to its being managed and staffed by substantially the same individuals who were responsible for operating the Free Zone prior to the establishment of JAFZ. Accordingly, JAFZ benefits from the experience and expertise of its management and staff in operating the Free Zone.

JAFZ's experienced management team has been able to adapt to the changing market conditions and the corresponding change in the Free Zone's customers' needs at a policy level including, for example, during the recent economic downturn, by introducing new "products" such as expanding business centres to accommodate smaller enterprises and by adopting an "incubation approach" in order to attract international investors (see "— *Unique value proposition*").

JAFZ has achieved numerous awards for its operational excellence, including the Dubai Quality Award from Dubai's Department of Economic Development (awarded by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum) in 2010 for excellence in the service sector based on its service standards, innovative products, corporate social responsibility initiatives and increased dialogue with customers and employees alike. In the same year, JAFZ was also awarded the Logistics Hub of the Year Award (Supply Chain and Transport Awards) while in 2009, it received the Best Logistics Park (Sea, Middle East Logistics Awards) and Innovator of the Year (Middle East Logistics Awards). JAFZ has also achieved numerous quality accolades including the ISO 9001:2008 certification for quality management systems and ISO 27001 certification for its information security management system and the Free Zone was the first free zone in the UAE to receive an ISO 9001:2000 quality accreditation.

Corporate History

JAFZ was established as a Free Zone Establishment under registration number 01283 on 5 March 2006 pursuant to Law No. 9 of 1992 as a wholly owned subsidiary of EZW, which in turn is ultimately owned by Dubai World. See "— *Overview*" above.

From 22 November 2007 (the "**Effective Date**"), JAFZA granted a concession to JAFZ pursuant to the Concession Agreement, which provided JAFZ with the exclusive right and privilege to provide certain administration services at JAFZ's own expense within the Concession Area (which comprises substantially all of the Free Zone) for a period of 99 years from the Effective Date.

Further, from the Effective Date, JAFZA granted Usufruct Rights over the Usufruct Property (comprising the Concession Area and the immoveable fixed assets therein) to JAFZ pursuant to the Usufruct Agreement. The Usufruct Rights give JAFZ the exclusive right to use and benefit from the Usufruct Property for a period of 99 years from the Effective Date. The Usufruct Agreement includes the right to lease facilities to tenants in the Free Zone, renew a lease or grant a new lease to a tenant for occupying any part of the Concession Area (with JAFZ being the landlord). For further details on the Concession Agreement and the Usufruct Agreement (including definitions of capitalised terms used in this sub-section), see "*Summary of the Concession and Usufruct Documents*" below.

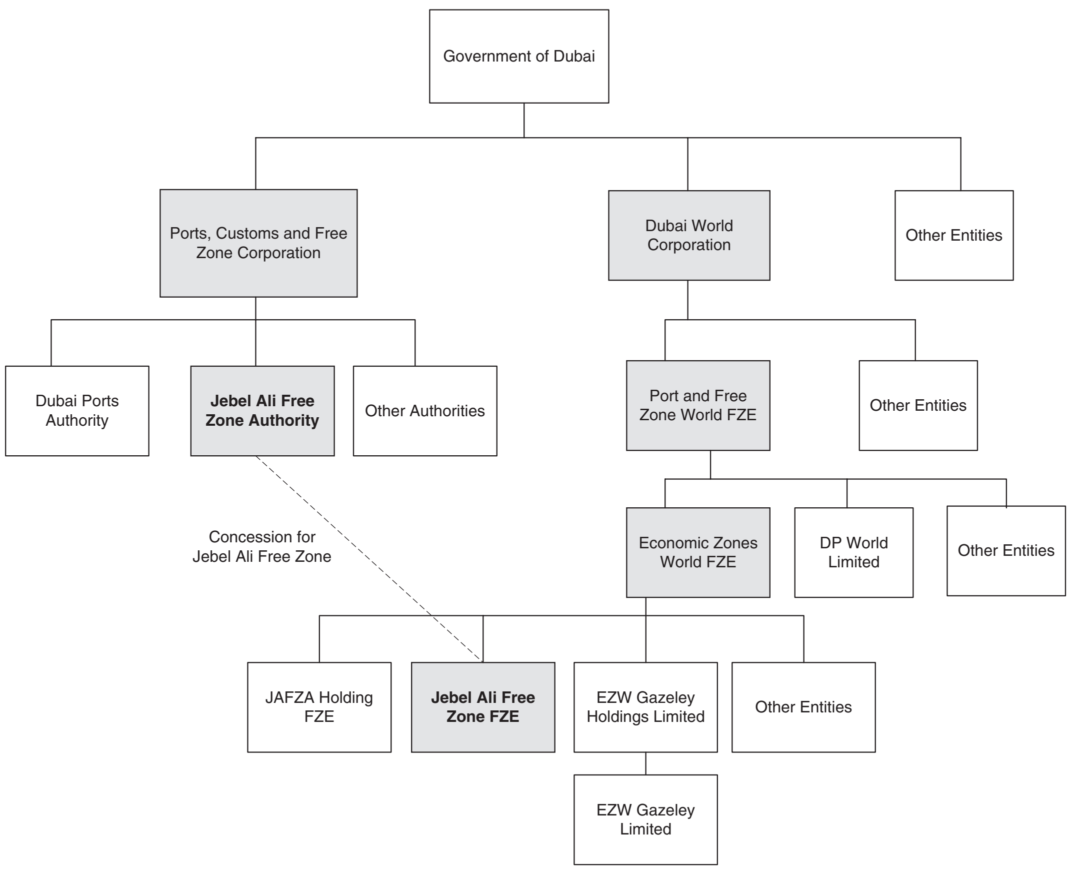
In addition, historically, JAFZA has been named as the party entering into the leases of properties within the Concession Area, rather than JAFZ. Accordingly, as JAFZ is the commercial operator of the Free Zone, JAFZ and JAFZA have entered into three Master Leases that together cover all property in the Concession Area and are effective from 13 November 2007. 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. See further "*Summary of the Master Lease Agreements and Standard Form Leases*" below.

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, 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. For details of the concession fee payable, see "*Summary of the Master Lease Agreements and Standard Form Leases*" below. 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 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) (see "*Risk Factors — Risks relating to JAFZ — JAFZ relies on published tariffs*" above);
- 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); and
- the ability to expedite court proceedings against tenants which are in breach of their lease agreements.

Corporate Structure

The diagram below shows the abbreviated organisational structure of certain businesses and other entities (including JAFZA and JAFZ) controlled by the Government as at the date of this Prospectus. For details in relation to the internal organisational structure of JAFZ, see "*Management*".



Note: Each of the highlighted companies is wholly owned by their respective parent company/entity.

Dubai World — Ultimate Parent Company of EZW

Dubai World is the holding company of a large and geographically diverse family of companies, which includes EZW, the parent company of JAFZ. Dubai World is wholly owned by the Government.

On 25 November 2009, the Government announced that, acting through the SFC, it had authorised the Dubai Financial Support Fund to support the restructuring of Dubai World, and its direct and indirect subsidiaries, including JAFZ and its direct and indirect subsidiaries, with immediate effect.

Dubai World's restructuring was implemented on 29 June 2011. The terms of the restructuring require compliance with certain restrictive covenants by JAFZ's parent company, EZW, and its subsidiaries. However, these restrictive covenants do not restrict JAFZ from conducting its business in the ordinary course as described in this Prospectus, from repaying its indebtedness or from discharging its obligations in respect of the Transaction Documents, refinancing the Sukuk Al-Musharaka or granting security in respect of such refinancing. In general, a waiver of the requirement for SFC approval to incur indebtedness exists for Dubai World subsidiaries, including EZW and its subsidiaries and there are no constraints on JAFZ imposed indirectly 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 JAFZ to perform and comply with its payment and other material obligations in relation to the Transaction Documents (see "*Risk Factors — Risks relating to JAFZ — Neither Dubai World nor the Government of Dubai is legally obliged to provide any additional funding to JAFZ*").

Business Activities of JAFZ within the Free Zone

JAFZ's business activities in the Free Zone consist of Leasing Activities, Commercial Services and Administration Services (each as described in detail below). For the year ended 31 December 2011, 84.8 per cent. of total revenue in the Free Zone was derived from Leasing Activities, 7.8 per cent. from Commercial Services and 7.4 per cent. from Administration Services. Apart from payment of a certain percentage of revenue earned from Commercial Services to JAFZA by way of a concession fee (see "*Summary of the Concession and Usufruct Documents — The Concession and Usufruct Documents*" below), JAFZ is entitled to retain all of its revenue and income from all of its business activities.

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. The provision and renewal of the leases in relation to land, warehouses, offices and onsite residential accommodation are referred to in this Prospectus as the "**Leasing Activities**".

The table below summarises the types of Leasing Activities and the revenues earned therefrom as at and for the year ended 31 December 2011:

Facility	Typical Lease Term	Typical Payment Terms	License Renewal	Renewal Notice	Responsibility for Maintenance Costs	Responsibility for Utility Costs	Proportion of total leasing revenue***
Land	5-15* years	Annual in advance	Annual	6 months in advance	Lessee	Lessee	38.6 per cent.
Warehouses	1 year	Annual in advance	Annual	3 months in advance	JAFZ for civil structure	Lessee	22.2 per cent.
Office	1 year	Annual in advance	Annual	3 months in advance	JAFZ –all inclusive	JAFZ	18.3 per cent.
Onsite residential accommodation	1 year	Annual in advance	N/A	3 months in advance	JAFZ –all inclusive**	JAFZ	19.6 per cent.

* Subject to renewals of up to a similar lease term.

** Excluding fixtures & fittings provided by lessee.

*** The remaining 1.3 per cent. of total leasing revenue for the year ended 31 December 2011 was derived from other properties (such as retail). See "*Operating and Financial Review — JAFZ's Historical Results of Operations — Revenue — Leasing Revenue*".

The table below summarises the lease volumes and occupancy rates for the types of Leasing Activities as at 31 December 2011, 2010 and 2009, respectively:

Facility	Lease Volumes			Occupancy Rates (%)		
	2011	2010	2009	2011	2010	2009
Land	22.8m sq.m.	22.8m sq.m.	23.2m sq.m.	79.0	79.0	80.0
Warehouses	566,288 sq.m.	543,080 sq.m.	541,245 sq.m.	90.0	87.0	92.0
Office*	97,730 sq.m.	92,565 sq.m.	89,062 sq.m.	78.0	96.0	93.0
Onsite residential accommodation	7,029 rooms	6,839 rooms	6,634 rooms	88.0	80.0	73.0

* Excluding office space taken from third parties on lease by JAFZ and sub-leased on to customers of approximately 7,300 square metres as at 31 December 2011. In 2011, an office building was transferred by EZW to JAFZ as part of an inter-company settlement that provided an additional leasable office area of approximately 28,000 square metres, of which, approximately 5,000 square metres was leased as at 31 December 2011.

The following is a brief description of the types of buildings which are leased to tenants within the Free Zone:

- *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 2011, approximately 30.0 per cent. of the leasable warehouse space was for storage/warehouse purposes while the remaining 70.0 per cent. was for light industrial purposes with a total leasable space availability for warehouses of approximately 627,000 square metres.

  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.

  The most recent significant construction of warehouses included the construction of LIU 15 to provide an additional 28,000 square metres of space and was completed in 2009. The LIU 15 warehouses were built to a high specification, including sprinklers and drop down roof lights. LIU 15 is located close to the Port within the north portion of the Free Zone. In addition, construction of a 54,000 square metre showroom facility, which includes warehouse, office and retail space, was completed in 2010 within budget. This facility is strategically located adjacent to a new highway passing through the south portion of the Free Zone which is currently in the advanced stages of construction.

- *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 & 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.

  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 2011, the Free Zone contained three such office buildings with a total leasable area of approximately 31,000 square metres.

  In addition to the above, another medium rise office building was transferred to JAFZ as part of an inter-company settlement in 2011 which provided an additional leasable office area of approximately 28,000 square metres of which approximately 5,000 square metres was leased as at 31 December 2011.

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 2011, the Free Zone contained 15 such office buildings with a total leasable area of approximately 25,000 square metres.

- *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:

  - *Labour Rooms*: each labour room can house eight people, is rectangular in shape and has two air-conditioning units, fluorescent lighting and an aluminium-framed window. Bathroom and laundry facilities are shared with other labour units. As at 31 December 2011, the Free Zone contained 4,104 labour rooms.
  - *Junior Suites*: each junior suite can accommodate three to four people. Bathroom and laundry facilities are shared with other units. As at 31 December 2011, the Free Zone contained 2,246 junior suites.
  - *Senior Suites*: each senior suite can accommodate two people and has an entrance atrium leading to the bedrooms. In addition to a bathroom, the senior suites also include a kitchen. As at 31 December 2011, the Free Zone contained 1,617 senior suites.

  Construction of onsite residential accommodation including a six-floor residential building containing 3,324 rooms and a food court was completed in 2009. As at 31 December 2011, approximately 40,000 employees of Free Zone customers resided in onsite residential accommodation.

Existing Lease Types

The following is a brief summary of the standard form lease agreements which are used for new tenancies (whether lease renewals or leases granted to new tenants):

- JAFZ covenants to maintain the Free Zone;
- rent, service charge contributions and other contributions (where payable by the tenant) are payable annually, half-yearly or quarterly in advance (for each of which post-dated cheques are collected annually in advance) and, in relation to onsite residential accommodation and office leases, include the costs of electricity and water. The cost of telecommunications and other utilities are borne by the tenants of all types of leases;
- the tenants of all leases covenant not to carry out any material alterations or additions whatsoever to the premises, buildings or structures without obtaining the prior written approval of JAFZ;
- the tenants of all leases (other than onsite residential accommodation leases) covenant to use the premises for the activities set out in their license to operate in the Free Zone;
- the tenants of all leases covenant not to assign, transfer, charge, underlet or part with possession or occupation of the whole or any part of the premises without the prior written consent of JAFZ;
- JAFZ has the option to require tenants of all leases to pay a rental deposit which JAFZ can draw upon in the event of the tenant's default and which the tenant must replenish in such circumstances (in practice, such deposit is usually required from tenants of onsite residential accommodation and offices);
- for all leases, JAFZ is entitled to receive service charges from the tenants;
- the lease contracts do not provide for a break clause;
- the tenants of all leases indemnify the landlord if the tenant breaches the leases and/or causes the landlord any loss;
- there is a lease renewal mechanism in all leases except for certain land facilities pursuant to which JAFZ may, at its option, grant a renewal lease if it desires. The rent of the renewal lease is usually reviewed upwards for pre-built units;
- the tenant of a land lease is responsible for improvements made to the land which is the subject of a land lease;
- the land leases incorporate rent review provisions on an upwards basis with rent being reviewed after a certain number of years, being up to market rent at the end of the lease period (using the Free Zone as a benchmark), subject to a certain cap percentage;

- any construction on or improvements made to the land by a tenant under a land lease revert to JAFZ upon the expiry of the lease (unless renewed with the same tenant);
- in relation to land and warehouse leases, JAFZ charges the tenant an annual public health levy along with the rent, such levy being equal to the lower of: (i) 2 per cent. of the rent; and (ii) AED 10,000;
- in relation to warehouse, office and onsite residential accommodation leases only, JAFZ covenants to insure the premises (and the building in which the premises are situated);
- warehouse, office and staff accommodation tenants repair and maintain the premises whereas JAFZ repairs and maintains the structure of the building(s), while tenants of land leases repair and maintain the whole of the premises and building(s); and
- onsite residential accommodation leases permit residential use only.

Commercial Services

In order to operate in the Free Zone, a prospective tenant requires a license issued by JAFZ on behalf of JAFZA. There are six types of licenses which are issued:

- a general trading license, which allows the holder to import, distribute and store items in compliance with the JAFZA regulations;
- a trading license, which allows the holder to import, export, distribute and store items which are specified on the license;
- an industrial license, which allows the holder to import raw materials, carry out the manufacture of specified products and export the finished products to any country;
- a logistics license, which allows the holder to perform third party logistics services;
- a service license, which allows the holder to carry out the services specified in the license within the Free Zone so long as the holder also has a place of business in the UAE (other than in a free zone). The type of service must conform to the license (issued by the Economic Department or Municipality of the relevant Emirate of the UAE) allowing the holder (or its parent) to do business in the UAE; and
- a national industrial license, which is designed for manufacturing companies with an ownership or shareholding of at least 51 per cent. by a GCC national or company.

The provision and renewal of the above licenses and registration in connection with such licenses are referred to in this Prospectus as the "**Commercial Services**". Fees for the Commercial Services are generally collected annually in advance and are payable to JAFZ.

Administration Services

Other services provided by JAFZ to companies operating within the Free Zone include assisting tenants in the Free Zone in interfacing with various government authorities, ministries and departments of the UAE Government and are set out in the Tariff. These services (the "**Administration Services**") include, *inter alia*, immigration and visa services and obtaining health cards and driving licenses. The fees for the Administration Services are generally one-time payments and are collected in advance.

Other activities of JAFZ within the Free Zone

Information and Security Checks on Customers

As part of JAFZ's procedures for processing applications for the establishment of businesses or for issuing visas to tenants or their employees, it is required to obtain security and Immigration Department clearance. JAFZ also conducts environmental checks on each applicant's business (see "— *Safety and Environment*" below).

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 monthly management meetings. JAFZ's marketing and advertising initiatives are geared towards helping JAFZ achieve its vision and mission statement by strengthening the position of the Free Zone as an international business hub of the Middle East.

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 and by developing and implementing marketing strategies and plans by deploying publicity, promotion, advertising and online tools 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 PR events and activities.

As JAFZ expects greater demand from the local, GCC and neighbouring markets than from regions further away, JAFZ focuses its marketing efforts on customers who operate in these regions by providing them with targeted and tailored information. JAFZ's advertising strategy focuses on distinguishing the Free Zone from other existing free zones in the region by emphasising the Free Zone's unique and specialised attributes such as the proximity to the Port and Al Maktoum International Airport alongside its "one-stop shop" competitive advantage (see "— *Key Strengths — Unique value proposition*" above). The goal of the advertising plan adopted by the marketing team is to attract large volume traders and logistics providers who would derive significant benefits from being close to the Port and the Al Maktoum International Airport.

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.

As part of its efforts to market and promote the value of the Free Zone to companies and countries unfamiliar with the region of Dubai, JAFZ also utilises its "incubation approach" (see "— *Key Strengths — Unique value proposition*" above).

Other services

In providing services including, but not limited to, immigration and visa related services, health services and vehicle services, JAFZ liaises with service providers such as the Department of Naturalisation and Residency, the Department of Health and Medical Services and the Road Transport Authority. JAFZ earns a contribution margin on the provision of such services.

Outsourcing arrangements

In the ordinary course of its business, JAFZ outsources certain corporate support functions to third parties. These outsourced arrangements include security, communications and public relations, maintenance, sewerage, pest control, payroll, certain treasury functions, information technology, procurement of goods, janitorial, environmental health and safety services, and general administrative services. While some of these arrangements are with related parties, they are in all cases entered into on an arm's length basis.

Corporate Strategy

The Free Zone is a finite area of land and JAFZ expects the strong levels of demand within the Free Zone to continue (see "— *Key Strengths — Strong revenue profile and growth potential*" above). JAFZ considers maximising the efficiency of its operations to be a key strategy.

Maintaining key competitive advantages

JAFZ aims to utilise fully the Free Zone's key competitive advantages in order to maintain its position as the leading and one of the most efficient multi-modal logistics platform in the MENA region, including maximising the existing synergy of the Free Zone and the Port. In order to achieve these objectives, JAFZ's management maintains strong coordination with the operator of the Port, through regular communication with DP World Limited (a fellow subsidiary of Dubai World) and its customers.

Maximising efficiency

In order to maximise efficiency and revenues yielded from the Free Zone, JAFZ places a high priority on the strategic selection and placement of new and existing customers and aims to try to place new customers in close proximity to other customers from similar industries or with other customers that complement and enhance the business of the new customers. JAFZ maintains a selection criteria for new customers through its Know-Your-Customer procedures, as well as by determining that its customers' location in the Free Zone is mutually beneficial for the development of the customer, the Port and the Free Zone. Therefore, JAFZ focuses on customers who can most benefit from the Free Zone's proximity to the Port and Al Maktoum International

Airport and whose businesses are complementary to those of its existing customers, so as to be able to create synergies and maintain high levels of demand in the future. In particular, JAFZ seeks to attract customers from key focus industries determined in accordance with JAFZ's business strategy (for further details, see "*Management — Organisational Divisions — Strategy and Development*" below).

Excellence in customer service

JAFZ considers excellence in customer service to be a key strategy in maintaining strong demand in the Free Zone. In particular, it plans to strengthen its long-term relationships with its key customers by proactively improving customer awareness and knowledge of JAFZA and JAFZ policies, sharing information and providing cross-departmental innovative business solutions tailored to customers' unique requirements.

JAFZ aims to achieve excellence in all aspects of customer service through initiatives such as the online customer service platform (see "*— Information Technology*" below), maintaining active customer relations through direct meetings and the customer suggestion scheme whereby customers are encouraged to give feedback on customer service as well as by organising industry specific customer forums to discuss client issues and development strategy and networking events. JAFZ actively undertakes market research to better understand its customers' needs and addresses those with innovative solutions. JAFZ also has systems in place to ensure the Free Zone maintains its ISO 9001:2000 quality assurance certification.

Employees

JAFZ had 328 staff members as at 31 December 2011, approximately 50 per cent. of whom were UAE nationals. JAFZ has maintained a high employee retention rate as is evidenced by a low employee turnover rate of 5.8 per cent. for the year ended 31 December 2011, with the average annual employee turnover rate over the last three years being approximately 4.9 per cent.

JAFZ operates a programme to identify the training needs of staff each year and offers a range of in-house, external and overseas courses to address those needs.

None of JAFZ's staff belong to trade unions, labour or workers' syndicates. There are no collective bargaining agreements between JAFZ and its employees.

Safety and Environment

JAFZ has adopted safety standards in accordance with applicable laws and regulations in the UAE. In addition, JAFZ must comply with safety standards stipulated by the Ports, Customs and Free Zone Corporation's ("**PCFC**") Environment, Health and Safety Department (the "**PCFC EHS Department**") which is independent of JAFZ. If JAFZ fails to comply with the relevant standards, it may have to pay penalties or compensation or it may be restricted from providing Leasing Activities or other services (see "*Risk Factors — Risks relating to JAFZ — JAFZ must comply with safety standards in the Free Zone*").

With regards to the warehousing of radioactive materials, JAFZ is subject to UAE Federal Law No. (1) of 2002 regarding the Regulation and Control of the Use of Radiation Sources and Protection Against their Hazards and follows the guidelines established by the World Bank with respect to environmental assessment including the handling of radioactive materials.

Under the UAE Federal Law No. (1) of 2002, tenants are required to obtain a federal license granted by the Radiation Protection and Control Department of the UAE's Federal Environmental Agency on each occasion on which it conducts any business with respect to radioactive materials (see "*Risk Factors — Risks relating to JAFZ — The Free Zone is subject to environmental regulations*").

JAFZ will not grant a license to a tenant that handles radioactive materials unless that tenant complies with the relevant federal regulations with respect to such materials. Any tenant handling radioactive materials will also be required to provide a periodical report to the Federal Authority for Nuclear Regulation with respect to any radioactive materials with which the tenant has dealt in such period. Further, prospective tenants who intend to lease property for warehousing of radioactive materials are required to submit an environmental impact statement prepared by a third-party environmental consultant. The PCFC EHS Department is responsible for evaluating the environmental impact statement before the tenant's application is progressed by the Commercial Sales division.

Radioactive materials handled in the Free Zone are currently limited to movements by no more than six companies. There have been no hazardous incidents reported in connection with the warehousing of radioactive materials in the Free Zone since JAFZ's establishment in 2006.

Tenants in the Free Zone are also required to meet certain safety requirements in relation to fire, safety, health and environmental requirements ("**EHS Requirements**"). The applicable EHS Requirements will depend on the nature of the facilities used and are in accordance with the "Health, Safety and Fire Protection Regulations & Standards, 2006" set by the PCFC EHS Department.

The PCFC EHS Department tests compliance by tenants with the EHS Requirements on an annual basis. In relation to office facilities, the PCFC EHS Department reports any breaches to JAFZ and issues fines for non-compliance. For all other facilities, the department issues tenants with an annual "operational fitness certificate" on which the renewal of a tenant's license or lease is contingent.

Insurance

JAFZ's insurance policies are purchased at its ultimate parent's level, together with all other insurance requirements of the EZW group, to take advantage of a negotiated group discount. JAFZ's Finance and Legal departments co-ordinate with its ultimate parent to advise applicable limits, coverage, scope and deductibles that JAFZ believes are reasonable and prudent.

JAFZ's operations are subject to a variety of operational risks, including accidents, fire and weather-related perils. JAFZ has the benefit of various types of insurance policies to protect against contractor risks, property risks, public liability, third party and loss of income and all other relevant insurance. JAFZ's insurance policies contain various exclusions, including exclusions in relation to war, latent defects, radioactive damage, wear and tear, sabotage and terrorism. Under the Concession Documents, JAFZA has agreed to indemnify JAFZ from and against all damages, liabilities, costs and losses suffered by JAFZ over and above the amount of any insurance settlement as a result of any environmental contamination within the Free Zone existing as at the Effective Date.

Information Technology

JAFZ's information technology strategy is designed to meet JAFZ's policy of providing the highest quality customer service and to enable the support of an increasing customer base as well as to ensure the best cost recovery. Much of JAFZ's information technology processes and data centres are centralised with and managed by Dubai World's information technology department for the purpose of creating efficiencies through economies of scale.

JAFZ relies on the information technology system known as Oracle ERP — a business centric customer relationship system. One of the key strengths of Oracle ERP is its ability to integrate all aspects of JAFZ's business including the issuance and renewal of licenses and registration, customer services including visa employment issuances, and the management of lease activities. This results in a reduction in the amount of manual data entry (and, therefore, human resources) required and greater efficiencies with respect to reporting.

JAFZ believes its information technology infrastructure is professionally maintained and deployed, ensuring maximum up-time and rapid disaster recovery. JAFZ has two separate data centres located in Jebel Ali and Port Rashid (with the latter situated approximately 35 kilometres from the Free Zone), which act as backup systems in the event of a disaster and ensure continuity in business operations. Contingency testing takes place twice a year with such testing yielding positive results in 2011. JAFZ ensures that its staff members are trained on the information technology systems that are implemented, and staff members are encouraged to get involved with the ongoing enhancement and development of JAFZ's information technology systems. For further details, see "*Management — Organisational Divisions — Information Technology*" below.

JAFZ's capital expenditure for information technology was AED1.5 million for the year ended 31 December 2011.

Legal Proceedings

As at the date of this Prospectus, JAFZ is not involved in any material legal proceedings and there are, and have been, no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which JAFZ is aware) during the 12 months preceding the date of this Prospectus that may have, or have had, significant effects on JAFZ or the Free Zone.

Intellectual Property

JAFZ has registered the JAFZ logo in the UAE. JAFZ intends to register its intellectual property (if any) for any future projects as they occur.

Headquarters

The administrative and registered office of JAFZ is located within the Free Zone on the ground floor of JAFZ office building 15 with postal address: P.O. Box 17000, Dubai, United Arab Emirates and telephone number +971 4 881 2222.

MANAGEMENT

Board of Directors

The Board of Directors of JAFZ (the "**Board**") is responsible for supervising JAFZ's management and has unrestricted powers in this regard, subject to any limitations provided by law or JAFZ's Articles of Association or by the board of directors of EZW (the "**EZW Board**"). The EZW Board has oversight of JAFZ's policies and strategies.

Both the Board and the EZW Board have frequent board meetings to discuss and review, amongst other things, JAFZ's operational and financial results. In addition, the EZW Board has an annual budget review meeting (which includes the review of JAFZ's annual budget) and an annual report meeting (which includes the review of JAFZ's annual report).

The Board may be comprised of one to five members (all of whom are appointed by the EZW Board). Each member of the EZW Board is an independent, non-executive director. As at the date of this Prospectus, the Board consists of four members with Ms. Salma Ali Saif Bin Hareb being the Managing Director.

Members of the Board

As at the date of this Prospectus, the Board comprises the following members:

Name	Position	Appointed in
Ms. Salma Ali Saif Bin Hareb	Managing Director	October 2007
Mr. Asim Al Abbasi	Director	October 2007
Mr. Jamal Majid Bin Thaniah	Director	October 2007
Mr. Sultan Bin Sulayem	Director	March 2006

Set forth below is a short biography of each of the members of the Board (each of whom initially joined JAFZA and, after JAFZ was incorporated, continued to assume similar responsibilities in JAFZ):

Ms. Salma Ali Saif Bin Hareb (Managing Director)

Ms. Salma Ali Saif Bin Hareb was appointed Chief Executive Officer of JAFZA in June 2005. Prior to her appointment as Chief Executive Officer of JAFZA, Ms. Hareb was JAFZA's Chief Planning Officer, responsible for strategic planning, business development, finance and human resources. In this capacity, Ms. Hareb set up JAFZA's strategy and planning division and determined its objectives and processes. In September 2005 she was appointed Chief Executive Officer of EZW. As Chief Executive Officer of EZW, Ms. Hareb's responsibilities widened to cover global operations covering business parks within the UAE including JAFZ, TechnoPark, Dubai Auto Zone as well as the UK based Gazeley, a global developer of sustainable logistics space. Ms. Hareb also serves as a member of the board of directors of each of Ports and Free Zones World FZE and Dubai Exports Development Corporation.

Ms. Hareb's services have been recognised with the "*Women CEO Excellence Award*" at the 9th Middle East CEO of the Year Awards — 2012 held in Dubai. Also in 2012, the Asian Business magazine named her as one of the 100 most powerful Arab Women. In 2011, she was awarded the "*Asian Business Leadership Award*" at the Asian Business Leadership Forum Awards held in New Delhi in India. Ms. Hareb was also awarded the "*Woman CEO of the Year*" at the Women in Leadership (WIL) Forum 2010. In 2008, MEED magazine named her one of the 12 most influential business women in the region. In the same year, Ms. Hareb also topped Forbes Arabia's list of the 50 most powerful Arab business women.

Ms. Hareb completed her education in the UAE and in the UK, in the fields of medical sciences, information technology and business studies.

Mr. Asim Al Abbasi (Director)

Mr. Asim Al Abbasi joined JAFZA in October 2005 as Chief Financial Officer. Mr. Abbasi was appointed the Chief Financial Officer of EZW at its inception in 2007. As at the date of this Prospectus, his responsibilities at JAFZ, in addition to finance, also include the management of the legal function. Mr. Abbasi is a fellow of the Institute of Chartered Management Accountants, UK, and brings to JAFZ more than 24 years of industry experience.

Mr. Jamal Majid Bin Thaniah (Director)

Mr. Jamal Majid Bin Thaniah was appointed a Director of JAFZ in October 2007. He has been an Executive Director at Dubai Ports Authority since 2001. Mr. Thaniah also serves as the Group Chief Executive Officer of Port and Free Zone World FZE, Non-Executive Vice Chairman of DP World Limited, Vice Chairman of Istithmar World Holdings LLC, Istithmar World PJSC and as a Non-Executive Director of Etihad Rail (Abu Dhabi).

Mr. Sultan Bin Sulayem (Director)

Mr. Sultan Bin Sulayem has served as a Director of JAFZ since 2006. He was previously Chairman of Dubai World and in this role oversaw businesses in industries as diverse as real estate development, hospitality, retail, e-commerce and various commodities exchanges, as well as those associated with transportation and logistics. Mr. Sulayem has more than 25 years' experience in the marine terminal industry, is the Chairman of Port & Free Zone World and the Chairman of Ports, Customs & Free Zone Corporation and is a leading Dubai and international businessman.

Directors' interests

There are no interests of the members of the Board in transactions which are or were unusual in their nature or conditions or significant to the business of JAFZ. JAFZ is not aware of any potential conflicts of interest between the duties owed by the members of the Board to JAFZ and their private interests or other duties.

In the previous five years, no member of the Board has been convicted of any fraudulent offence, served as director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer or from acting in the management or conduct of affairs of any issuer.

Executive Management

As at the date of this Prospectus, the executive management of JAFZ comprises the following members:

Name	Position
Ms. Salma Ali Saif Bin Hareb	CEO
Mr. Asim Al Abbasi	CFO
Mr. Talal Al Sayed Mohammed Al Sayed Ali Al Hashimi	MD — UAE
Mr. Ibrahim Al Janahi	Deputy CEO, JAFZ and CCO — UAE
Ms. Fatma Mohammed Salem	Executive VP and Commercial Director — UAE
Dr. Khaled Ahmed	SVP — Strategy and Development
Mr. Adel Bin Turkeyia	SVP — HR
Mr. Saji Matthew	SVP and CIO — IT

Set forth below is a short biography of each of the members of the executive management of JAFZ (each of whom initially joined JAFZA and, after JAFZ was incorporated, continued to assume similar responsibilities in JAFZ):

Mr. Talal Al Sayed Mohammed Al Sayed Ali Al Hashimi (Managing Director — UAE)

Mr. Talal Al Sayed Mohammed Al Sayed Ali Al Hashimi joined JAFZA in 2002 and has more than 18 years of experience in the Dubai port and free zone industry. He joined PCFC in January 1997. Before moving to JAFZ, his responsibilities at JAFZA included property planning and development and the management of a number of service contracts including for maintenance. He has held a number of senior positions, notably seven years as HR Manager and five years as Senior Vice President of Property at JAFZA (continuing in those roles at JAFZ) and Managing Director since 2007 at Dubai Auto Zone. Subsequently, in 2009, Mr. Hashimi was tasked with the role of Managing Director of the UAE Region of EZW. He has a bachelor's degree in Sociology.

Mr. Ibrahim Al Janahi (Deputy Chief Executive Officer, JAFZ and Chief Commercial Officer — UAE)

Mr. Ibrahim Al Janahi joined JAFZA in 2002 and has more than 20 years of experience holding senior positions in, *inter alia*, administration, finance and human resources in the UAE Central Bank and JAFZA. Before moving to JAFZ, his areas of responsibility included marketing, developing sales strategies, forecasting and budgeting, maintaining relationships with new and existing customers and monitoring economic development.

Ms. Fatma Mohammed Salem (Executive Vice President and Commercial Director — UAE)

Ms. Fatma Mohammed Salem joined JAFZA in 2000 and is Executive Vice President and Commercial Director UAE in the Operations division. Her main responsibility, besides managing the Operations division, is maintaining relationships with and customer satisfaction levels. Ms. Salem has a background in the financial services industry.

Dr. Khaled Ahmed (Senior Vice President — Strategy and Development)

Dr. Khaled Ahmed has over 20 years of experience in multi-nationals such as Reuters, Nielsen and JAFZA and more than 15 years of experience in the fields of business development and strategy. His responsibilities at JAFZA have included key development planning projects such as JAFZA South, TechnoPark and Dubai Auto Zone, concept planning in Fayda Economic Development Corporation and Taweelah, contributions to strategy formulation of EZW and its subsidiaries along with managing and leading research projects such as "Key drivers of customer satisfaction and organisation performance — JAFZA perspective". He has also been involved in various Dubai- and UAE- wide surveys and strategy development initiatives, such as the development of marketplace concepts within the UAE and a Dubai-wide "enterprise level survey" (based on methodology adopted by the World Bank) to assess drivers of growth and sustainability. Dr. Ahmed has a degree in Computer Engineering from Canada, an MBA from the US and a PhD from the UAE in Strategic Management.

Mr. Adel Bin Turkeyia (Senior Vice President — Human Resources)

Mr. Adel Bin Turkeyia joined JAFZA in 2004 as HR Manager, with more than 18 years of experience in human resource management and development at the time. His responsibilities at JAFZA included manpower development planning, human development and identifying training needs for JAFZA employees and he has continued to assume these responsibilities with JAFZ.

Mr. Saji Matthew (Senior Vice President and Chief Information Officer — Information Technology)

Mr. Saji Matthew joined JAFZA in 2005 as Chief Information Officer. He led the introduction of new IT systems and the replacement of previous JAFZA applications in close co-operation with the group IT team. Mr. Matthew has over 23 years of industry experience in the design, development and implementation of application software (including ten years working for the Oracle Corporation managing ERPM/CRM implementations) and was among the CIO Top-20 Middle East awardees named by Forrester and Computer News Middle East for 2009. Mr. Matthew has a Bachelor's degree in Engineering, and a Master's degree in Industrial Engineering and Management.

Conflicts

JAFZ is not aware of any potential conflicts of interest between the duties owed by the members of its executive management to JAFZ and their private interests or other duties.

Compensation of the executive management

For their services, members of the executive management are entitled to remuneration from JAFZ, which is determined by EZW. For the year ended 31 December 2011, the aggregate total remuneration paid to the executive management was AED 11.6 million.

Corporate Governance

The executives of each organisational division set their own formal strategy and budgetary objectives in the form of a three-year business plan, which is revised at least once a year. JAFZ takes a "top-down" approach in setting its development plans and strategies. JAFZ's head of Strategy and Development division consults with the executives of each other organisational segment to identify and discuss the priorities, concerns and performance of the respective segment and then presents the resultant business plan to the board of executive vice presidents of JAFZ. If approved by the board of executive vice presidents of JAFZ, the Managing Director for UAE presents the plan to the Chief Executive Officer. Once it is approved by Chief Executive Officer, the business plan is then presented to the board of directors of EZW for approval.

As indicated above, JAFZ is subject to an authority limit and approvals matrix which applies to all subsidiaries of EZW. All decisions in relation to operating expenditure, capital expenditure and divestments are made at the EZW level by the Chief Executive Officer or Chief Financial Officer of EZW depending on the amount of expenditure/divestment. Further, decisions in relation to executive remuneration and benefits of the directors and senior management are also made at the EZW board level. The Chief Executive Officer and Chief Financial Officer of EZW are the same individuals as the Chief Executive Officer and Chief Financial Officer of JAFZ, respectively.

Audit process

JAFZ is subject to two annual intragroup audits. The first is an audit by Dubai World Group Internal Audit ("**GIA**"), an appraisal function within the Dubai World Group, and the second is an audit by the Government of Dubai as the ultimate shareholder of JAFZ.

Dubai World Group audit

GIA independently examines and evaluates the activities of JAFZ to provide management with analysis, appraisals, recommendations, counsel and information concerning the activities reviewed and to provide an independent and impartial review of operational and administrative controls.

All such audits are performed in accordance with the International Standards for the Professional Practice of Internal Auditing. The objectives of the internal audit are generally to evaluate whether the internal control of audited tasks is functioning effectively, to test compliance with the prescribed policies and procedures and financial performance.

The scope of the GIA audit includes a review at regular interval of all core business processes, including the Property division, customer services (including operations and customer relations), commercial sales, marketing and resource management processes such as finance, legal, human resources and information technology.

To the extent these audits identify any deficiencies, management is held responsible for ensuring that corrective action is taken or planned within a reasonable period after a deficiency is reported. Follow-up audits are conducted to ensure that management has taken adequate steps to implement recommendations agreed by them.

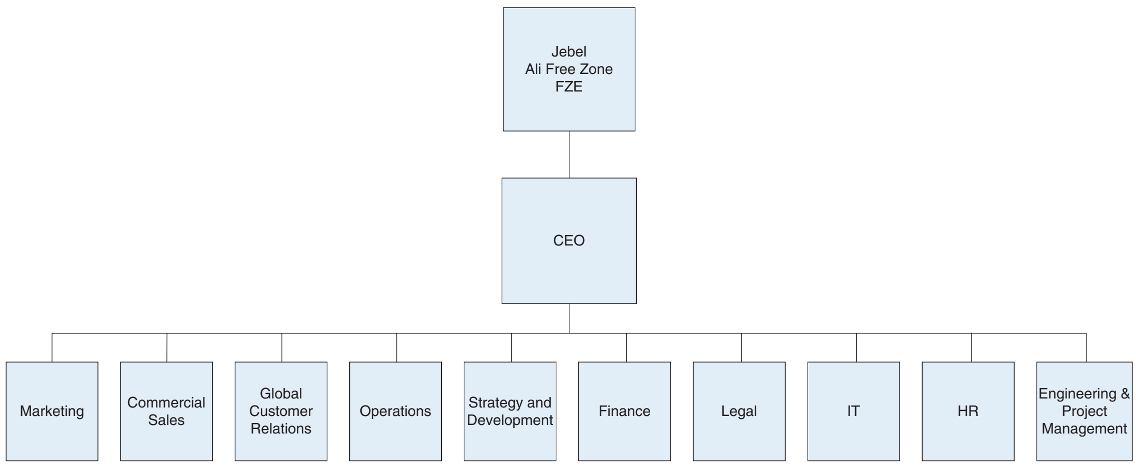
GIA reports to the Dubai World Group Audit Committee.

Government of Dubai audit

Auditors from the Dubai Ruler's Office also conduct an audit on behalf of the Government of Dubai (as ultimate shareholder of JAFZ) on a yearly basis. They provide an overall review on the adequacy of internal control within JAFZ. The scope of their work also focuses on performance auditing, whereby they review the effectiveness and efficiency of management in achieving their objectives. In 2006, the Ruler of Dubai formed a separate entity called Financial Audit Department, which reports directly to the Dubai Executive Counsel and carries out its duties in a substantially similar fashion as the audits conducted by the Dubai Ruler's Office.

Organisational Divisions

Below is an organisational divisions chart for JAFZ, which indicates how the company is structured internally:



Marketing

The Marketing division is responsible for developing and implementing marketing strategies and plans to increase customers' demand and business volume, raise brand awareness and maintain customers' interest and confidence in the company by deploying public relations, marketing, advertising, communication tools. This division is also responsible for establishing and maintaining communications with JAFZ's stakeholders including customers, employees, government bodies, sister companies, business partners and general public, utilising various communication means and channels.

Commercial Sales

The Commercial Sales division advises customers in relation to the Free Zone facilities, including land, warehouses and office facilities, and how JAFZ can help them establish their businesses in the Free Zone. The primary responsibility of the Commercial Sales division is to sell JAFZ's services to customers from different regions using, among other things, marketing packages prepared by JAFZ's Marketing division. The Commercial Sales division is divided into four sub-divisions catering to customers from: (i) the Middle East, (ii) Europe, (iii) Asia Pacific, and (iv) America and Africa. The Commercial Sales division also relies on the Sales Support sub-division, which serves as a bridge between the Commercial Sales and the Global Customer Relations divisions. The Sales Support sub-division assists the Commercial Sales division with general lease execution and any on-going customer retention duties that may arise after the sale has been executed.

Global Customer Relations

The Global Customer Relations division aims to build long-term relationships with JAFZ's existing and potential customers and addresses any customer problems and complaints. The key focus areas for the team are to improve customer awareness and knowledge of JAFZA and JAFZ policies, rules and regulations for overall compliance, to understand the customer business and challenges with the assistance of the customer account managers, to resolve any customer issues as well as identification of new business and organic growth opportunities through the existing customer base by working with the Commercial Sales division to secure this growth.

Operations

The Operations division handles a variety of functions such as company registrations, issuing certificates of formation for establishments in the Free Zone, arranging the opening of bank accounts for customers, preparing, renewing and terminating leases and licenses, arrears management and reviewing legal documents such as customers' constitutional documents. The Operations division also assists tenants in interfacing with various Dubai and UAE government authorities, ministries and departments.

Strategy and Development

The Strategy and Development division is responsible for assisting other organisational divisions to develop, communicate, execute and monitor their strategy and for ensuring that the organisational objectives are achieved. The key functions of this division are: (i) planning and performance management by, *inter alia*, defining KPIs and targets for JAFZ and monitoring these on a quarterly basis while ensuring the UAE business plan is aligned with overall corporate vision, mission and strategic objectives; (ii) research and intelligence by monitoring economic and industry developments in various markets and analysing stakeholders' and customers' trends; (iii) new product development by developing concepts and conducting feasibility studies; and (iv) maintaining business excellence by maintaining the quality management system and improving business processes by adopting (see further "— *Corporate Governance*" above).

Finance

The Finance division is responsible for the development of finance strategies and policies. This division executes all of the major funding strategies and co-ordinates the finance operations and reporting duties. The Finance division also assists in preparation for management review by providing monthly, quarterly, semi-annual and annual reports in relation to budgets, capital expenditure control and other management information and costing services.

Legal

The Legal division is primarily responsible for providing legal advice and guidance to JAFZ's management on JAFZ's business affairs and for providing legal advice on the various types of leasing contracts entered into with customers.

Information Technology

The Information Technology division is responsible for implementing and maintaining JAFZ's information technology ("**IT**"), communication technology and setting JAFZ's IT policies. It is also responsible for liaising with Dubai World Corporate Services ("**DWCS**") (a subsidiary of Dubai World) in relation to the IT services which it provides to JAFZ. The IT division is also responsible for the deployment and maintenance of electronic services (eServices) which allows customers to request for and process administration services on the internet, such as immigration, medical services, vehicle related services, license renewals etc. The online services made available to customers are integrated with JAFZ's Oracle ERP system such that the services automatically trigger creation of service requests in the ERP synchronously. These eServices are deployed on an online customer service platform, called Dubai Trade Portal ("**DTP**"), which also integrates online services provided to customers from other entities such as DP World and Dubai Customs.

Human Resources

The Human Resources division is responsible for finding appropriately qualified candidates for various positions within JAFZ, providing employee training and development, preparing job descriptions, arranging job interviews and performance appraisals and promotions.

Engineering and Project Management

The Engineering and Project Management division covers three key functions: (i) partnering and procurement, (ii) sustainable design, and (iii) project management, and encompasses all activities and matters in the organisation involving civil and building works. This division is responsible for managing infrastructure in the Free Zone and planning and development in relation to customer requirements. Additionally, the Engineering and Project Management division acts as custodian to corporate policies and processes governing engineering and project management activities. This division also monitors the upkeep and maintenance of services provided by third parties in relation to JAFZ facilities.

OVERVIEW OF THE UAE AND THE EMIRATE OF DUBAI

The UAE

The UAE is a federation of seven Emirates. Formerly known as the Trucial States, they were a British protectorate until they achieved independence in December 1971 and merged to form the United Arab Emirates. Each Emirate has a local government headed by the Ruler of the Emirate. There is a federal government which is headed by the President. The federal budget is principally funded by the Emirate of Abu Dhabi.

The UAE as a whole extends along the West coast of the Arabian Gulf, from the coast of the Kingdom of Saudi Arabia near the base of the State of Qatar peninsula in the West to the Emirate of Ras Al Khaimah in the North and across the Mussandum peninsula to the Gulf of Oman in the East, covering an area of approximately 83,700 square kilometres in total.

Source: JAFZ

The federation is governed by the Supreme Council of the Rulers of all the Emirates (the "**Supreme Council**") which consists of the Rulers of the seven Emirates. The Supreme Council elects from its own membership the President and the Vice President (for renewable five year terms). H.H. Sheikh Zayed bin Sultan Al Nahyan, the late Ruler of Abu Dhabi, held the position of President from 1971 until his death in November 2004. During his long presidency, H.H. Sheikh Zayed bin Sultan Al Nahyan oversaw massive investment in the infrastructure of the UAE, which transformed the country. Following his death, his son H.H. Sheikh Khalifa bin Zayed Al Nahyan took over as Ruler of Abu Dhabi and has been elected as President of the UAE.

According to data published by the IMF in 2011, the UAE is the third largest economy in the Gulf region after the Kingdom of Saudi Arabia and the Islamic Republic of Iran, based on nominal GDP. It has a more diversified economy than most of the other countries in the Gulf Co-operation Council (the "**GCC**"). According to OPEC data, at 31 December 2010, the UAE had approximately 6.7 per cent. of the world's proven global oil reserves (giving it the sixth largest oil reserves in the world), generating, according to data produced by the UAE National Bureau of Statistics, 31.4 per cent. of the UAE's GDP in 2010. In 2011, the UAE achieved real GDP growth of 4.2 per cent., according to the UAE's Economy Minister, H.E. Sultan bin Saaed al-Mansoori. Based on IMF data (extracted from the World Economic Outlook (April 2011)) real GDP growth in the UAE increased by 3.2 per cent. in 2010 after having decreased by 3.2 per cent. in 2009 and increased by 5.3 per cent. in 2008, 6.5 per cent. in 2007, 8.8 per cent. in 2006 and 8.6 per cent. in 2005.

On 19 July 2011, Moody's reaffirmed the UAE's long term credit rating of Aa2 with a stable outlook. The principal reason cited for this high investment grade rating is the assumption that the obligations of the federal government will be fully supported by the Emirate of Abu Dhabi. The UAE is not rated by the other rating agencies.

The Emirate of Dubai

The Emirate of Dubai is the second largest emirate in the UAE after the Emirate of Abu Dhabi, and is situated on the west coast of the UAE in the south-western part of the Arabian Gulf. It covers an area of 3,885 square kilometres and, except for a tiny enclave in the Hajar Mountains at Hatta, the Emirate of Dubai comprises one contiguous block of territory. The Ruler of Dubai is Sheikh Mohammed bin Rashid Al Maktoum who is also the Vice President and Prime Minister of the UAE.

The Emirate of Dubai started as a pearl diving and fishing village in the first half of the eighteenth century. The growth of the Emirate began in the early part of the nineteenth century when members of the Bani Yas tribe, led by H.H. Sheikh Maktoum Bin Butti, left the Emirate of Abu Dhabi and migrated north to found an independent sheikhdom in the area now known as Dubai.

In the nineteenth century, Dubai, split by a 14 kilometre long creek that leads into a natural harbour, established itself as a centre for the import and re-export of merchandise and this trade activity, along with the pearling industry, were the most important pillars of Dubai's economic activity during the nineteenth century.

In the early part of the twentieth century, to counter the loss of economic activity from the decline in the pearling industry following the First World War, Dubai sought to attract traders through its liberal business policies and low taxes, enabling the Emirate to establish itself as a centre for trade in gold bullion, textiles and consumer durables.

In the 1930s and 1940s, oil was discovered in Kuwait, Qatar and Saudi Arabia, adding to that already found in Iran, Iraq and Bahrain. In 1958, oil was found off the shore of Abu Dhabi and, in 1966, oil was first discovered by the Dubai Petroleum Company at Fateh, which lies 92 km off the coast of Dubai. Over the years, oil revenues have been used to create and develop the economic and social infrastructure of the Emirate. In addition, as a regional trading hub, Dubai was well-placed to capitalise on the increase in Middle East business activity that came with oil exports.

Since the establishment of the UAE in 1971, the Emirate of Dubai has developed its status as a major city, enhancing the well-being of its people and creating an environment that attracts businesses and individuals. To support, maintain and develop this status, the Government of Dubai intends to focus on: (i) achieving comprehensive development and building human resources; (ii) promoting economic development and government modernisation; (iii) sustaining growth and prosperity; (iv) protecting UAE nationals' interests, the public interest and well-being; and (v) providing an environment conducive for growth and prosperity in all sectors.

In 2007, the Government of Dubai adopted a set of guiding principles for the various sectors of the economy, comprising the Dubai Strategic Plan 2015, with the aim of ensuring an understanding of the Government of Dubai's vision for these sectors among all government entities and a common framework for the operations of these entities. The Dubai Strategic Plan 2015 focuses on the core areas of economic and social development, security, justice and safety, infrastructure, land and development and government excellence. The Dubai Strategic Plan 2015 envisages trade and transport to be among the key industries for Dubai's growth and the importance of these sectors was reaffirmed during the reassessment of the Dubai Strategic Plan 2015 in 2011.

Population

The population of the UAE, based on a census carried out in 2005 and according to the UAE National Bureau of Statistics (the "**NBS**") was approximately 4.1 million, of whom approximately 1.3 million resided in the Emirate of Dubai. The NBS estimated the population of the UAE to be approximately 8.2 million in 2009 and 8.3 million in 2010. The current census for 2010 is underway but, as at the date of this Prospectus, census records have not been published. The Dubai Statistics Centre has estimated the population of Dubai to be approximately 2.0 million at 30 December 2011.

The populations of both the UAE and Dubai have grown significantly since 1975, reflecting an influx of foreign labour, principally from Asia, as the Emirates have developed.

The table below illustrates this growth using official census data since 1975:

Population of UAE:

	1975	1980	1985	1995	2005	2010
Total population	557,887	1,042,099	1,379,303	2,411,041	4,106,427	8,264,070
Emirate of Dubai population	183,187	276,301	370,788	689,420	1,321,453	1,905,476

Source: Official census data published by the NBS.

Estimated Population of the Emirate of Dubai from 2006:

The table below sets out the estimated population of the Emirate of Dubai at the end of each of the periods indicated:

	2006	2007	2008	2009	2010	2011
Total population	1,421,812	1,529,792	1,645,973	1,770,978	1,905,476	2,003,170

Source: Dubai Statistics Centre

The majority of the population of the Emirate of Dubai is estimated to be non-UAE nationals, mainly drawn from the Indian sub-continent, Europe and other Arab countries. Approximately 77 per cent. of the population is estimated to be male and 23 per cent. female, reflecting the large male expatriate workforce.

Governance, Legislation and Judiciary

The UAE

UAE Constitution

The original constitution of the UAE (the "**Constitution**") was initially provisional and provided the legal framework for the federation. The Constitution was made permanent pursuant to a constitutional amendment in May 1996.

The major principle adopted by the Constitution was that jurisdiction for enacting substantive legislation was confined to the federal government, but the local governments of the seven Emirates were authorised to regulate those matters that were not the subject of legislation by the federal government.

Pursuant to Articles 120 and 121 of the Constitution, the federal government is responsible for foreign affairs; security and defence; nationality and immigration; education; public health; the currency; postal, telephone and other communications services; air traffic control and the licensing of aircraft and a number of other matters including labour relations; banking; the delimitation of territorial waters; and the extradition of criminals. Federal matters are regulated through a number of specially created federal ministries which include the Ministries of Defence, Economy, Finance, Foreign Affairs and Justice. Although most of the federal government ministries are based in the Emirate of Abu Dhabi, many also maintain offices in the Emirate of Dubai. The UAE's monetary and exchange rate policy is managed on a federal basis by the UAE Central Bank. Article 122 of the Constitution states that the Emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the federation, in accordance with the provision of the preceding two Articles.

The individual Emirates are given flexibility in the governance and management of their own Emirates. The Constitution permits individual Emirates to elect to maintain their own competencies in certain sectors. Based on this flexibility, the Emirate of Dubai has elected to assume responsibility for its own education, judicial and public health systems. The natural resources and wealth in each Emirate are considered to be the public property of that Emirate.

Each Emirate manages its own budget on an independent basis and no Emirate has any obligation to contribute to the budget of any other Emirate. Each Emirate makes contributions to the federal budget in agreed amounts.

Federal Supreme Council

The UAE is governed by the Supreme Council. This is the highest federal governing body and consists of the Rulers of the seven Emirates. The Supreme Council elects from its own membership the President and the Vice President of the UAE (for renewable five-year terms). Decisions relating to substantive matters are decided by a majority vote of five Emirates, provided that the votes of both the Emirate of Abu Dhabi and the Emirate of Dubai are included in that majority, but matters that are purely procedural are decided by a simple majority vote.

The Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy and approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President.

The then Ruler of the Emirate of Abu Dhabi, H.H. Sheikh Zayed bin Sultan Al Nahyan, was elected in 1971 as the first President of the UAE and was re-elected as President for successive five-year terms until his death in November 2004. The then Ruler of the Emirate of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, was elected in 1971 as the first Vice-President of the UAE and continued as Vice-President until his death in 1990. H.H. Sheikh Zayed bin Sultan Al Nahyan was succeeded by his son H.H. Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi who was elected as President of the UAE in November 2004 by the members of the Supreme Council. H.H. Sheikh Mohammed bin Rashid Al Maktoum became the Ruler of Dubai in January 2006 upon the death of his elder brother H.H. Sheikh Maktoum bin Rashid Al Maktoum who had ruled Dubai since 1990. He was also nominated by the President of the UAE, H.H. Sheikh Khalifa bin Zayed Al Nahayan, to be the next Prime Minister and Vice-President of the UAE in January 2006. The members of the Supreme Council accepted the President's nomination shortly thereafter.

Federal Council of Ministers

The Federal Council of Ministers (the "**Cabinet**") is described in the Constitution as the executive authority for the federation and is responsible for implementing policy decisions of the Supreme Council. The Cabinet is the principal executive body of the federation. The Constitution defines the responsibilities of the Cabinet, which include the issuing of regulations, the preparation of draft laws and the drawing up of the annual federal budget.

Based in the Emirate of Abu Dhabi, the Cabinet is headed by the Prime Minister and consists of the Deputy Prime Minister and a number of other Ministers. These Ministers are normally selected (for no fixed term) by the approval of the Supreme Council on the recommendation of the Prime Minister.

Federal National Council

The Federal National Council (the "**FNC**") is a parliamentary body which comprises 40 members who are UAE nationals. Half of the members are appointed by their respective rulers and the other half is elected under an electoral process. Each Emirate appoints members for a particular number of seats based on such Emirate's population and size. The Emirates of Abu Dhabi and Dubai have eight members each, the Emirates of Ras Al Khaimah and Sharjah have six members each and the other Emirates have four members each. The nomination of representative members is left to the discretion of each Emirate, and the members' legislative term is four calendar years. The members represent the UAE as a whole rather than their individual Emirates.

Presided over by a speaker, or either of two deputy speakers elected from amongst its members, the FNC has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining and, if required, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the Federal National Council is to discuss the annual budget of the UAE. Although the Federal National Council can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself.

The inaugural FNC elections were held in December 2006, following reforms to enhance public participation in the electoral process. Under these reforms, the Ruler of each emirate selected an electoral college numbering approximately 100 times the number of FNC members for the relevant emirate. The members of each electoral college elected half of the FNC members for their emirate, with the remainder being appointed by the Ruler.

The most recent FNC elections were held in September 2011, following the issuance of new electoral guidelines by the National Election Commission in May 2011, addressing the methods of selection of representatives to the

FNC, the role of the National Election Commission and its sub-committees and general rules on the elections, nominations, campaign, filing of appeals and timeline for the electoral process. On 24 September 2011, 468 candidates stood for election to the 20 elected positions on the FNC, with a voter turnout across the UAE of 35,877, or 27.8 per cent. of an expanded electoral college of 129,274.

Legal and Court System

There are three primary sources of law in the UAE, namely: (i) federal laws and decrees (applicable in all seven Emirates); (ii) local laws and decrees (i.e. laws and regulations enacted by the Emirates individually); and (iii) the *Shari'a* (Islamic law). The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler or local government of each Emirate can apply his or its own rules, regulations and practices.

The federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and arbitrate on inter-Emirate disputes and disputes between the federal government and the Emirates.

In accordance with the Constitution, three of the seven Emirates (the Emirates of Abu Dhabi, Dubai and Ras Al Khaimah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective Emirates. The judicial system in Dubai is comprised of: (i) a Court of First Instance; (ii) a Court of Appeal; and (iii) a Court of Cassation.

Emirate of Dubai

The laws of Dubai are passed by Decree of the Ruler, Sheikh Mohammed bin Rashid Al Maktoum, who is also the Vice-President and Prime Minster of UAE. The Crown Prince of Dubai is Sheikh Hamdan bin Mohammed Al Maktoum. The Deputy Rulers are Sheikh Hamdan bin Rashid Al Maktoum and Sheikh Maktoum bin Mohammed Al Maktoum.

The key entities in the structure of the Government of Dubai are: (i) the Ruler's Court; (ii) the Supreme Fiscal Committee (the "**SFC**"); and (iii) the Executive Council (the "**Executive Council**"). The Dubai Department of Economic Development (the "**DED**") and the Dubai Department of Finance (the "**DOF**") are administrative bodies. All five of these entities have distinct roles:

The Ruler's Court: Except in relation to applicable federal laws, His Highness the Ruler of Dubai is the sole legislator for the Emirate and all Dubai laws are passed by His Highness after drafts of the laws have been approved by the Ruler's Court in consultation with the Executive Council. All other matters that require the involvement of His Highness the Ruler of Dubai are channelled through the Ruler's Court.

Supreme Fiscal Committee: The SFC was established in November 2007 to formulate the fiscal policies of the Government of Dubai and to regulate Government of Dubai borrowings. The SFC is authorised to approve borrowings by the Government of Dubai and Government of Dubai-owned entities on behalf of the Government of Dubai. The SFC also aims to improve coordination between various Government of Dubai entities, and to enable government entities to meet their respective development targets in a cost efficient manner.

Executive Council: The Executive Council seeks to ensure coordination amongst Government of Dubai departments such as the courts, the police, the Health Authority, the Land Department, the Department of Civil Aviation, the DED and the Department of Tourism and Commerce Marketing. The Executive Council works with these departments to implement an overall strategy for the Government of Dubai, while considering the requirements and strategies of each particular department. In addition, the Executive Council works with the DOF to prepare an overall budget to fund the requirements of the various government departments. In addition to this broad coordination role, the Executive Council also recommends new laws and regulations, and is involved in the implementation of laws promulgated at both the Emirate and federal levels.

Department of Economic Development: The DED is a regulatory and administrative body responsible for licensing and regulation of the business sector. All businesses operating in Dubai are required to be registered with and licensed by the DED. The DED also helps formulate Government of Dubai policy in relation to economic planning and the promotion of Dubai as a business centre. The DED works closely with relevant government bodies such as the Ministry of Labour and the Real Estate Regulatory Authority.

Department of Finance: The DOF is the local ministry of finance and treasury for the Government of Dubai. All revenues of the Government of Dubai are collected within the DOF and all Government of Dubai authorities are funded through the DOF. In addition, the DOF also functions as an administrative office of the SFC for executing and monitoring compliance with the SFC's decisions.

Economy of the UAE

The UAE is the third largest economy in the Gulf region after Saudi Arabia and Iran. According to the Organisation of Petroleum Exporting Countries (OPEC) data, as at 31 December 2010, the UAE had approximately 6.7 per cent. of proven global oil reserves (giving it the sixth largest oil reserves in the world). The UAE's oil reserves generated approximately 31.4 per cent. of the UAE's GDP in 2010 (according to the NBS) and approximately 28.3 per cent. of its export earnings (including re-exports) in 2010 (source: UAE Central Bank).

The NBS has estimated on a preliminary basis that real GDP in the UAE for 2010 was AED 977.3 billion, representing a real GDP growth rate of 1.4 per cent., reflecting the general economic recovery in the wake of the global economic crisis and the increase in oil prices during 2010. In 2009, the NBS estimated that real GDP in the UAE was AED 963.5 billion, representing a real GDP growth rate of minus 1.6 per cent. compared to 2008.

The table below shows the UAE's nominal and real GDP and nominal and real GDP growth rates for each of the years indicated.

	2007	2008	2009	2010
UAE Nominal GDP (*AED millions*)	948,056	1,156,267	992,805	1,093,114
UAE Nominal GDP growth rates (*per cent.*)	16.2	22.0	(14.1)	10.1
UAE Real GDP (*AED millions*)	948,056	979,291	963,530	977,329
UAE Real GDP growth rates (*per cent.*)	3.2	3.3	(1.6)	1.4

Sources: Dubai Statistics Centre, NBS

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. Whilst, fluctuations in energy prices do have a bearing on economic growth, the UAE is generally viewed as being less vulnerable than some of its GCC neighbours, due to the growth in the non-oil sector, particularly trading, finance, real estate and tourism.

Economy of Dubai

Dubai has a diversified economy which has demonstrated renewed growth, with real GDP increasing by approximately 2.4 per cent. in 2010 after the effects of the global economic recession led to a decline in real GDP in 2009. Since the UAE was established, when approximately 50 per cent. of Dubai's GDP was oil related, the Emirate's reliance on oil has decreased significantly, with the oil sector accounting for 1.8 per cent. of GDP in 2010.

Reflecting the Dubai's strategic geographic location, rising levels of international trade and the Government of Dubai's long-standing strategy of positioning the Emirate as a trading centre, the wholesale and retail trade and repairing services sector is the principal contributor to GDP, accounting for 30.3 per cent. of Dubai's GDP in 2010. The wholesale and retail trade and repairing services sector grew by 4.5 per cent. in real terms in 2010 and accounted for approximately 1.3 per cent. of Dubai's real GDP growth in 2010.

Other significant growth sectors for Dubai in recent years have been manufacturing, transport, storage and communications and electricity and water. The manufacturing sector grew by 10.1 per cent. in real terms in 2010 as a result of the increased ability of the sector to export in 2010 compared to 2009 as its principal trading partners began to recover from the global financial crisis. The transport, storage and communications sector grew by 9.2 per cent. in real terms in 2010 as a result of improved foreign trade and port related activities, in addition to increased demand for shipping and related services. The electricity and water sector grew by 7.1 per cent. in real terms in 2010 as a result of increased generation and consumption of electricity and water. In addition, each of these sectors has benefitted from the Government of Dubai's policies aimed at improving the business and investment environment and positioning Dubai as a regional hub, including specific high profile developments initiated by the Government of Dubai and the establishment of a range of specialised free zones designed to attract new companies and investment.

In addition, other supply side factors supporting Dubai's longer term economic growth have included the availability of labour and land for real estate development, significant levels of liquidity prior to 2008 and increasing consumer wealth in the GCC and elsewhere, in part reflecting generally high oil and gas prices, an appropriate legal and regulatory framework and good infrastructure.

The Government of Dubai continues to focus on economic diversification and in this respect is targeting the travel and tourism, financial services, professional services, transport and logistics, trade and storage and construction sectors in particular as areas for future growth.

Since the middle of 2008 and reflecting the global financial crisis and sharp falls in international oil and gas prices, there have been significant declines in real estate sales prices and rental rates in the UAE as a whole and a significant slowdown in construction activity. These factors adversely impacted the Emirate's GDP in 2009 and 2010, with these sectors declining in real terms in 2009 by 19.8 per cent. and 19.5 per cent., respectively, and by 2.6 per cent. and 14.7 per cent., respectively, in 2010.

The Government of Dubai has taken steps to stabilise the real estate sector. On 25 March 2010 Nakheel PJSC ("**Nakheel**") announced a recapitalisation plan pursuant to which the Government of Dubai, acting through the Dubai Financial Support Fund (the "**DFSF**"), committed to provide U.S.$8 billion of additional funds to Nakheel to fund operations and settle outstanding liabilities, including payments to Nakheel's contractors and suppliers (see "*— The Government of Dubai's Support of Strategic Government Related Entities*" below).

The table below shows Dubai's nominal and real GDP and nominal and real GDP growth rates for each of the years indicated:

	2007	2008	2009	2010
Dubai Nominal GDP (*AED millions*)	310,056	342,900	294,157	300,833[(1)]
Dubai Nominal GDP growth rates (*per cent.*)	28.6	10.6	(14.2)	2.3
Dubai Real GDP (*AED millions*)	284,577	293,752	286,617	293,601[(1)]
Dubai Real GDP growth rates (*per cent.*)	18.1	3.2	(2.4)	2.4

Sources: Dubai Statistics Centre, NBS

Note:

(1) Does not include non-profit organisations sector.

The real GDP of Dubai in 2010 equalled 30.0 per cent. of the real GDP of the UAE in the same year. In 2009 and 2008, the equivalent proportions were 29.7 per cent. and 30.0 per cent., respectively.

Dubai's real GDP increased by 18.1 per cent. in 2007 and by 3.2 per cent. in 2008, decreased by 2.4 per cent. in 2009 and increased by 2.4 per cent. in 2010, reaching AED 293.6 billion in 2010. Dubai's real GDP per capita in 2010 was approximately U.S.$41,956, based on an assumed population of 1,905,476 million and an exchange rate of U.S.$1.00 = AED 3.6725.

Within Dubai, no single economic sector contributed more than 31 per cent. to total GDP in 2010, with the largest sector being the wholesale and retail trade and repairing services sector which contributed 30.3 per cent. of the Emirate's GDP. Other significant contributors to GDP in 2010 include the transport, storage and communications sector, which contributed AED 41.5 billion, or 14.1 per cent., to GDP, the real estate and business services sector, which contributed AED 40.3 billion, or 13.7 per cent., to GDP, and the manufacturing sector, which contributed AED 38.7 billion, or 13.2 per cent., to GDP. Two other sectors, construction and financial corporations, each contributed between 9 and 11 per cent. to GDP in 2010. Together, these six sectors contributed 92.0 per cent. of total GDP in 2010. By contrast, the government sector contributed 5.5 per cent. and the mining, quarrying and oil and gas sector contributed 1.8 per cent. to GDP in 2010.

In terms of growth, the four strongest principal sectors in recent years have been the government services sector, with a compound annual GDP growth rate of 21.8 per cent. between 2007 and 2010, the electricity and water sector, with a compound annual GDP growth rate of 15.6 per cent. between 2007 and 2010, the manufacturing sector, with a compound annual GDP growth rate of 8.8 per cent. between 2007 and 2010, and the social and personal services sector, with a compound annual GDP growth rate of 7.9 per cent. between 2007 and 2010.

Foreign Direct Investment and Free Zones

In addition to several free zones which seek to attract foreign direct investment, as further described below, both local and foreign investors can establish a business presence in Dubai outside of the free zones. According to the

DED, it issued 13,817 business licences in 2010, recording growth of approximately 17 per cent. as compared to 2009. Also according to the DED, 20 per cent. of the licences issued by it were for businesses active in the professional sector, 17 per cent. for those in the commercial sector, 12 per cent. for those in the industrial sector and 10 per cent. for companies active in the tourism sector. In the first quarter of 2011, the DED issued 3,224 business licences, which was an increase of approximately 6 per cent. over the first quarter of 2010.

There are many incentives for foreign corporate entities to set up in one of the free zones in Dubai. Foreign corporate entities can freely operate in the free zones and free zone entities can be 100 per cent. foreign owned, unlike entities registered elsewhere in the UAE which require various degrees of local participation. Free zone entities are exempt from paying corporate tax for 15 years, renewable for an additional 15 years, and individuals are exempt from paying income tax. There are no currency restrictions levied on the capital or the profits of free zones entities and 100 per cent. of their capital and/or profit can be repatriated. The ability to import into the free zones and to export abroad without any import duties, taxes or currency restrictions being levied on the free zone entity is a strong incentive for foreign corporate entities wishing to carry on such activities from and into the Middle East region to set up in one of the free zones.

The incentives to set up in a free zone include an easily available and relatively inexpensive workforce, no restrictions on the issuance of work permits and residence visas, availability of plots of land, prebuilt warehouses and offices on an annual lease basis, affordable workers' accommodation and minimal legal and administrative procedures to commence operations.

Each free zone in Dubai is governed both by federal law as well as the laws of Dubai. In addition, each free zone is authorized to adopt and administer regulations which pertain to entities operating and licensed in that individual free zone. The Dubai Free Zones Council was established in 2011 in order to increase coordination amongst the various Dubai free zones and to assist them in unifying the rules and regulations governing free zone companies, in particular the rules related to registration and licensing. In addition, Law No. 13 of 2011, introduced by the Government of Dubai in September 2011, provides an additional incentive to establish free zone companies in Dubai by clarifying the ability of free zone companies to conduct business onshore in the Emirate. The law includes provisions which formalise a licensing regime which will enable such free zone companies to operate onshore after registering with the Dubai Department of Economic Development.

Dubai has a number of free zones, of which the most important are the Free Zone, the Dubai Technology and Media Free Zone, the Dubai International Financial Centre and the Dubai Airport Free Zone.

In addition, a number of sector-specific free zones for services and industry have been established, including Dubai Healthcare City, Dubai Textile City, Dubai Outsource Zone and Dubai Gold and Diamond Park.

The Government of Dubai's Support of Strategic Government Related Entities

The Government of Dubai owns, or has significant investments in, strategic Government-related entities ("**GREs**") which have played a significant role in supporting and facilitating the Government of Dubai's strategic development plan. Certain GREs have incurred indebtedness, including indebtedness from international financial institutions and in the international capital markets. As a result of the global financial crisis, sharp falls in international oil and gas prices, financial sector instability, limited access to credit and the significant decline in real estate values, both globally and in the Emirate of Dubai and the UAE, certain GREs have suffered from asset value deterioration, limited cash flow and have also experienced liquidity issues. Whilst not legally obliged to do so (under any guarantee or otherwise), the Government of Dubai announced its intention to support certain entities in order to maintain stability in the UAE economy, the banking system and investor confidence and protect stakeholders.

On 25 March 2010, in light of the severe financial difficulties faced by Dubai World and its subsidiaries and Nakheel, the Government of Dubai, Dubai World and Nakheel publicly announced proposals for the restructuring of the liabilities of Dubai World and its subsidiaries and Nakheel. It confirmed that the proposals followed a comprehensive analysis of the circumstances facing each company, and were developed in the interests of all stakeholders, including customers, contractors, employees and creditors.

The Government of Dubai's announcement further explained that the DFSF would support the restructuring proposals with significant financial resources, including additional funding of up to U.S.$9.5 billion over the restructuring period, sourced from: (i) U.S.$5.7 billion, which was remaining from a loan previously made available by the Government of Abu Dhabi; and (ii) internal Government of Dubai resources.

Dubai World Restructuring

On 23 March 2011, Dubai World signed a final agreement with each of its lenders to restructure its financing facilities, amounting to U.S.$24.9 billion in debt. Under the terms of the two-tranche debt repayment plan, creditors will receive $4.4 billion in five years while the second tranche will involve $10.3 billion over eight years at a fixed interest rate of 2.4 per cent. per annum. See "*Risk Factors — Neither Dubai World nor the Government of Dubai is legally obliged to provide any additional funding to JAFZ*".

UAE International Relations

The foreign policy of the UAE is based upon a set of guiding principles, laid down by the country's first President, H.H. Sheikh Zayed bin Sultan Al Nahyan.

The UAE participates in a number of multi-lateral aid-giving institutions, including the International Bank for Reconstruction and Development, the International Development Agency, the IMF and regional bodies like the Arab Bank for Economic Development in Africa, the Arab Gulf Fund for the United Nations, the Abu Dhabi-based Arab Monetary Fund, the Islamic Development Bank and the OPEC Fund for International Development. In addition, the UAE is a member of various other international organisations, including, among others, the Asia-Pacific Economic Co-operation, the GCC, the International Organisation for Industrial Development, the League of Arab States, OPEC, the Organisation of Arab Petroleum Exporting Countries, the Organisation of Islamic Countries, the United Nations, the World Health Organisation and the World Trade Organisation. In December 2009, the UAE entered into a bilateral agreement with the United States for peaceful nuclear co-operation which establishes the legal framework for commerce in civilian nuclear energy between the two countries.

The UAE enjoys good relations with the other states in the GCC. However, the UAE has an ongoing dispute with the Islamic Republic of Iran and continuing discussions with the Kingdom of Saudi Arabia over border issues. Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied by the Islamic Republic of Iran. The UAE believes that the islands should be returned to the Emirate of Sharjah which claims sovereignty over them and is seeking to resolve the dispute through negotiation.

The UAE is also seeking, through negotiation, to resolve issues related to the 1974 provisional and, as yet, unratified, agreement with the Kingdom of Saudi Arabia on the border between the two countries, which the UAE believes should be substantially amended. In addition, the UAE is involved in discussions with the governments of the Kingdom of Saudi Arabia and the State of Qatar relating to a maritime corridor which the State of Qatar has purported to grant to the Kingdom of Saudi Arabia, from within the State of Qatar's own maritime waters, which crosses part of the route of the gas pipeline constructed by Dolphin Energy Limited. The UAE believes that this grant is in breach of existing agreements between the UAE and the State of Qatar and, in June 2009, the UAE's Ministry of Foreign Affairs stated this position in a letter to the UN Secretary General.

The Concession and Usufruct Documents

The Concession Agreement

From 22 November 2007 (the "**Effective Date**"), JAFZA granted a concession to JAFZ pursuant to a concession agreement dated 13 November 2007, as subsequently amended and restated on 29 April 2012 (the "**Concession Agreement**"), which provides JAFZ with the exclusive right and privilege to provide certain licensing and other administration services (the "**Services**") at JAFZ's own expense within a specified area that comprises substantially all of the Free Zone (the "**Concession Area**"), as follows:

(a) processing licences on behalf of JAFZA for persons applying to operate in the Free Zone;

(b) licensing of advertising in the Concession Area (including sales, placement and maintenance);

(c) the provision of any other business, activities, facilities and services which are incidental to performing those Services listed at (a) and (b) above;

(d) the provision of any other business, activities, facilities and services ordinarily provided from time to time at free zones (including commercial ventures and developments of all types) provided that the prior written consent of JAFZA has been obtained (such consent not be unreasonably withheld or delayed); and

(e) such other businesses, activities, facilities and services as JAFZ may wish to provide and which are approved by JAFZ in accordance with the Concession Agreement (such approval not to be unreasonably withheld or delayed).

JAFZA's obligations under the Concession Agreement include, *inter alia*:

(a) providing overall security in respect of the common areas of the Concession Area and procuring the availability of utilities (including water, power, telecommunication, electricity and used water treatment) to the Concession Area;

(b) maintaining reasonable access for JAFZ to the Concession Area and maintaining the common use infrastructure and superstructure in the Concession Area;

(c) liaising with PCFC in co-ordinating the provision of environmental policy and control;

(d) maintaining the JAFZA Trademark;

(e) issuing or renewing licences for applicants applying to JAFZ to operate in the Concession Area; and

(f) procuring the provision of facility services such as non-hazardous waste collection within the Concession Area and co-operating with JAFZ or any sub-contractor to do all things reasonably necessary to assist in the provision of the Services.

All revenue and income generated by JAFZ from the provision of the Services during the Concession Period (as defined below) belong to JAFZ, subject to the terms of the Concession Agreement. However, in relation to some of the administration services to be provided by JAFZ, JAFZ may be required to pass on a certain portion of the fees received for such administration services to other Dubai or Federal Government entities (for instance, the Immigration Department in the case of visa issuances) where such Government entity is the actual legal provider of the service to the recipient and where JAFZ would be acting as an intermediary only.

In consideration of the rights granted by JAFZA to JAFZ under the Concession Agreement, JAFZ pays a fee to JAFZA (the "**Concession Fee**"). The Concession Fee is calculated on an annual basis and is payable throughout the Concession Period monthly in arrears. No Concession Fee was payable during the first 3 years after the Effective Date; thereafter, it is calculated as an amount equal to 2 per cent. of the revenues arising from the licensing and registrations charges (i.e., for the avoidance of doubt, not of any other revenue, including, in particular, rental income) as more particularly set out in the Tariff, increasing by 2 per cent. every five years.

The concession granted to JAFZ is for a period of 99 years (the "**Concession Period**") from the Effective Date. However, 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 (as defined in the Concession Agreement); (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. However, JAFZA is not entitled to terminate the concession as long as any amounts are outstanding under any finance arrangements (see "*— Provisions to protect rights of financiers*" below).

The Usufruct Agreement

From the Effective Date, JAFZA granted the Usufruct Rights over the Concession Area and the immoveable fixed assets therein (the "**Usufruct Property**") to JAFZ pursuant to a usufruct agreement dated 13 November 2007, as subsequently amended and restated on 29 April 2012 (the "**Usufruct Agreement**"). As consideration for the grant of the Usufruct Rights, JAFZ paid a one-off fee to JAFZA at the time of entering into the Usufruct Agreement. The Usufruct Rights extend to the infrastructure and the superstructure (excluding the common use infrastructure and superstructure) and all fixtures and fittings relating to the Usufruct Property. The Usufruct Rights give JAFZ the exclusive right to use and benefit from the Usufruct Property, including the right to lease facilities to tenants in the Free Zone, renew a lease or grant a new lease to a tenant for occupying any part of the Concession Area (with JAFZ being the landlord).

Under the Usufruct Agreement, JAFZA assigned to JAFZ all of its rights, title and interest in all revenues due to it under all the leases for the Concession Area granted by JAFZA prior to the Effective Date.

The term of the Usufruct Agreement is 99 years commencing on the Effective Date. 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). However, JAFZA will not be entitled to terminate the Usufruct Agreement as long as any amounts are outstanding under any finance arrangement (see "*— Provisions to protect rights of financiers*" below). 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.

Provisions to protect rights of financiers

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.

SUMMARY OF THE MASTER LEASE AGREEMENTS AND STANDARD FORM LEASES

Master Lease Agreements

Historically, JAFZA has been named as the party entering into the leases of properties within the Concession Area, rather than JAFZ, as some relationships with clients pre-date the creation of JAFZ. Accordingly, as JAFZ is the commercial operator of the Free Zone, JAFZ and JAFZA have entered into three master leases (the "**Master Leases**") that together cover all property in the Concession Area. The Master Leases sit above the commercial leases that JAFZA has entered into with each customer and are effective from 14 November 2007. The key terms of the Master Leases are:

(i) the term of two of the Master Leases, which relate to the area of premises over which short-term or annual leases have been granted, is for 9 years and 364 days;

(ii) the third Master Lease relating to land plots that have been leased to third parties for longer periods (generally between 5 and 30 years) is for a term of 35 years;

(iii) all of the amounts paid by the customers to JAFZA (as landlord) are payable to JAFZ under the Master Leases as rental due under the relevant Master Lease. JAFZA's liability for such payments is limited to the amounts actually received from the customers under the Master Leases;

(iv) JAFZ is authorised to collect the rent payable by customers to JAFZA and to enforce the customer leases on behalf of JAFZA;

(v) JAFZ is obliged to perform all of the obligations of JAFZA, as landlord, under the customer leases;

(vi) JAFZ is permitted to assign any right in the Master Leases and JAFZA has expressly consented to any such assignment; and

(vii) 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. In addition, 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.

Standard form leases

JAFZ has four standard form leases which are used for leases of property in the Free Zone, one for each of plots of land, warehouses, offices and residential premises (each a "**Standard Form Lease**"). Each Standard Form Lease will be comprised of a "Particulars" document and a "Terms and Conditions" document. The Terms and Conditions of each Standard Form Lease are in substantially the same form, except for certain amendments appropriate for the different uses of the property for which the relevant Standard Form Lease is drafted. As noted above, JAFZ will begin using these new Standard Form Leases before 1 November 2012.

The following paragraphs give an overview of the key provisions of the Standard Form Leases.

JAFZ's lease costs

The Standard Form Leases for the offices and residential premises are drafted to reflect that the rent is intended to be inclusive of utility charges and other outgoings. In respect of the Standard Form Leases relating to plots of land and warehouses, the tenant covenants to pay for all electricity, water and sewerage consumed at the premises, as well as all existing and future local authority charges, taxes, assessments and other outgoings whatsoever relating to their premises. There is limited scope for leakage of rent, as tenants under the Standard Form Leases are required to pay the annual rent in advance both by way of cleared funds and by way of post-dated cheques.

In addition, JAFZ is entitled to be reimbursed for any actual costs (excluding any opportunity and funding costs) incurred as a result of a tenant failing to pay any sum due but not paid on time under a lease and the tenant indemnifies JAFZ for its legal costs and disbursements incurred in connection with any breach by it and/or termination of its lease due to its own default.

On a practical level, JAFZ, as the community landlord, will provide certain maintenance and security services in the Free Zone as a matter of course. Under the Standard Form Leases there is only a limited obligation on JAFZ to keep the Free Zone in good repair and condition. Under each of the Standard Form Leases except in respect of residential premises for staff accommodation (for which the rent is intended to be inclusive) there is a mechanism whereby JAFZ can recharge the costs of providing any services it provides to the customer in the Free Zone.

Lease renewal

Under the Standard Form Leases, the tenant must give JAFZ at least three months notice (in the case of leases relating to warehouses, offices and residential premises) or at least six months notice (in the case of leases relating to land) prior to expiry of the term of the lease of its intention to renew the lease. The terms and condition of any renewal will be agreed between the parties save for the renewed rent which will be solely determined by JAFZ.

Rent review

The longer term Standard Form Lease in respect of plots of land contains an open market rent review provision to be undertaken upon specified review dates. For the other Standard Form Leases which are all intended to be used for shorter terms, as set out above, JAFZ has the ability to determine the rent on any renewal of the relevant lease. In the Standard Form Leases (other than the Standard Form Leases for residential premises) there is also the ability for JAFZ to cap the amount by which it may increase the rent upon renewal at the outset of the lease. Where used, this option is included to provide tenants with comfort that JAFZ will not significantly increase the rent upon a renewal. As a matter of law, the Free Zone is expressly exempt from regulations that may be made from time to time by the Dubai Municipality under Dubai law capping rental increases upon renewal of leases.

Indemnity

Under each of the Standard Form Leases the tenant is required to keep JAFZ fully indemnified against all actions, proceedings, claims, demands, costs and liability arising out of, amongst other things, any breach of any covenant by the tenant contained in the Standard Form Lease, any accident, loss or damage to any person or property in or on the premises or any breach of Dubai law.

Assignment

The Standard Form Leases expressly provide that JAFZ may at any time assign its rights under the Standard Form Lease to any third party. An assignment of rights, such as the right to receive payments under a lease agreement, is permitted under Dubai law, though perfection of such assignment requires either the assignor or assignee giving the counterparty to the lease agreement notice of the assignment.

Termination

There are no termination rights in favour of the tenant under the Standard Form Leases. Each Standard Form Lease provides that all disputes under the lease must be referred to the Dubai courts. A tenant wishing to terminate its lease due to a breach by JAFZ would need to rely on the general provisions under the law applicable in Dubai, though the specific Dubai real estate legislation that currently is in force is not applicable to the Free Zone.

JAFZ has a number of termination rights under the Standard Form Leases, including where the tenant fails to pay rent 30 days after it becomes payable and does not perform or observe any of the tenant covenants contained in the Standard Form Lease.

Upon termination, there is no obligation under any of the Standard Form Leases on JAFZ to return any rent paid by the tenant in respect of the unexpired portion of the lease term. However, at law, if a tenant was to bring a claim in the Dubai courts to recover any such sums, it is likely that the court would permit JAFZ only to maintain such portion of the rent as would cover direct and foreseeable damages resulting from the tenant’s breach. UAE courts tend to be reluctant to permit the party suffering damage to derive benefit from the breach, hence if JAFZ was able to rent the premises out for the same period at the same or a higher rent, the tenant may be able to recover some of its rent through the courts on the basis that JAFZ would not have suffered damage due to the breach.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions) during normal business hours.

Sale and Purchase Agreement

The Sale and Purchase Agreement will be entered into on the Closing Date between JAFZ Sukuk (2019) Limited (in its capacities as Trustee and as Purchaser) and JAFZ (in its capacity as Seller) and will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Pursuant to the Sale and Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will buy from the Seller, the Initial Wakala Portfolio.

Under the Sale and Purchase Agreement, the Seller will undertake to the Purchaser that, with effect from: (i) the Closing Date (in the case of the Initial Wakala Portfolio sold pursuant to the Sale and Purchase Agreement); and (ii) the date on which substitute Wakala Assets become part of the Wakala Portfolio (in the case of any Wakala Assets added to the Wakala Portfolio from time to time) it will hold the title to the Wakala Assets in its name as an agent and nominee of the Purchaser.

Service Agency Agreement

The Service Agency Agreement will be entered into on the Closing Date between JAFZ Sukuk (2019) Limited (in its capacity as Trustee) and JAFZ (as Servicing Agent of the Wakala Portfolio) and will be governed by English law.

Services

Pursuant to the Service Agency Agreement, the Trustee will appoint the Servicing Agent to manage the Wakala Portfolio. In particular, the Servicing Agent will perform, amongst other things, the following services (the "**Services**"):

(a) it will manage the Wakala Portfolio in accordance with the Wakala Management Plan set out in the Schedule to the Service Agency Agreement, which includes the annual amount of expected Wakala Portfolio Revenues (as defined below) of the Wakala Portfolio (the "**Expected Wakala Portfolio Revenues**");

(b) it will be obliged to ensure that for the life of the Certificates, the Wakala Portfolio will comprise only Real Estate Assets subject to Leases which relate to businesses generating *Shari'a* compliant cashflows;

(c) it will use its best endeavours to manage the Wakala Portfolio such that the Wakala Portfolio Value is at all times at least equal to the aggregate Value of the Initial Wakala Assets as set out in the schedule to the Sale and Purchase Contract less any relevant Surrender Amount and accordingly will at no time substitute any Wakala Asset(s) for any Wakala Asset(s) of a Value less than the Value of the Wakala Asset(s) so substituted;

(d) it will carry out all Major Maintenance and Structural Repair in respect of the Wakala Assets on account and on behalf of the Trustee and in so doing the Servicing Agent shall:

    (i) ensure that accurate and current records are kept of all Major Maintenance and Structural Repair activities;

    (ii) conduct regular and proper inspection of the Wakala Assets and ensure that Major Maintenance and Structural Repair is carried out with the proper quality of materials and workmanship; and

    (iii) ensure that Major Maintenance and Structural Repair is carried out by qualified persons and in accordance with all applicable regulations and law;

    in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Servicing Agent on an arm's length basis and in order to fully maintain the value of the Wakala Assets;

(e) it will, acting as agent for the Trustee, have and is hereby granted complete discretion, authority, power and right in the name of the Trustee:

(i) to enter into contractual arrangements with approved sub-contractors and consultants in order to assist it in performing the Services and its other obligations under this Agreement;

(ii) to enter into, make and perform all agreements and other undertakings as may in the opinion of the Servicing Agent be necessary or advisable or incidental to the carrying out of the Services pursuant to this Agreement; and

(iii) to the extent necessary to enable it properly to exercise its rights and carry out its duties under this Agreement, to act for the Trustee and on the Trustee's behalf in the same manner and with the same force and effect as the Trustee might or could do;

(f) (for so long as the Trustee remains the owner of the Wakala Assets in its name and on behalf of Certificateholders) it will pay, on behalf of the Trustee, all Proprietorship Taxes (if any) charged, levied or claimed in respect of the Wakala Assets by any relevant taxing authority;

(g) it will promptly notify the Trustee if any claim, levy or charge for Proprietorship Taxes is delivered directly to the Servicing Agent;

(h) it will promptly pay all Proprietorship Taxes after receipt of notification and, in any event, prior to the same becoming overdue and promptly provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all Proprietorship Taxes paid by it;

(i) it will do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers reasonably necessary to ensure the assumption of, and compliance by each Lessee with its covenants, undertakings or other obligations under the Lease to which it is a party in accordance with applicable law and the terms of the Lease, in each case in respect of the Wakala Assets;

(j) it will discharge or procure the discharge of all obligations to be discharged by JAFZ (in whatever capacity) in respect of any of the Wakala Assets under all Leases, it being acknowledged that the Servicing Agent may appoint one or more agents to discharge these obligations on its behalf;

(k) it will pay on behalf of the Trustee any actual costs, expenses and losses (excluding for the avoidance of doubt, interest, penalty payments, costs of funds and opportunity costs) which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio and, such actual costs, expenses and losses shall be reimbursed in accordance with the terms of the Service Agency Agreement;

(l) it will use all reasonable endeavours to ensure the timely receipt of all Wakala Portfolio Revenues (as defined below), investigate non-payment of Wakala Portfolio Revenues and generally make all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues under all Leases as and when the same shall become due;

(m) it will ensure that all Wakala Portfolio Revenues are received free and clear of, and without withholding and deduction for, Taxes (as defined therein);

(n) it will use all reasonable endeavours to ensure that the Wakala Portfolio Revenues are at least equal to the Expected Wakala Portfolio Revenues;

(o) it will maintain the Collection Accounts in accordance with the terms of the Service Agency Agreement and as summarised below;

(p) it will obtain all necessary authorisations in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;

(q) it will renew existing leases relating to the Leased Assets, or where such leases are not to be renewed, source new tenants; and

(r) it will carry out any incidental matters relating to any of the above.

For these purposes:

"**Surrender Amount**" means the aggregate face amount of any Certificates cancelled by the Trustee pursuant to Condition 15 (*Purchase and Cancellation of Certificates*) and/or redeemed and cancelled pursuant to Condition 12(d) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*); and

"**Value**" means, in respect of any Wakala Asset, the amount in US Dollars (following conversion, if necessary, of any relevant amount(s) at the applicable Exchange Rate) determined by JAFZ as being equal to the value of that Wakala Asset on the day on which it formed part of the Wakala Portfolio (as set out in the Sale and Purchase Agreement or the relevant substitution notice, as applicable);

Insurances and Total Loss Shortfall Amount

The Servicing Agent will also irrevocably undertake with the Trustee, in relation to the Wakala Portfolio, that the Servicing Agent, on behalf of the Trustee, will:

(a) be responsible for ensuring that the Wakala Assets are properly insured to the extent consistent with general industry practice by prudent owners of similar assets, and, accordingly, will effect such insurances in respect of the Wakala Assets (the "**Insurances**"), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event. The Servicing Agent will undertake to ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the "**Full Reinstatement Value**" (being the aggregate outstanding face amount of the Certificates plus all other amounts then due and payable under the Transaction Documents);

(b) promptly make a claim in respect of each loss relating to the Wakala Assets in accordance with the terms of the Insurances and apply any insurance proceeds received other than in the event of a Total Loss Event in accordance with the terms of the Allocation Deed;

(c) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are paid in US Dollars directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly; and

(d) ensure that in the event of a Major Loss Event occurring all the proceeds of the Insurances against a Major Loss Event to the extent they affect the Wakala Portfolio are paid in US Dollars directly from the Insurance Proceeds Account into the Transaction Account by no later than the 30th day after the occurrence of such Major Loss Event and that the insurer(s) will be directed accordingly.

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

Wherever the Servicing Agent is to procure Insurances in accordance with the terms of the Service Agency Agreement (including the renewal of any Insurances in existence on the Closing Date) it will use its reasonable endeavours to obtain such Insurances on a *takaful* basis if such *takaful* insurance is available or is available on commercially viable terms. A breach of this requirement will not, however, constitute a JAFZ Event.

Records and documents

The Servicing Agent will undertake that it will keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due in respect of the Wakala Assets.

The Servicing Agent will agree in the Service Agency Agreement to:

(a) provide the Services in accordance with all applicable laws and regulations;

(b) provide the Services with the degree of skill and care that it would exercise in respect of its own assets; and

(c) manage the Wakala Assets in accordance with generally accepted *Shari'a* principles.

Service Agency Liabilities Amounts and Fees

The Trustee and the Servicing Agent will agree that any Service Agency Liabilities Amounts incurred by the Servicing Agent in providing the Services shall be paid by the Trustee by way of the application of amounts standing to the credit of the Wakala Revenue Collection Account by the Servicing Agent on the Trustee's behalf in payment of such amounts following the repayment of any amounts advanced by way of a Liquidity Facility, as described below or otherwise on the Dissolution Date. For these purposes, "**Service Agency Liabilities Amounts**" means the amount of any claims, losses, costs and expenses properly incurred or suffered by the Servicing Agent or other payments made by the Servicing Agent (excluding for the avoidance of doubt, interest, penalty payments, costs of funds and opportunity costs) on behalf of the Trustee, in each case in providing the Services during a "**Wakala Distribution Period**" (being a period that corresponds with the Return Accumulation Period under the Certificates), but does not include amounts due to the Servicing Agent or any third party provider in respect of Liquidity Facilities.

JAFZ shall be entitled to receive a fixed fee of U.S.$100 for acting as Servicing Agent under the Service Agency Agreement. In addition, following payment of all amounts due and payable under the Certificates on the final Dissolution Date, the Servicing Agent shall be entitled to retain any amounts that remain standing to the credit of the Wakala Reserve Collection Account for its own account as an incentive payment for acting as Servicing Agent.

Asset Substitutions

In the Service Agency Agreement the Trustee and the Servicing Agent will agree that, provided no Dissolution Event has occurred and is continuing, the Servicing Agent may at any time exercise its rights under the Sale Undertaking to substitute (and, upon any default in respect of any Wakala Asset, shall use all reasonable endeavours to so substitute) any one or more of the Wakala Assets as the Servicing Agent may select (subject to any Wakala Asset(s) to be substituted being the defaulting Wakala Asset(s), if applicable) in accordance with the Sale Undertaking.

Collection Accounts

The Servicing Agent will maintain two ledger accounts (such accounts being the "**Wakala Revenue Collection Account**" and the "**Wakala Reserve Collection Account**") in its books, each of which shall be denominated in U.S. dollars in which all revenues from the Wakala Assets (the "**Wakala Portfolio Revenues**") will be recorded. The Wakala Portfolio Revenues include all rental and other amounts paid by the relevant lessee and all consideration, damages, insurance proceeds, compensation or other sums received by the Servicing Agent in respect of Wakala Assets. All Wakala Portfolio Revenues will be recorded in the Wakala Revenue Collection Account.

In addition, certain amounts may be debited from the Wakala Revenue Collection Account and credited to the Wakala Reserve Collection Account.

Amounts standing to the credit of the Wakala Revenue Collection Account will be applied by the Servicing Agent on each Wakala Distribution Determination Date (being the Business Day immediately prior to the relevant Periodic Distribution Date) in the following order of priority:

(a) *first*, in repayment of any amounts advanced by way of a Liquidity Facility;

(b) *second*, in payment of any Service Agency Liabilities Amounts for the Wakala Distribution Period ending immediately before the immediately following "**Wakala Distribution Date**" (being the date which corresponds with the relevant Periodic Distribution Date);

(c) *third*, the Servicing Agent shall pay into the Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Wakala Revenue Collection Account; and

(d) *fourth*, any amounts still standing to the credit of the Wakala Revenue Collection Account immediately following payment of all of the above amounts shall be debited from the Wakala Revenue Collection Account and credited to the Wakala Reserve Collection Account.

The Servicing Agent may under the Service Agency Agreement deduct amounts standing to the credit of the Wakala Reserve Collection Account at any time and use such amounts for its own account, **provided that** such amounts shall be repaid by it if so required to fund a shortfall (as described in the next paragraph) or as required following a Total Loss Event (as described below).

Shortfalls and Liquidity Facilities

If on a Wakala Distribution Determination Date (after: (i) payment of the relevant amounts standing to the credit of the Wakala Revenue Collection Account into the Transaction Account in accordance with paragraph (c) of "*Collection Accounts*" above or credited to the Wakala Reserve Collection Account in accordance with paragraph (d) of "*Collection Accounts*" 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 (a "**Shortfall**") between:

(a) the amounts standing to the credit of the Transaction Account; and

(b) the Required Amount payable on the immediately following Periodic Distribution Date,

the Servicing Agent will pay into the Transaction Account on that Wakala Distribution Determination Date from the amounts standing to the credit of the Wakala Reserve Collection Account (if any) an amount equal to the lesser of the Shortfall and the then balance of the Wakala Reserve Collection Account). If any Shortfall still remains after payment to the Transaction Account of the amounts credited to the Wakala Reserve Collection Account (as described in this paragraph) and after payment to the Transaction Account of all other amounts payable pursuant to any other Transaction Document, the Servicing Agent may either: (A) provide *Shari'a* compliant funding itself or (B) procure *Shari'a* compliant funding from a third party, in each case, to the extent necessary, by payment of the same into the Transaction Account, on terms that such funding is repayable: (i) from future excess Wakala Portfolio Revenues in accordance with the Service Agency Agreement; or (ii) on the Scheduled Dissolution Date through a deduction (by way of set-off) from the Exercise Price payable under the Sale Undertaking or the Purchase Undertaking, as applicable, to ensure that the Trustee receives on each Wakala Distribution Date the Required Amount payable by it in accordance with the Conditions on corresponding Periodic Distribution Date (such funding, a "**Liquidity Facility**").

Upon the occurrence of a Total Loss Event, all of the Wakala Portfolio Revenues credited to the Collection Accounts (including all amounts standing to the credit of the Wakala Reserve Collection Account) will be paid by the Servicing Agent immediately into the Transaction Account.

Payments under the Service Agency Agreement

The Servicing Agent will agree in the Service Agency Agreement that all payments by it under the Service Agency Agreement will be made without any deduction or withholding for or on account of tax unless required by law and (save as set out therein) without set off or counterclaim of any kind and, in the event that there is any deduction or withholding, the Servicing Agent shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made. The payment obligations of the Servicing Agent under the Service Agency Agreement will be direct, unconditional, unsubordinated and secured obligations of the Servicing Agent which rank equally with all other secured obligations of the Servicing Agent.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on the Closing Date by JAFZ in favour of JAFZ Sukuk (2019) Limited (in its capacity as Trustee) and the Delegate and will be governed by English law and any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Purchase Undertaking will be referred for resolution as provided for therein.

Pursuant to the Purchase Undertaking and subject to the provisions contained therein, the Trustee and/or the Delegate, as the case may be, will, by exercising their rights under the Purchase Undertaking, be able to oblige JAFZ to purchase all of the Trustee's rights, benefits and entitlements in and to the Wakala Portfolio on the Scheduled Dissolution Date or any earlier Dissolution Date in respect of the Certificates at the "**Wakala Portfolio Exercise Price**", which shall be an amount in U.S. dollars equal to the aggregate of:

(a) (after accounting for any insurance proceeds paid to Certificateholders) the aggregate outstanding face amount of the Certificates on the relevant Dissolution Date;

(b) (without double counting) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; and

(c) the sum of any outstanding: (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts.

If the Delegate exercises its option prior to the Scheduled Dissolution Date, an exercise notice will be required to be delivered by the Delegate under the Purchase Undertaking.

The Trustee will also be entitled to exercise its aforementioned entitlements under the Purchase Undertaking following any exercise by the Certificateholders of their right to require the Trustee to redeem their Certificates on a Change of Control Put Option Date, in which case JAFZ will be required to purchase a portion of the Wakala Portfolio (such portion to comprise the "**Change of Control Wakala Assets**") with an aggregate Value no greater than the aggregate face amount of the Certificates to be redeemed. The exercise price (the "**Change of Control Exercise Price**" and, together with the Wakala Portfolio Exercise Price, each an "**Exercise Price**") payable for the Change of Control Wakala Assets will be calculated on a similar basis to the Wakala Portfolio Exercise Price save that the amounts described in subparagraph (c) of that definition shall only apply in the event that 100 per cent. of Certificateholders exercise their right to require the Trustee to redeem their Certificates.

The Trustee will also be entitled to require JAFZ, on the Major Loss Event Date, to purchase all of the Trustee's rights, title, interest, benefits and entitlements in, to and under any Wakala Assets with a Value equivalent to the Major Loss Event Exercise Price (as defined in the Purchase Undertaking) specified in the Exercise Notice.

JAFZ will undertake in the Purchase Undertaking that if:

(a) the sale and purchase, or transfer and assignment, of any rights, title, interests, benefits and entitlements in, to and under any of the Wakala Assets comprising the Initial Wakala Portfolio from JAFZ (in its capacity as seller) to the Trustee under the Sale and Purchase Agreement is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason (other than as a result of a Total Loss Event occurring on or prior to the date of the sale and purchase, or transfer and assignment) (the "**Initial Defective Sale**"); or

(b) the sale and purchase, or transfer and assignment, of any of the Trustee's rights, title, interests, benefits and entitlements in, to and under any of: (i) the Wakala Assets comprising the Wakala Portfolio or the Change of Control Wakala Assets (as defined in the Purchase Undertaking) pursuant to the exercise (or purported exercise, as the case may be) of the Purchase Undertaking by the Trustee or the Delegate (as applicable); or (ii) the Wakala Assets comprising the Wakala Portfolio, the Cancellation Wakala Assets, the New Wakala Assets or the Substituted Wakala Assets (each as defined in the Sale Undertaking) pursuant to the exercise (or purported exercise, as the case may be) of the Sale Undertaking by JAFZ, is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason (other than as a result of a Total Loss Event occurring on or prior to the date of the sale and purchase, or transfer and assignment), including without limitation by reason of any Initial Defective Sale (a "**Subsequent Defective Sale**"),

and as a result of either the Initial Defective Sale or a Subsequent Defective Sale, the Trustee or the Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price which is expressed to be due and payable under the Purchase Undertaking at the relevant time, JAFZ shall:

(A) in respect of the Initial Defective Sale, immediately on demand, make payment to the Trustee or the Delegate (as applicable) (each acting as trustee for the Certificateholders) of an amount equal to the Purchase Price (as defined in the Sale and Purchase Agreement) by way of restitution; and

(B) in respect of any Subsequent Defective Sale, immediately on demand, indemnify fully the Trustee or the Delegate (as applicable) (each acting as trustee for the Certificateholders) for the relevant Exercise Price expressed to be due and payable under the relevant undertaking at the relevant time (without double counting any amounts actually received pursuant to (A) above).

In addition, if JAFZ fails to pay all or part of any Exercise Price that is due in accordance with the Purchase Undertaking and **provided that** no Sale Agreement has been entered into, then JAFZ will agree in the Purchase Undertaking that it will irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Servicing Agent for the provision of the Services in respect of the Wakala Portfolio on the terms and conditions, *mutatis mutandis*, of the Service Agency Agreement.

JAFZ will expressly declare in the Purchase Undertaking that:

(a) the relevant Exercise Price represents a fair price for the purchase of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio or the applicable Wakala Assets or the Change of Control Wakala Assets, as the case may be;

(b) it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in the Wakala Portfolio or the applicable Wakala Assets or the Change of Control Wakala Assets, as the case may be, and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in any way; and

(c) if it breaches any declaration or undertaking set out above or if it or any administrator, liquidator or receiver of it disputes or challenges the rights, benefits and entitlements of the Trustee in, to and under the Wakala Portfolio or the applicable Wakala Assets or the Change of Control Wakala Assets, as the case may be, JAFZ shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price.

JAFZ will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made without any deduction or withholding for or on account of tax unless required by law and (save as set out therein) without set-off or counterclaim of any kind and, in the event that there is any deduction or withholding, JAFZ shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made. The payment obligations of JAFZ under the Purchase Undertaking will be direct, unconditional, unsubordinated and secured obligations of JAFZ which rank equally with all other secured obligations of JAFZ.

JAFZ has agreed in the Purchase Undertaking that it shall comply with the covenants more particularly described in Condition 5 (*Negative Pledge and Other Restrictive Covenants*)

Sale Undertaking

The Sale Undertaking will be executed as a deed on the Closing Date by JAFZ Sukuk (2019) Limited (in its capacity as Trustee) in favour of JAFZ and will be governed by English law.

Provided there has been no Total Loss Event or Mortgaged Property Loss Event and pursuant to the Sale Undertaking and subject to the Trustee being entitled to redeem the Certificates for tax reasons in accordance with Condition 12(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), JAFZ will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee no later than 45 days prior to the Tax Redemption Date, be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio at the Exercise Price. In addition, if following the occurrence of a Change of Control Event, 75 per cent. or more in face amount of the Certificates are redeemed pursuant to Condition 12(c) (*Capital Distributions of the Trust — Dissolution at the option of the Certificateholders*), JAFZ will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee no later than 45 days prior to the relevant Dissolution Date (which exercise notice must be delivered within 20 days of the Change of Control Put Option Date), be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio at the Exercise Price.

For these purposes, the "**Exercise Price**" will be an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates on the relevant Dissolution Date;

(b) (without double counting) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; and

(c) the sum of any outstanding: (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts.

JAFZ will be able to exercise its rights under the Sale Undertaking to effect the in kind substitution of Wakala Assets, subject to any substitute Wakala Assets being of a Value not less than the Value of the Wakala Assets to be substituted. JAFZ will also be able to exercise its rights under the Sale Undertaking (following any purchase of Certificates by JAFZ or any Subsidiary of JAFZ pursuant to Condition 15 (*Purchase and Cancellation of Certificates*)) to provide for the transfer of the Cancellation Wakala Assets (as defined in the Sale Undertaking), together with all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate Value not greater than the aggregate face amount of the Certificates so purchased, against cancellation of such Certificates by the Principal Paying Agent pursuant to the Conditions.

Declaration of Trust

Declaration of Trust

The Declaration of Trust will be entered into by way of a deed on the Closing Date between JAFZ, JAFZ Sukuk (2019) Limited (in its capacity as Trustee) and the Delegate and will be governed by English law.

Upon issue of the Global Certificate initially representing the Certificates, the Declaration of Trust shall constitute the Trust declared by the Trustee in relation to the Certificates.

The Trust Assets comprise, *inter alia*: (a) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Wakala Portfolio; (b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (excluding: (i) any representations given by JAFZ to the Trustee and the Delegate pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee or the Delegate in any of the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to Clause 17.1 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Declaration of Trust); and (c) all monies standing to the credit of the Transaction Account from time to time; and all proceeds of the foregoing, which are held by the Trustee upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each holder in accordance with the terms of the Declaration of Trust and the Conditions.

The Declaration of Trust will specify that, on or after the Scheduled Dissolution Date or, as the case may be, Dissolution Date, the rights of recourse in respect of the Certificates shall be limited to the amounts from time to time available and comprising the Trust Assets, subject to the priority of payments set out in the Declaration of Trust, the Certificates and the Conditions. The Certificateholders have no claim or recourse against the Trustee, the Delegate, the Agents or any other person (including JAFZ) in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Declaration of Trust, the Trustee will, *inter alia*:

(a) hold the Trust Assets on trust absolutely for the Certificateholders *pro rata* on an undivided basis according to the face amount of Certificates held by each such Certificateholder in accordance with the provisions of the Declaration of Trust; and

(b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

In the Declaration of Trust, the Trustee, by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders, irrevocably and unconditionally appoints the Delegate to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (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 Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or a Potential Dissolution Event (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), to exercise all of the rights of the Trustee under the Transaction Documents and the Conditions (provided that no obligations, duties, Liabilities or covenants of the Trustee pursuant to the Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of this delegation). The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and will not affect the Trustee's continuing role and obligations as trustee.

The Delegate will undertake in the Declaration of Trust that, subject to the provisions of the Allocation Deed, upon the earlier to occur of (i) a Dissolution Event and the delivery of a Dissolution Notice by the Delegate pursuant to Condition 16 (*Dissolution Events*), or (ii) a Mandatory Dissolution Event, in each case to the extent that the amounts payable in respect of the Certificates have not been paid in full pursuant to Condition 16 (*Dissolution Events*), subject to Condition 17(b) (*Delegate not obliged to take action*) and Condition 17(e) (*Allocation Deed to prevail*), it shall (acting on behalf of Certificateholders and subject to being indemnified and/or secured and/or prefunded to its satisfaction) take one or more of the following steps:

(a) enforce the provisions of the Purchase Undertaking against JAFZ and/or the Service Agency Agreement against the Servicing Agent; and/or

(b) direct the Security Agent to enforce the Transaction Shared Security as provided in Condition 7 (*Security*) and the Allocation Deed; and/or

(c) take such other steps as the Delegate may consider necessary in its absolute discretion to protect the interests of the Certificateholders.

Notwithstanding paragraphs (a) to (c) above but subject to Condition 17(b) (*Delegate not obliged to take action*) and Condition 17(e) (*Allocation Deed to prevail*), the Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or JAFZ to enforce their respective obligations under the Transaction Documents, these Conditions and the Certificates.

The Declaration of Trust specifies, *inter alia*, that:

(i) upon the Certificates having been declared due and payable in accordance with the provisions of Clause 19.1 of the Declaration of Trust and the Conditions, all payments in respect of the Certificates shall be made, and all rights of the Trustee and/or the Delegate (acting on behalf of the Certificateholders) under the Transaction Documents shall be exercised, in each case in compliance with the provisions of the Allocation Deed. To the extent that the Allocation Agent is entitled pursuant to the provisions of the Allocation Deed to request the Trustee and/or the Delegate to take or refrain from taking certain actions in order to give effect to the provisions of Clause 6 (*Effect of Insolvency Event*) or Clause 9 (*Enforcement of Security*), as the case may be, of the Allocation Deed, the Trustee and/or the Delegate will take or refrain from taking such actions (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction).

(ii) following the enforcement, realisation of the Trust Assets and ultimate distribution of the net proceeds of the Trust Assets in respect of the Certificates to the Certificateholders in accordance with the Conditions and the 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 and 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 JAFZ) to recover any such sum or asset in respect of the 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) subject to (ii) above, no Certificateholder shall be entitled to proceed directly against or provide instructions to the Delegate to proceed against, the Trustee or JAFZ under any Transaction Document to which either of them is a party unless: (a) the Delegate fails to do so within a reasonable period of 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 JAFZ as the case may be) holds at least 20 per cent. of the then outstanding aggregate face amount of the Certificates. 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 JAFZ shall be to enforce their respective obligations under the Transaction Documents in accordance with the Declaration of Trust;

(iv) subject to Clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Declaration of Trust, neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action against (in the case of the Delegate) the Trustee and/or JAFZ and (in the case of the Trustee) JAFZ under any Transaction Document to which either of the Trustee or JAFZ 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 20 per cent. of the then outstanding aggregate face amount of the Certificates 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 provided that neither the Trustee nor the Delegate shall be liable for any error of judgment made in good faith by any officer or employee of the Trustee or the Delegate assigned by the Trustee or the Delegate to administer its corporate trust matters; and

(v) paragraphs (ii), (iii) and (iv) above are subject to this paragraph (v). After distributing the proceeds of the Trust Assets in accordance with Condition 6(b) (*The Trust — Application of Proceeds from Trust Assets*), the obligations of the Trustee and the Delegate in respect of such Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no 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 nor shall any of them have any claim in respect of the Trust Assets of any other trust established by the Trustee.

JAFZ will undertake in the Declaration of Trust that if there is: (a) an Initial Defective Sale; or (b) a Subsequent Defective Sale, and as a result of either the Initial Defective Sale or a Subsequent Defective Sale, the Trustee or the Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price which is expressed to be due and payable under either the Sale Undertaking or the Purchase Undertaking (as applicable) at the relevant time, JAFZ shall: (A) in respect of the Initial Defective Sale, immediately on demand, make payment to the Trustee or the Delegate (as applicable) (each acting as trustee for the Certificateholders) of an amount equal to the Purchase Price (as defined in the Sale and Purchase Agreement) by way of restitution; and (B) in respect of any Subsequent Defective Sale, immediately on demand, indemnify fully the Trustee or the Delegate (as applicable) (each acting as trustee for the Certificateholders) for the relevant Exercise Price expressed to be due and payable under the relevant undertaking at the relevant time (without double counting any amounts actually received pursuant to (A) above).

Agency Agreement

The Agency Agreement will be entered into on the Closing Date between the Trustee, JAFZ, the Delegate, the Principal Paying Agent, the Calculation Agent, the Registrar and the Transfer Agent.

Agency

Pursuant to the Agency Agreement, the Registrar has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to complete, authenticate and deliver the Global Certificate; the Principal Paying Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to pay all sums due under such Global Certificate; the Calculation Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to make all calculations and determinations in relation to amounts due under the Global Certificate; and the Transfer Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to effect requests to transfer all or part of the Definitive Certificate and issue Definitive Certificates in accordance with each request.

Issue of Global Certificate

On the Closing Date, the Registrar will: (i) authenticate the Global Certificate in accordance with the terms of the Declaration of Trust; and (ii) deliver, on the Closing Date, the Global Certificate to the Common Depositary.

Payments

The Trustee will pay in freely transferable, cleared funds to the Transaction Account opened by the Trustee with the Principal Paying Agent, any payment which becomes due in respect of a Certificate in accordance with the Conditions.

The Trustee will confirm within three Business Days preceding the day on which any payment is to be made to the Principal Paying Agent that the payment instructions have been given.

The Principal Paying Agent will notify the Trustee, the Allocation Agent and the Delegate if the Trustee has not made any payment or if it pays the full amount of any sum payable after the date specified for such payment. If the Principal Paying Agent decides in its discretion that the amounts are not sufficient to make a payment then neither the Principal Paying Agent nor any other Paying Agent is obliged to pay any sums to Certificateholders until the Principal Paying Agent has received the full amount.

The Principal Paying Agent is entitled to treat the registered holder of any Certificate as the absolute owner for all purposes.

Determinations and Notifications

The Calculation Agent shall determine any Required Amounts and any Periodic Distribution Amount payable and the applicable Periodic Distribution Date in respect of each Return Accumulation Period, subject to and in accordance with the Conditions. The Calculation Agent shall notify the Trustee, JAFZ, the Delegate, and each Agent by facsimile of each Periodic Distribution Amount for each Return Accumulation Period and the related Periodic Distribution Date and any other amount(s) required to be determined by it together with any relevant payment date(s) as soon as practicable after the determination thereof.

Changes in Agents

The Trustee may at any time vary or terminate the appointment of any Agent and to appoint additional or other Agents by giving, *inter alia*, such Agent at least 90 days' prior written notice to that effect, provided that: (a) it will at all times maintain a Principal Paying Agent and a Registrar (which may be the same entity) and a Calculation Agent; (b) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system; and (c) there will at all times be a Paying Agent (which may be the Principal Paying Agent) located in an EU Member State that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

SUMMARY OF THE TERMS OF THE ISLAMIC FACILITY AND FACILITY FINANCE DOCUMENTS

On the Closing Date, pursuant to the terms of the documents described below (together with the Allocation Deed, the "**Facility Finance Documents**"), Abu Dhabi Islamic Bank PJSC, Citibank N.A., London Branch, Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, Mashreqbank psc, Samba Financial Group, Standard Chartered Bank and National Bank of Abu Dhabi PJSC (each a "**Facility Participant**") will make available to JAFZ a facility (the "**Islamic Facility**") in an amount of AED4,400,000,000 (the "**Total Participation Amount**"). This will be an amortising facility with a maturity date falling in 2020. See "*Use of Proceeds*" for a description of how the Islamic Facility will be used by JAFZ.

Investment Agency Deed

On 14 June 2012, the Participants, JAFZ and Dubai Islamic Bank PJSC as investment agent (the "**Investment Agent**") will enter into an investment agency deed, pursuant to which the Investment Agent will be appointed as investment agent for the Facility Participants to, amongst other things, enter into the Facility Finance Documents on their behalf.

Commercial Terms Agreement

On 14 June 2012, the Facility Participants, JAFZ and the Investment Agent will sign a commercial terms agreement (the "**Commercial Terms Agreement**") setting out the key commercial terms relating to the Islamic Facility, including the representations, covenants and events of default. The Commercial Terms Agreement sets out various mandatory prepayment events and events of default (each set out in further detail below) pursuant to which the Investment Agent shall in certain circumstances be entitled to exercise its rights under the Purchase Undertaking (Facility) and circumstances in which JAFZ can exercise its rights under the Sale Undertaking (Facility), in each case resulting in a prepayment of the Islamic Facility (in whole or in part).

Mandatory prepayment of all or part of the amounts outstanding under the Islamic Facility will be required on the occurrence of the following events:

- receipt of insurance proceeds (other than where such insurance proceeds are applied towards replacement or reinstatement of assets);
- a change of control of JAFZ;
- the disposal of long term leases granted by JAFZ;
- each quarterly payment date, certain excess cash of JAFZ; and
- the sale by EZW of its Gazeley subsidiary.

In addition, JAFZ may voluntarily prepay the Islamic Facility in whole or in part, subject to it prepaying a minimum amount of U.S.$10,000,000.

The Commercial Terms Agreement also provides for financial covenants including a debt service cover ratio, loan to value ratio and limitations on capital expenditure. There are also customary operating restrictions on JAFZ including its ability to acquire and dispose of assets, as well as raise and secure financial indebtedness.

Events of default in the Commercial Terms Agreement are also customary and include (among others) failure by JAFZ to comply with any provision of the documents evidencing the Islamic Facility.

Conditions Precedent Agreement

On 14 June 2012, the Investment Agent and JAFZ shall enter into a conditions precedent agreement (the "**Conditions Precedent Agreement**"). The Conditions Precedent Agreement will have attached to it the agreed forms of the Sale and Purchase Agreement (Facility), Service Agency Agreement (Facility), Purchase Undertaking (Facility) and Sale Undertaking (Facility). Upon all conditions precedent being satisfied, a conditions precedent satisfaction notice (a "**CP Satisfaction Notice**") shall be delivered by the Investment Agent to JAFZ (copied to the Facility Participants). The CP Satisfaction Notice shall confirm that all conditions precedent have either been satisfied or waived. Upon receipt of the CP Satisfaction Notice, JAFZ shall be entitled to serve a sale notice (a "**Sale Notice**") to the Investment Agent no later than 11am Dubai time two Business

Days prior to the date of execution of the remaining Facility Finance Documents (the "**Execution Date**") setting out the terms on which JAFZ will offer to sell the Facility Wakala Portfolio to the Investment Agent. Acceptance of JAFZ's offer to sell the Facility Wakala Portfolio shall be evidenced by the Investment Agent's execution of the Sale and Purchase Agreement (Facility) on the Execution Date. The Execution Date shall be the required date of funding under the Islamic Facility.

Sale and Purchase Agreement

On the Execution Date, the Investment Agent will enter into a sale and purchase agreement with JAFZ (the "**Sale and Purchase Agreement (Facility)**"), pursuant to which JAFZ will sell and the Investment Agent will purchase a portfolio (the "**Facility Wakala Portfolio**") consisting of Real Estate Assets which are leased to third parties as at the Funding Date (in each case, the lease relating thereto, a "**Lease**" and each such Real Estate Asset comprising the Facility Wakala Portfolio, a "**Facility Wakala Asset**").

Service Agency Agreement

On the Execution Date, the Investment Agent and JAFZ will enter into a service agency agreement (the "**Service Agency Agreement (Facility)**"), pursuant to which JAFZ will be appointed as servicing agent (in such capacity, the "**Service Agent**") to manage the Facility Wakala Portfolio.

The Servicing Agent will be obliged under the Service Agency Agreement (Facility) to maintain two separate book-entry ledger accounts (such accounts being referred to as the "**Wakala Revenue Collection Account (Facility)**" and the "**Wakala Reserve Collection Account (Facility)**") in which all rental payments in respect of the Facility Wakala Assets (the "**Facility Wakala Portfolio Revenues**") will be recorded with all: (i) Facility Wakala Portfolio Revenues to be credited to the Wakala Revenue Collection Account (Facility); and (ii) amounts remaining following payment to the Investment Agent of sufficient Facility Wakala Portfolio Revenues for the payment of each periodic financing payment (in the nature of profit) (each a "**Profit Payment**"), to be credited to the Wakala Reserve Collection Account (Facility).

The Service Agency Agreement (Facility) will set out the details (and relevant calculations) for amounts which the Investment Agent shall endeavour to collect through Facility Wakala Portfolio Revenues for each profit payment which are linked to EIBOR plus a margin. The margin ranges from 3.75 per cent. per annum to 4.75 per cent. per annum (primarily linked to leverage) and such profit payments are payable on a quarterly basis.

The Servicing Agent will be obliged under the Service Agency Agreement (Facility) to ensure that for the life of the Islamic Facility, the Facility Wakala Portfolio will comprise only Real Estate Assets subject to Leases which relate to businesses generating *Shari'a* compliant cashflows.

The Servicing Agent may at any time substitute any Facility Wakala Asset and JAFZ may at any time request such substitution (and will request such substitution if it becomes aware that any Facility Wakala Asset relates to a business generating non-*Shari'a* compliant cashflows), in accordance with the Sale Undertaking (Facility) and provided that the Value of any substitute assets shall be at least equal to the Value of the Facility Wakala Assets to be so substituted. ("**Value**" means the initial value of a Facility Wakala Asset at the time that it forms part of the Facility Wakala Portfolio (as set out in the Sale and Purchase Agreement (Facility) or the relevant substitution notice, as applicable)).

The Service Agency Agreement (Facility) will provide that, following settlement in full of all outstanding amounts under the Islamic Facility, any amounts standing to the credit of the Wakala Reserve Collection Account (Facility) may be retained by the Investment Agent for its own account as an incentive payment for its performance as investment agent.

Purchase Undertaking (Facility)

On the Funding Date, JAFZ will enter into a purchase undertaking in favour of the Investment Agent (the "**Purchase Undertaking (Facility)**") pursuant to which JAFZ will irrevocably undertake to purchase from the Investment Agent all or part of the Facility Wakala Assets upon the occurrence of certain designated events (including each principal payment date, mandatory prepayment event and a maturity of the Islamic Facility).

Sale Undertaking (Facility)

On the Funding Date, the Investment Agent will enter into a sale undertaking in favour of JAFZ (the "**Sale Undertaking (Facility)**") pursuant to which the Investment Agent will irrevocably undertake to purchase from

JAFZ all or part of the Facility Wakala Assets upon JAFZ exercising its rights thereunder. JAFZ shall be entitled to exercise its rights under the Sale Undertaking (Facility) in certain circumstances, including in the event it wishes to make a voluntary prepayment under the Islamic Facility.

Guarantee

In addition to the Security Documents, pursuant to a guarantee (the "**Guarantee**") to be entered into on the Closing Date, EZW (as the "**Guarantor**") will guarantee in favour of the Onshore Security Agent (as the "**Beneficiary**") (for and on behalf of the Facility Participants) the due and punctual observance and performance by JAFZ of all its obligations under or pursuant to the Facility Finance Documents and will agree to pay to the Beneficiary from time to time on demand all sums of money which JAFZ is at any time liable to pay to the Beneficiary under or pursuant to the Facility Finance Documents and which have become due and payable but have not been paid at the time of such demand. This Guarantee is strictly limited to the greater of U.S.$300 million and two thirds of the net proceeds received by EZW from the disposal of all or substantially all of the Gazeley Group or the assets of such group (the "**Gazeley Sale**"). The Guarantee will only be effective for the period following the Gazeley Sale until such time as the relevant amount of sale proceeds are paid to JAFZ to apply in mandatory early payment of the Islamic Facility.

SUMMARY OF THE TERMS OF THE SECURITY

Security will be created by JAFZ, EZW and certain of its subsidiaries in favour of the Onshore Security Agent or the Offshore Security Agent, as applicable, for the benefit of: (i) the Facility Participants; (ii) the Trustee, the Delegate, the Agents and the Certificateholders (each a **"Sukuk Finance Party"**), or in each case a representative thereof (a **"Participants' Representative"**); (iii) any Receiver or Security Delegate (each as defined in the Allocation Deed); (iv) the Hedging Counterparties; and (v) the Allocation Agent, each a **"Secured Party"** and such security being the **"Transaction Shared Security"**.

The Transaction Shared Security will be created by way of the Security Documents (as defined below) and the obligations secured by way of the Security Documents (the "**Secured Obligations**") are all obligations at any time due, owing or incurred by JAFZ to any Secured Participant under the Finance Documents, whether present or future, actual or contingent (and whether incurred by JAFZ alone or jointly and whether as principal or surety or in some other capacity). The "**Finance Documents**" comprise the Allocation Deed, the Security Documents, the Hedging Documents the Facility Finance Documents, the Transaction Documents and any agreement designated as such by the Security Agents and JAFZ.

"**Security Documents**" means the Mortgage Contract, the Assignment Agreement, the Gazeley Share Security Agreements, the Onshore Account Pledge Agreement, the Offshore Account Pledge Agreement and any other document entered into from time to time by JAFZ creating any guarantee, indemnity or other security interest in favour of the Onshore Security Agent or the Offshore Security Agent, as applicable, on behalf of the Secured Participants as security for any of the Secured Obligations.

The Transaction Shared Security will consist of the following:

(a) pursuant to a mortgage contract (the "**Mortgage Contract**"), two mortgages (each a "**Mortgage**") granted in favour of the Onshore Security Agent over the Usufruct Rights in respect of part of the Jebel Ali Free Zone (the "**Mortgaged Property**") (which will not restrict the ability for JAFZ to develop land, grant leases or carry out lease disposals in respect of Leases of properties in those parts of the Free Zone);

(b) pursuant to an assignment agreement (the "**Assignment Agreement**"): (i) a perfected assignment of all present and future receivables from the Secured Portfolio arising under the Master Leases (with agreed form notices to be signed and provided on the Closing Date) in favour of the Onshore Security Agent (the "**Assignment of Receivables**"); and (ii) a perfected assignment of insurances (the "**Assignment of Insurances**") on the Secured Portfolio in favour of the Onshore Security Agent named as co-insured and sole loss payee;

(c) pursuant to a pledge agreement (the "**Onshore Account Pledge Agreement**"), a pledge will be given in favour of the Onshore Security Agent over the Onshore Collection Account (the "**Onshore Account Pledge**");

(d) pursuant to a charge agreement (the "**Offshore Account Charge Agreement**"), a charge will be given in favour of the Offshore Security Agent over the Offshore Collection Account, the Insurance Proceeds Account and each FSRA (as defined in "*Summary of the Terms of the Allocation Deed — Facility Service Reserve Accounts*") (the "**Offshore Account Pledge**"); and

(e) pursuant to an English law share charge and a Jersey law security interest agreement, security will be given in favour of the Offshore Security Agent over the shares in EZW Gazeley Limited, EZW Gazeley Holdings Limited and Gazeley Limited (together, the "**Gazeley Group**" and each security agreement a "**Gazeley Share Security Agreement**").

There are certain risks relating to the registration, enforcement and realisation of the Transaction Shared Security — see "*Risk Factors — Risks relating to the Transaction Shared Security*".

For these purposes, "**Secured Portfolio**" means all lease assets wholly owned by a member of the Group (excluding a Project Finance Company (as defined in the Commercial Terms Agreement)) or JAFZA and located within the Mortgaged Property excluding the Convention Centre.

In addition, under the Facility Finance Documents, JAFZ will undertake to transfer all lease and rental revenues in respect of the Secured Portfolio, including in respect of Leases in the Facility Wakala Portfolio, and post-dated cheques, through the Onshore Collection Account.

Following the entry into new customer leases by JAFZ after 1 November 2012, the receivables arising thereunder will be assigned by way of unperfected supplemental assignment pursuant to the Assignment Agreement (with agreed form notices to be signed and provided in respect of such leases upon an Event of Default (as defined in the Allocation Deed) which is continuing if requested to do so by the Onshore Security Agent in respect thereof).

The Delegate shall not be responsible for monitoring or ascertaining if the Transaction Shared Security has become enforceable and unless and until it shall have received express notice to the contrary it will assume that no such circumstance exists or has occurred. The Delegate assumes no responsibility for the sufficiency, validity or enforceability of the Transaction Shared Security or for any loss occasioned thereby. In addition, the Delegate has no duty to monitor the performance by the Security Agents or other party to a Transaction Document of their obligations nor is it obliged (unless indemnified and/or secured and/or pre-funded to its satisfaction) to take any other action, step or proceeding which may involve the Delegate in any personal liability or expense.

SUMMARY OF THE TERMS OF THE ALLOCATION DEED

On or before the Closing Date, the Allocation Deed will be entered into between, among others, the Offshore Security Agent, the Onshore Security Agent, the Allocation Agent, the Investment Agent (as agent for the Facility Participants), the Facility Participants, the Hedge Counterparties (if any), the Delegate (as agent for the Certificateholders), the Trustee, offshore the account banks, the onshore account bank, the Agents and JAFZ.

Capitalised terms which are used in this summary of the terms of the Allocation Deed but not defined in any section of this Prospectus will have the meaning attributed thereto in the Allocation Deed.

Ranking and Priority

The Liabilities owed by JAFZ to the Secured Parties and the Transaction Shared Security granted by JAFZ, EZW Gazeley Holdings Limited and EZW Gazeley Limited UK to the Secured Parties, rank *pro rata* and *pari passu*, regardless of: (i) the date upon which the Liability arises; (ii) the order of registration, notice, execution or otherwise of the Transaction Shared Security; and (iii) any discharge or intermediate payment of the Liabilities in whole or in part. "**Liabilities**" means all present and future liabilities and obligations at any time of JAFZ to any Secured Parties, both actual and contingent and whether incurred solely or jointly or in any other capacity.

Payment Obligations

JAFZ may pay, repay, or redeem the Liabilities at any time in accordance with the terms of the relevant Finance Documents and the Early Termination Provisions provided that, following the occurrence of an Acceleration Event in respect of any of the Facility Finance Documents or the Transaction Documents (as the case may be) or following the occurrence of an Insolvency Event, JAFZ may not make (and no Secured Party may receive) payments of the Liabilities (or any part thereof) except from Recoveries distributed in accordance with the post-enforcement waterfall or pursuant to other permitted payments to Hedge Counterparties.

Pre-enforcement — cash receipts and priority of payments

Prior to an Enforcement Event, JAFZ shall ensure that all revenues and lease rentals including cash deposits received by it in relation to the secured lease Portfolio and underlying usufruct right only are deposited in JAFZ's local unsecured accounts and transferred within 10 days to a secured onshore collection account in Dubai held with the Onshore Security Agent (the "**Onshore Collection Account**") and are then applied from the Onshore Collection Account, no later than 10 Business Days from the date transferred to the Onshore Collection Account, in the following order:

(a) firstly, subject to certain agreed exceptions in or towards payment to the Operating Expense Account, provided that the total aggregate amount which may be transferred to the Operating Expense Account in any Financial Quarter shall not exceed an amount equal to AED125,000,000 (or its equivalent in another currency or currencies);

(b) secondly, subject to a requirement to top up the facility and sukuk reserve accounts within a certain timeframe in or towards payment to the Capex Account, provided that:

  (i) while no Event of Default is continuing, the total aggregate amount which may be transferred to the Capex Account in any Financial Quarter shall not exceed AED27,500,000 (or its equivalent in another currency or currencies);

  (ii) there is neither an Event of Default under clause 13.1 (*Non-payment*) of the Commercial Terms Agreement nor a Dissolution Event under Condition 16 (*Dissolution Events*) which is continuing; and

  (iii) if an Event of Default (other than under paragraph (ii) above) is continuing, the total aggregate amount which may be transferred to the Capex Account in any Financial Quarter shall not exceed the lower of (i) the aggregate amount of all payments of committed or maintenance Capital Expenditure to be made prior to the next immediate Payment Date and (ii) AED27,500,000, provided that such amounts shall only be used to fund committed or maintenance Capital Expenditure; and

(c) thirdly, the balance standing to the credit of the Onshore Collections Account shall be paid, without set-off or counterclaim, to the Offshore Collections Account.

All accounts will be operated by JAFZ prior to an Event of Default, following which, the Secured Accounts will be operated by JAFZ with the counter-signature of the appropriate Security Agent/Allocation Agent to move cash in/out of the accounts.

The amounts credited to the Offshore Collection Account shall be applied for the following purposes and in the following order:

(a) firstly, at any time, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Secured Participants due and payable under the Finance Documents;

(b) secondly, at any time, in or towards payments or transfers on a *pro rata* basis into the Facility FSRA (for so long as any Liabilities are outstanding under the Facility) and Sukuk FSRA (for so long as any Liabilities are outstanding under the Certificates) of amounts sufficient to ensure that the amount standing to the credit of the Facility FSRA and Sukuk FSRA is at all times equal to the Required Facility FSRA Balance and the Required Sukuk FSRA Balance, respectively;

(c) thirdly, at any time (for so long as any Liabilities are outstanding under the Facility), if required by clause 12.17 (*Debt Service Coverage Ratio Lock Up*) of the Commercial Terms Agreement, in or towards reservation in the Offshore Collections Account of an amount equal to the sum of (X) the next Required Amount and Settlement Amount falling due on the next Wakala Distribution Date and Settlement Amount Payment Date, respectively, in respect of the Facility and (Y) any Hedging Amount due and payable in respect of the Facility on the next following Wakala Distribution Date;

(d) fourthly, on each Payment Date subject to a requirement to top up the facility and sukuk reserve accounts within a certain timeframe at the option of the Allocation Agent and at any other time at the option of JAFZ, in or towards payments to the Operating Expense Account provided that with effect from 1 January 2013, the total aggregate amount which may be transferred to the Operating Expense Account in any Financial Quarter (when aggregated with all amounts already paid to the Operating Expense Account under paragraph 3.2.1(i) above in that Financial Quarter), shall not exceed 40 per cent. of the Receivables credited to the balance of the Onshore Collections Account in the immediately preceding Financial Quarter;

(e) fifthly, on each Wakala Distribution Date and each Settlement Amount Payment Date (for so long as any Liabilities are outstanding under the Facility) and on the Business Day preceding each Periodic Distribution Date (for so long as any Liabilities are outstanding under the Certificates) as applicable:

    (i) firstly, in or towards payment *pro rata* of (X) the Required Amount due and payable in respect of the Facility, (Y) any Hedging Amount due and payable in respect of the Facility on the next following Wakala Distribution Date (provided that JAFZ shall pay any net amount receivable by JAFZ into the Onshore Collections Account), and (Z) Periodic Distribution Amounts due and payable in respect of the Certificates; and

    (ii) secondly, in or towards payment *pro rata* of all Settlement Amounts payable in respect of the Facility,

    in each case, due and payable under the Finance Documents;

(f) sixthly, on each Payment Date all or the relevant proportion of any amounts remaining in the Offshore Collections Account shall be applied in accordance with clause 3.5 (*Mandatory early payment — Excess Cash*) of the Commercial Terms Agreement; and

(g) seventhly, on each Payment Date (for so long as any Liabilities are outstanding under the Facility) any Retained Excess Cash shall be applied as directed by JAFZ in its absolute discretion.

"**Majority Participants**" means, at any time:

(a) a Facility Participant or Facility Participants whose Participation Amounts aggregate more than $66^2/_3$% of the Maximum Facilities Amount (or, if the Maximum Facilities Amount has been reduced to zero, aggregated more than $66^2/_3$% of such Maximum Facility Amount immediately prior to the reduction); or

(b) at any other time, a Facility Participant or Facility Participants whose Participations then outstanding aggregate more than $66^2/_3$% of the Total Participations then outstanding.

Post-enforcement waterfall

All amounts from time to time received or recovered by the Allocation Agent or any Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Shared Security (the "**Recoveries**") shall be paid to the Offshore Security Agent held by it on trust, to apply them at any time as it shall (in its discretion) see fit, to the extent permitted by applicable law, in the following order of priority:

(a) first, in discharging any sums owed to each Security Agent, any Receiver or Security Delegate and the Delegate (in relation to the Sukuk Delegate Amounts) on a *pro rata* and *pari passu* basis;

(b) second, in discharging any sums owing to the Investment Agent (in respect of any Investment Agent Liabilities), and the Allocation Agent (in respect of any Allocation Agent Liabilities) on a *pro rata* and *pari passu* basis;

(c) third, in payment of all costs and expenses incurred by the Investment Agent, the Delegate, Allocation Agent or any other Secured Creditor (where applicable) in connection with any realisation or enforcement of the Transaction Shared Security taken by it in accordance with the terms of the Allocation Deed or any other action taken at the request of a Security Agent under of the Allocation Deed;

(d) fourth, in payment to:

  (i) the Investment Agent on its own behalf and on behalf of the Facility Participants;

  (ii) the Delegate, for and on behalf of the Certificateholders to share *pro rata* in accordance with their respective entitlements to the Certificates; and

  (iii) the Hedge Counterparties,

  for application towards the discharge, respectively, of:

    (A) the Facility Liabilities (in accordance with the terms of the Facility Finance Documents);

    (B) all amounts due and payable to Certificateholders under or in connection with the Certificates; and

    (C) the Hedging Liabilities (on *a pro rata* basis between the Hedging Liabilities of each Hedge Counterparty),

  on a *pro rata* basis and ranking *pari passu* as between paragraphs (A) to (C) above;

(e) fifth, provided that JAFZ has confirmed in writing to the Security Agent that it is not under any further actual or contingent liability under any Finance Document, in payment to any person to whom the Security Agent is obliged to pay in priority to JAFZ; and

(f) sixth, the balance, if any, in payment to JAFZ.

Insolvency Events

After the occurrence of an Insolvency Event, each Secured Party shall be entitled (if it has not already done so) to exercise any right it may otherwise have in respect of JAFZ (or in the case of the Trustee and/or the Delegate to do the same if so requested or directed by the Certificateholders, in respect of and subject to and in accordance with the Transaction Documents) to:

(a) accelerate any of its Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss in respect of any Liabilities;

(c) exercise any right of set off or take or receive any payment in respect of any Liabilities; and

(d) claim and prove in the liquidation of JAFZ for the Liabilities owing to it.

Enforcement of Security

Subject to the Transaction Shared Security having become enforceable in accordance with its terms, the Instructing Group (and the Allocation Agent or Participants' Representative on behalf of the relevant Secured Creditors forming the Instructing Group, as the case may be) may give or refrain from giving instructions to the Security Agents to enforce or refrain from enforcing the Transaction Shared Security as they see fit.

No Secured Party shall have any independent power to enforce, or to have recourse to, any Transaction Shared Security or to exercise any rights or powers arising under the Security Documents except through the Security Agents.

If applicable, each Security Document will contain mechanics to perfect the relevant Security should such Security not have been perfected upon execution (i.e. by issuing notices to the relevant parties). On any Enforcement Action, these mechanics will allow the Security Agents to invoke such clauses in order to perfect any of the Transaction Shared Security not yet perfected prior to enforcement.

Instructing Group

"**Instructing Group**" means:

(a) at any time, those Secured Participants, acting through the Allocation Agent, whose Secured Participations at that time aggregate more than 50 per cent. of the aggregate of all of the Secured Participations of the Secured Participants at the time as determined by the Allocation Agent in accordance with the provisions of the Allocation Deed; or

(b) following the end of the Consultation Period applicable to the relevant instruction being sought:

    (i) those Creditors whose Credit Participations at that time aggregate more than 66⅔ per cent. of the aggregate of all of the Credit Participations of the Creditors at the time or the Investment Agent on their behalf; or

    (ii) the Delegate acting on the instructions of the Certificateholders pursuant to the Declaration of Trust and the Conditions in the manner as further described in the provisions of the Allocation Deed,

and, where an instruction or direction is required in relation to the enforcement or the manner of enforcement of the Transaction Shared Security, the Security Agents shall be entitled to rely on the first instructions or directions which are given:

    (i) from an Instructing Group constituted under paragraph (a) above, by the Allocation Agent acting on the instructions of the Secured Participants constituting an Instructing Group under that paragraph from time to time; or

    (ii) from an Instructing Group constituted under paragraph (b) above, by (x) the relevant Participants' Representative on behalf of the relevant Secured Participants constituting that Instructing Group or (y) the Delegate, which first gave the instructions to enforce the Transaction Shared Security.

Turnover of Receipts

If at any time prior to the discharge in full of all of the Liabilities, any Secured Participant or JAFZ (a "**Recovering Party**") receives or recovers:

(a) any payment or distribution of, or on account of or in relation to, any of the Liabilities which is not a permitted payment or permitted pursuant to the post-enforcement waterfall;

(b) any amount by way of set-off in respect of any of the Liabilities owed to them which does not give effect to a permitted payment;

(c) the proceeds of any enforcement of any Transaction Shared Security except in accordance with the post-enforcement waterfall; or

(d) any distribution in cash or in kind made as a result of the occurrence of an Insolvency Event and not in accordance with the post-enforcement waterfall,

that Recovering Party will hold that amount (net of reasonable costs and expenses of recovery) on trust for the Offshore Security Agent and promptly pay that net amount to the Offshore Security Agent or, if this trust cannot be given effect to or if in respect of any Recovering Party this trust has the effect of creating a proprietary or security interest over that net amount registrable under the Companies Acts, that Recovering Party shall pay an amount equal to that receipt or recovery to the relevant Security Agent, in each case to be held on trust by the Security Agent for application in accordance with the Allocation Deed.

JAFZ Secured Accounts

JAFZ shall maintain the following secured accounts:

(a) the Offshore Collection Account;

(b) the Onshore Collection Account;

(c) each FSRA; and

(d) the Insurance Proceeds Account,

(collectively, the "**Secured Accounts**").

For so long as any Default is continuing, JAFZ shall not be entitled to apply any amounts standing to the credit of the Secured Accounts other than in accordance with the terms of the Finance Documents.

For the avoidance of doubt, on enforcement, all amounts standing to the credit of the Secured Accounts will be shared on a *pro rata* and *pari passu* basis with respect to the Islamic Facility and the Certificates.

Facility Service Reserve Accounts

There are two reserve accounts, one for the Islamic Facility (the "**Facility FSRA**") and one for the Certificates (the "**Sukuk FSRA**" and each, an "**FSRA**"). Initial funding for the FSRAs will be in the aggregate amount of AED 75,000,000 (or the equivalent in U.S.$) with AED 50,000,000 going to the Facility FSRA and AED 25,000,000 going to the Sukuk FSRA.

The Facility FSRA shall be topped up by transferring required amounts at least equivalent to the principal and profit amount payable in respect of the Islamic Facility (taking into account amounts payable or receivable under any Hedging Agreements) due on the next Periodic Distribution Date.

The Sukuk FSRA will be topped up by transferring amounts at least equivalent to profit distribution amounts payable in respect of the Certificates due on the next Periodic Distribution Date by the date falling one month prior to a Periodic Distribution Date.

Each FSRA shall be funded by transferring required amounts from the Offshore Collection Account until all outstanding amounts have been paid in full under the Certificates and the Islamic Facility, as applicable.

Each FSRA and the Offshore Collection Account shall be held offshore.

Amounts credited to the FSRAs shall be applied for the following purposes and in the following order (to the extent there are insufficient funds in the Offshore Collection Account):

(i) payment of Liabilities which are of a profit nature only and are due but unpaid under the relevant Finance Documents to the Financiers and the Certificateholders (and any scheduled payments required to be made to any Hedging Counterparty under any Hedging Agreements), as applicable;

(ii) payment of Liabilities which are of a principal nature only and are due but unpaid under the relevant Finance Documents to the; and

(iii) payment of all other Liabilities (other than those in (i) and (ii) above) that are due but unpaid under the relevant Finance Documents to the Financiers and the Certificateholders, as applicable.

Insurance Proceeds Account

JAFZ shall procure that all insurance proceeds related to the Portfolio received or recovered by or on behalf of JAFZ which:

(a) are to be paid into an account (the "**Insurance Proceeds Account**") in accordance with the relevant Finance Documents; and

(b) exceed 20 per cent. of the total value of the Mortgaged Property by reserve,

shall be applied towards the early settlement, on a *pro rata* and *pari passu* basis in respect of the Islamic Facility and the Certificates (and any termination amounts due to any Hedging Counterparty in respect of any Hedging Agreements) on the next Periodic Distribution Date (or relevant date for payment under the Hedging Agreements) subject to certain carve outs agreed under the relevant Finance Documents and subject to the early settlement provisions.

For the avoidance of doubt, any insurance proceeds related to the Portfolio received or recovered by or on behalf of JAFZ which:

(i) are to be paid into the Insurance Proceeds Account in accordance with the relevant Finance Documents; and

(ii) are less than or equal to 20 per cent. of the total value of the Mortgaged Property by reserve,

shall be applied towards the early settlement of the Islamic Facility only on the next Periodic Distribution Date (or relevant date for payment under the Hedging Agreements) subject to certain carve outs to be agreed under the Facility Finance Documents and subject to the provisions relating to early settlement and the Insurance Proceeds Account.

The Insurance Proceeds Account shall be held offshore.

Lockup Arrangement

If the debt service coverage ratio ("**DSCR**") at any Test Date falls below 1.15 X an amount equal to next quarterly payment under the Islamic Facility to be retained in the Offshore Collection Account until the DSCR is maintained at or above 1.35X on the next Test Date.

Refinancing

The Facility may be refinanced in whole or in part from the proceeds of an applicable Permitted Refinancing and the relevant Permitted Refinancing Debt Creditors or participants' representative(s) in respect of any such Permitted Refinancing may accede to the Allocation Deed provided that the Liabilities of such Permitted Refinancing Debt Creditors shall rank in accordance with the terms of the Allocation Deed but will not have the benefit of the Transaction Shared Security.

Any payments for liabilities incurred under or in connection with any of the Permitted Refinancing Debt Documents may only be serviced from Company Excess Cash.

All Liabilities under the Permitted Refinancing Debt Documents shall be deemed to be Liabilities and rank pari passu in all respects with all existing Liabilities for the purposes of the Allocation Deed (other than in respect of any proceeds from any Transaction Shared Security or in relation to any payments as set out in the section headed "*Pre-enforcement — cash receipt and priority of payments*" above).

Amendments

(a) Any group of Secured Parties may amend or waive the terms of the Finance Documents to which they are a party (other than the Allocation Deed or any Security Document) in accordance with their terms (and subject to any consent required under them) at any time unless that amendment:

   (i) in the case of the Facility, is an increase in the Total Participation Amount as defined in the Investment Agency Deed thereunder and such increase is in an amount greater than 10 per cent. of the principal amount of the Facility at the date of the Commercial Terms Agreement unless such excess over 10 per cent. is postponed and subordinated to the Liabilities; or

   (ii) is a change to scheduled dates of repayment (other than any deferral in any such date) or a change to the Early Termination Provisions; or

   (iii) is a change in the basis on which profit or commissions are realised, calculated or payable which results in an increase in the amounts payable to Secured Parties as profit or commission by more than two per cent. in aggregate with respect to the profit or commission payable in relation to the Facility or the Certificates, as applicable, but excluding any increase or addition of fees and/or commission relating to the Finance Documents if that increase or addition is in consideration for the amendment or waiver of, or the giving of consent under, any term of the Finance Documents; or

   (iv) is a change the effect of which is to make JAFZ liable to make additional or increased payments under the terms of the relevant Finance Documents (save as the result of an increase permitted pursuant to paragraph (i) or (ii) above); or

   (v) is a change to any provision which is reasonably likely to reduce the cash available to service, repay or pay any fees relating to early settlement of any of the Facility or the Certificates (save as the result of an increase permitted pursuant to paragraph (i) or (ii) above); or

   (vi) is a change that would otherwise result in the relevant Finance Documents becoming more onerous to JAFZ to the extent this would be (i), in the opinion of the Secured Parties (or any of them) (other than the Certificateholders) materially prejudicial to their interests or (ii) in the opinion of the Delegate materially prejudicial to the interests of the Certificateholders,

   provided that:

      (A) any amendment otherwise prohibited by the above paragraphs may be made with the prior written consent of the Instructing Group;

      (B) any amendment which is a formal, minor, technical or administrative change or correction may be made in accordance with the terms of the relevant Finance Documents and without the prior written consent of the Instructing Group; and

      (C) the Delegate shall be entitled to assume for the purposes of paragraph (vi) above that such change would not be materially adverse to the interests of the Trustee and/or the Certificateholders, unless it has received prior notice to the contrary from the Trustee and/or has been directed by the Certificateholders (having passed an extraordinary resolution to such effect) instructing the Delegate to the contrary.

Change of Secured Participant

A Secured Party may assign any of its rights and benefits or transfer by novation any of its rights, benefits and obligations in respect of any Finance Documents or the Liabilities if that assignment or transfer is in accordance with the terms of the Finance Documents to which it is a party and any assignee or transferee has executed and delivered to the Offshore Security Agent and the Onshore Security Agent a transfer certificate and Secured Party Accession Undertaking.

With effect from the date of acceptance by the Offshore Security Agent and the Onshore Security Agent of a Secured Party Accession Undertaking (which shall in each case be accepted as soon as reasonably practicable after receipt by it of a duly completed Secured Party Accession Undertaking, provided that neither the Offshore Security Agent nor the Onshore Security Agent shall be under any obligation to accept a Secured Party Accession Undertaking) or, if later the date specified in that Secured Party Accession Undertaking:

(a) any Party ceasing entirely to be a Secured Party or Participants' Representative shall be discharged from further obligations towards the Offshore Security Agent, the Onshore Security Agent and other Parties under this Deed and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date); and

(b) as from that date, the replacement or new Secured Party shall assume the same obligations, and become entitled to the same rights, as if it had been an original Party to the Allocation Deed.

Governing Law

The Allocation Deed shall be governed by English law. JAFZ submits to arbitration under LCIA rules in the DIFC with the option of litigation in the English and the DIFC Courts.

Disposals and Claims

(a) If, in respect of a disposal of an asset owned by JAFZ or an asset which is subject to the Transaction Shared Security to a person or persons outside the Group:

  (i) the Investment Agent notifies the relevant Security Agent that that disposal is permitted under the Facility Finance Documents;

  (ii) the Trustee or JAFZ certifies for the benefit of the Security Agents that the disposal is not prohibited by the relevant Transaction Documents; and

  (iii) that disposal is not a Distressed Disposal,

  (a "**Non-Distressed Disposal**"),

the Security Agents are irrevocably authorised (at the cost of JAFZ and without any consent, sanction, authority or further confirmation from JAFZ) but subject to paragraph (b) below:

    (A) to release the Transaction Shared Security and any other claim (relating to a Finance Document) over that asset; and

    (B) to execute and deliver or enter into any release of the Transaction Shared Security and any claim described in paragraph (A) above and issue any certificates of non crystallisation of any floating charge or any consent to dealing that may, in the discretion of the relevant Security Agent, be considered necessary or desirable.

(b) If that Non-Distressed Disposal is not made, each release of Transaction Shared Security or any claim shall have no effect and the Transaction Shared Security or claim subject to that release shall continue in such force and effect as if that release had not been effected.

(c) If any Disposal Proceeds are required by any Finance Document to be applied in mandatory prepayment of any of the Liabilities, then the Disposal Proceeds shall (to the extent required by the relevant Finance Documents) be applied in or towards payment of such liabilities in accordance with the terms of the relevant Finance Documents and the consent of any other Party shall not be required for that application.

Distressed Disposals

(a) If a Distressed Disposal is being effected, each Security Agent is irrevocably authorised (at the cost of JAFZ and without any consent, sanction, authority or further confirmation from any Secured Party) to release the Transaction Shared Security and any other claim over that asset and execute and deliver or enter into any release of that Transaction Shared Security or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the relevant Security Agent, be considered necessary or desirable.

(b) The net proceeds of each Distressed Disposal shall be paid to the Offshore Security Agent for application in accordance with the post enforcement waterfall as if those proceeds were the proceeds of an enforcement of the Transaction Shared Security.

(c) In the case of a Distressed Disposal effected by or at the request of the relevant Security Agent unless the Instructing Group otherwise agrees, it is a further condition to any release, transfer or disposal under paragraph (a) above that:

   (i) the proceeds of such disposal are in cash (or substantially in cash); and

   (ii) such sale or disposal is made:

      (A) pursuant to a Public Auction; or

      (B) where a Financial Adviser selected by the relevant Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement provided that the liability of such Financial Adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the relevant Security Agent shall have no obligation to select or engage any Financial Adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

(d) For the purposes of paragraph (c) above or if the Distressed Disposal falls within paragraph (c) of the definition thereof, the relevant Security Agent shall act:

   (i) if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Shared Security, in accordance with the provisions of the Allocation Deed; and

   (ii) in any other case:

      (A) on the instructions of the Instructing Group; or

      (B) in the absence of any such instructions, as the relevant Security Agent sees fit.

Release of Security

(a) Upon the occurrence of the Facility Finance Discharge Date and the Hedging Discharge Date, each Security Agent shall, in each case in accordance with the terms of the relevant Security Document, at the request and cost of JAFZ release, reassign or discharge (as appropriate) the assets which are subject to Transaction Shared Security provided that:

   (i) no Sukuk Default or Sukuk Event of Default has occurred or is continuing or would occur as a result of the occurrence of the Facility Finance Discharge Date or the Hedging Discharge Date; and

   (ii) the Certificates have, immediately prior to such release, reassignment or discharge (as appropriate), Investment Grade Status.

(b) Upon the occurrence of a Prepayment Event (as defined in the Commercial Terms Agreement) and as notified to it by the Investment Agent, the Offshore Security Agent shall, in each case in accordance with the terms of the relevant Security Document, at the request and cost of JAFZ release, reassign or discharge (as appropriate) the assets which are subject to the Gazeley Security.

THE VALUATION REPORT

In accordance with instructions received from JAFZ, Knight Frank UAE Limited ("**Knight Frank**") have prepared a valuation report (the "**Valuation Report**") for the purposes of the valuation of the portfolio of commercial, industrial and residential real estate assets comprising the Free Zone which constitute the Mortgaged Property.

A summary of the Valuation Report appears at page A-1 of this Prospectus.

TAXATION

The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates. Prospective purchasers of the Certificates should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes of acquiring, holding and disposing of Certificates and receiving payments under those Certificates. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

United Arab Emirates and the DIFC

The following summary of the anticipated tax treatment in the UAE and the DIFC in relation to payments on the Certificates is based on the taxation law in force at the date of this Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

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, Dubai or DIFC taxation in respect of payments made by JAFZ and/or the Trustee under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by JAFZ under any Transaction Document to which it is party, JAFZ has undertaken in Condition 13 (*Taxation*) 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) JAFZ has undertaken under the Purchase Undertaking, the Sale Undertaking and the Service Agency Agreement to pay such additional amounts to the Trustee to enable it to discharge such obligation.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income, which may include Periodic Distribution Amounts) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 14 June 2012 between the Trustee, JAFZ, Abu Dhabi Commercial Bank PJSC, Abu Dhabi Islamic Bank PJSC, Citigroup Global Markets Limited, Dubai Islamic Bank PJSC, Emirates NBD Capital Limited, National Bank of Abu Dhabi PJSC, Samba Financial Group ("**Samba**") and Standard Chartered Bank (together, the "**Joint Lead Managers**"), the Trustee has agreed to issue and sell to the Joint Lead Managers (except Samba) U.S.$650,000,000 in aggregate face amount of the Certificates and, subject to certain conditions, the Joint Lead Managers (except Samba) have jointly and severally agreed to subscribe for the Certificates.

The Subscription Agreement provides that the obligations of the Joint Lead Managers (except Samba) to pay for and accept delivery of the Certificates are subject to the approval of certain legal matters by their counsel and certain other conditions. The Joint Lead Managers (except Samba) will be paid certain commissions in respect of their services for managing the issue and sale of the Certificates. Certain of the Joint Lead Managers will also be reimbursed in respect of certain of their expenses, and each of the Trustee and JAFZ has agreed to indemnify certain of the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Certificates.

SELLING RESTRICTIONS

United States

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager (except Samba) has represented that it has not offered or sold, and agrees that it will not offer or sell, any Certificates constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged in or will engage in any directed selling efforts with respect to the Certificates. Terms used in this paragraph have the meaning given to them by Regulation S.

The Republic of Ireland

Each Joint Lead Manager (except Samba) has represented, warranted and agreed that it will not underwrite, offer, place or do anything with respect to the Certificates in or involving the Republic of Ireland:

(a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007, as amended (the "**MiFID Regulations**"), including, without limitation, Part 6, 7 and 12 thereafter and the provisions of the Investor Compensation Act 1998, and, if acting under and within the terms of an authorisation to do so for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments ("**MiFID**") it has complied with any applicable requirements of the MiFID Regulations or as imposed, or deemed to have been imposed, by the Central Bank pursuant to the MiFID Regulations and, if acting within the terms of an authorisation granted to it for the purposes of Directive 2006/48/EC of the European Parliament and the Council for the 14 June 2006 relating to the taking up and the pursuit of the business of credit institutions as amended, replaced or consolidated from time to time, it has complied with the provisions of the Central Bank Acts 1942-2004 (as amended) and any codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended) and any applicable requirements of the MiFID Regulations or as imposed pursuant to the MiFID Regulations;

(b) otherwise than in conformity with the provision of the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank; and

(c) otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank, and that no Certificates will be sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank.

United Kingdom

Each Joint Lead Manager (except Samba) has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificate in circumstances in which section 21(1) of the FSMA does not apply to the Trustee or JAFZ; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

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 Joint Lead Manager (except Samba) has represented and agreed that it has not, directly or indirectly, offered and sold and will not, directly or indirectly, offer or sell Certificates in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Joint Lead Manager (except Samba) has represented and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Joint Lead Manager (except Samba) has represented and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Kingdom of Saudi Arabia

Any investor in the Kingdom of Saudi Arabia (a "**Saudi Investor**") who acquires Certificates pursuant to any offering should note that the offer of Certificates is being made as a private placement by way of an "offer restricted to sophisticated investors" pursuant to Article 10 of the "Offer 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**"). Each Joint Lead Manager (except Samba) has represented and agreed that any offer of Certificates will not be directed at more than 60 Saudi Investors (excluding "Sophisticated Investors" (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor (excluding Sophisticated Investors) will be not less than Saudi Riyal ("**SR**") 1 million or an equivalent amount.

Each offer of Certificates shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Certificates as a Sophisticated Investor may not offer or sell those Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Certificates are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Certificates in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Kingdom of Bahrain

Each Joint Lead Manager (except Samba) has represented and agreed that it has not offered and will not offer any Certificates to the Public (as defined in Articles 142-146 of the Commercial Companies Law (decree Law No. 21/2001) of Bahrain) in Bahrain.

Qatar (excluding the Qatar Financial Centre)

Each Joint Lead Manager (except Samba) has represented and agreed that it has not offered or sold, and will not offer or sell or deliver, directly or indirectly, any Certificates in the State of Qatar, except: (i) in compliance with all applicable laws and regulations of the State of Qatar; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each Joint Lead Manager (except Samba) has represented and agreed that it has not offered or sold and that it will not offer or sell any Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription to purchase, of any Certificates, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor pursuant to Section 274 of the SFA, or (b) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Hong Kong

Each Joint Lead Manager (except Samba) has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than: (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Malaysia

Each Joint Lead Manager (except Samba) has represented and agreed that:

(a) this Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (the "**SC**") under the Capital Markets and Services Act 2007 of Malaysia (the "**CMSA**"). While a copy of the Prospectus will be deposited with the SC, the SC takes no responsibility for its content; and

(b) accordingly, the Certificates have not been and will not be issued, offered for subscription or purchase, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may this Prospectus, any application or the Certificates nor any document or other material in connection with the offering, the Prospectus or the Certificates be circulated or distributed in Malaysia, other than to persons falling within Schedule 6 or Section 229(1)(b)), Schedule 7 (or Section 230(1)(b), and Schedule 8 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Joint Lead Managers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

General

Each Joint Lead Manager (except Samba) has agreed 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 any Certificates or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the 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 none of the Trustee, JAFZ, the Delegate and any other Manager shall have any responsibility therefor.

None of the Trustee, JAFZ, the Delegate and any of the Joint Lead Managers represents that the 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 any such sale.

GENERAL INFORMATION

Listing

The Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU Law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Certificates to be admitted to the Official List and trading on its Regulated Market. The estimate of the total expenses relating to the admission to trading of the Certificates on the Regulated Market are expected to amount to €4,940.

Application has been made to the DFSA for the Certificates to be admitted to the Official List of Securities maintained by the DFSA and to NASDAQ Dubai for the Certificates to be admitted to trading on NASDAQ Dubai.

Authorisation

The issuance of the Certificates has been duly authorised by a resolution of the board of directors of the Trustee dated 12 June 2012. The entry by JAFZ into the Transaction Documents to which it is a party was duly authorised by a resolution of the board of directors of JAFZ on 28 May 2012. Each of the Trustee and JAFZ has obtained all necessary consents, approvals and authorisations in connection with the issuance of the Certificates and entry into of the Transaction Documents (as applicable) to which each is a party.

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) under common code 079482145 and ISIN XS0794821453.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the prospects of the Trustee, in each case since 11 April 2012, being the date of its incorporation.

There has been no significant change in the financial or trading position of JAFZ and its subsidiaries, taken as a whole, and no material adverse change in the prospects of JAFZ and its subsidiaries, taken as a whole, in each case since 31 December 2011.

Litigation

The Trustee is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) which may have or have had since 11 April 2012 (being the date of incorporation of the Trustee) a significant effect on the financial position or profitability of the Trustee.

Neither JAFZ nor any of its respective Subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which JAFZ is aware) which may have or have had during the twelve months prior to the date of this Prospectus a significant effect on the financial position or profitability of JAFZ or the Group.

Auditors

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

The consolidated financial statements of JAFZ for the year ended 31 December 2011 have been audited without qualification in accordance with International Standards on Auditing by PricewaterhouseCoopers (Dubai Branch) of PO Box 11987, Dubai, United Arab Emirates as stated in its report included elsewhere in this Prospectus. PricewaterhouseCoopers (Dubai Branch) are public accountants registered to practise as auditors with the Ministry of Economy in the UAE.

The consolidated financial statements of JAFZ for the year ended 31 December 2010 have been audited without qualification in accordance with International Standards on Auditing by Ernst & Young Middle East (Dubai Branch) of P.O. Box 9267, 28th Floor, Al Attar Business Tower, Sheikh Zayed Road, Dubai, United Arab Emirates as stated in its report included elsewhere in this Prospectus. Ernst & Young Middle East (Dubai Branch) are public accountants registered to practise as auditors with the Ministry of Economy in Dubai.

Neither Ernst & Young Middle East (Dubai Branch) nor PricewaterhouseCoopers (Dubai Branch) have a material interest in JAFZ.

Valuation Report

Knight Frank UAE Limited, a firm of Chartered Surveyors and a member of the Royal Institution of Chartered Surveyors whose business address is PO Box 127999, Dubai, United Arab Emirates, has given and not withdrawn its written consent to the inclusion in this Prospectus of the summary of the Valuation Report in the form appended to this Prospectus, as well as references to its name and has authorised the contents of such part of this Prospectus. The Valuation Report was commissioned by JAFZ at the request of the Joint Lead Managers.

Third Party Information

Where information in this Prospectus has been sourced from third parties this information has been accurately reproduced and as far as JAFZ and the Trustee are aware and are able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Documents Available

Copies of the following documents will be available in electronic and physical format and in English to be inspected during normal business hours at the specified office for the time being of the Principal Paying Agent for the life of the Certificates from the date of this Prospectus:

(a) the Memorandum and Articles of Association of the Trustee and JAFZ;

(b) the audited consolidated financial statements of JAFZ for the years ended 31 December 2010 and 31 December 2011 in each case, together with their respective auditors' report prepared in connection therewith. JAFZ currently prepares audited consolidated financial statements on an annual basis and consolidated interim financial information for the first six months of each year. The Trustee is not required to, and does not intend to, publish any annual financial or interim financial statements;

(c) a copy of this Prospectus;

(d) the Transaction Documents;

(e) the Commercial Terms Agreement;

(f) the Allocation Deed;

(g) the Usufruct Agreement;

(h) the Concession Agreement; and

(i) evidence of registration of the Transaction Shared Security, where such registration is required under the applicable law of the relevant Security Document.

Shari'a Approvals

The transaction structure relating to the Certificates (as described in this Prospectus) has been approved by the chairman of the executive *Shari'a* Committee of Abu Dhabi Islamic Bank, the *Shari'a* Supervisory Board of Citi Islamic Investment Bank E.C., the *Shari'a* Supervisory Committe of Standard Chartered Bank and the *Shari'a* advisory board of Dar Al Shari'a. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with *Shari'a* principles.

Joint Lead Managers transacting with JAFZ

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, JAFZ (and its affiliates) and in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

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JEBEL ALI FREE ZONE FZE

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Consolidated financial statements for the year ended 31 December 2011

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Independent auditors' report

to the shareholder of Jebel Ali free Zone FZE

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Jebel Ali Free Zone FZE (the "Establishment") and its subsidiaries (together "the Group"), which comprise the consolidated balance sheet as of 31 December 2011 and the consolidated statements of income, 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 Financial Statements

Management is responsible for the preparation of consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs"), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers, Emaar Square, Building 4, Level 8, PO Box 11987, Dubai, United Arab Emirates
T: +971 (0)4 304 3100, F: +971 (0)4 330 4100, www.pwc.com/middle-east

Independent auditors' report (continued)

To the shareholder of Jebel Ali free Zone FZE

Report on other legal and regulatory requirements

Further, we report that the consolidated financial statements comply, in all material respects and in so far as the Establishment is concerned, with the applicable provisions of the Implementing Regulations No. 1/92 pursuant to Law No.9 of 1992, concerning the formation of Free Zone Establishments in the Jebel Ali Free Zone.

PricewaterhouseCoopers
PricewaterhouseCoopers
30 April 2012
Dubai, United Arab Emirates

Consolidated balance sheet

	Note	As at 31 December 2011 AED'000	2010 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	19,788	31,743
Investment property	6	3,804,235	3,639,143
Land use right	7	8,610,538	8,642,730
Due from a related party	8	541,472	507,805
Trade and other receivables	9	55,890	119,221
		13,031,923	12,940,642
Current assets			
Due from related parties	8	332,572	572,905
Trade and other receivables	9	27,958	240,448
Cash and cash equivalent	10	1,083,570	493,455
		1,444,100	1,306,808
TOTAL ASSETS		14,476,023	14,247,450
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	4,268,000	4,268,000
Retained earnings		1,527,124	1,285,488
Hedge reserve		(124,203)	(213,592)
Total equity		5,670,921	5,339,896
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	12	12,509	12,768
Sukuk Al-Musharaka	14	-	7,500,000
Derivative financial instruments	13	-	107,537
Deferred revenue	16	41,720	42,612
		54,229	7,662,917
Current liabilities			
Sukuk Al-Musharaka	14	7,500,000	-
Derivative financial instruments	13	124,203	106,055
Trade and other payables	15	848,246	873,675
Due to related parties	8	5,754	11,168
Deferred revenue	16	272,670	253,739
		8,750,873	1,244,637
Total liabilities		8,805,102	8,907,554
TOTAL EQUITY AND LIABILITIES		14,476,023	14,247,450

These consolidated financial statements were approved by the Board of Directors on 24 April 2012 and signed on its behalf by:

……………………………………… ………………………………………

Salma Ali Saif Saeed Bin Hareb
Chief Executive Officer

Asim Al Abbasi
Chief Financial Officer

The notes on pages 8 to 31 form an integral part of these consolidated financial statements. (3)

Consolidated statement of income

	Note	Year ended 31 December 2011 AED'000	2010 AED'000
Revenue	17	1,338,582	1,245,582
Cost of sales	18	(604,732)	(521,708)
Gross profit		733,850	723,874
Other operating income	19	42,867	64,085
General and administrative expenses	20	(164,496)	(194,643)
Selling and marketing expenses	21	(30,368)	(28,941)
Operating profit		581,853	564,375
Finance income	23	45,294	29,292
Finance costs	23	(385,511)	(453,961)
Finance costs – net		(340,217)	(424,669)
Profit for the year		241,636	139,706

Consolidated statement of comprehensive income

	Year ended 31 December 2011 AED'000	2010 AED'000
Profit for the year	241,636	139,706
Other comprehensive income:		
Cash flow hedges	89,389	3,436
Other comprehensive income for the year	89,389	3,436
Total comprehensive income for the year	331,025	143,142

The notes on pages 8 to 31 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital AED'000	Retained Earnings AED'000	Hedge reserve AED'000	Total AED'000
Balance at 1 January 2010	4,268,000	1,145,782	(217,028)	5,196,754
Profit for the year	-	139,706	-	139,706
Other comprehensive income	-	-	3,436	3,436
Balance at 31 December 2010	4,268,000	1,285,488	(213,592)	5,339,896
Profit for the year	-	241,636	-	241,636
Other comprehensive income	-	-	89,389	89,389
Balance at 31 December 2011	4,268,000	1,527,124	(124,203)	5,670,921

The notes on pages 8 to 31 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	2011 AED'000	2010 AED'000
Operating activities			
Profit for the year		241,636	139,706
Adjustments for:			
Depreciation	5 , 6	102,203	91,232
Amortisation	7	90,476	90,131
Impairment of investment property	6	247,017	198,303
Fair value loss on receivable balance due from a related party	23	-	48,387
Gain on sale of property and equipment		(8)	(13,050)
Finance income	23	(45,294)	(29,292)
Profit commission on Sukuk Al-Musharaka	23	380,094	385,901
Other finance costs	23	5,417	19,673
Provision for employees' end of service benefits and general pension and social security	12	9,484	10,007
Provision for impairment of trade receivables	9	11,781	5,731
Write back of provision		-	(14,516)
Payment of employees' end of service benefits and general pension	12	(9,479)	(10,488)
Changes in working capital:			
Trade and other receivables		209,148	(8,503)
Trade and other payables		(22,755)	(88,869)
Due from related parties		15,810	805,374
Due to related parties		(5,414)	(6,698)
Deferred revenue		18,039	45,061
Net cash generated from operating activities		1,248,155	1,668,090
Investing activities			
Purchase of property and equipment		(2,267)	(650)
Purchase of investment property		(286,426)	(445,336)
Proceeds from sale of property and equipment		8	-
Investment in fixed deposits	10	(751,003)	-
Finance income received		13,323	5,610
Net cash used in investing activities		(1,026,365)	(440,376)
Financing activities			
Profit commission paid on Sukuk Al-Musharaka		(381,695)	(376,663)
Other finance costs paid		(983)	(19,673)
Repayment of bank borrowing		-	(367,500)
Net cash used in financing activities		(382,678)	(763,836)
Net (decrease)/increase in cash and cash equivalents		(160,888)	463,878
Cash and cash equivalents at the beginning of the year		493,455	29,577
Cash and cash equivalents at the end of the year	10	332,567	493,455

The notes on pages 8 to 31 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2011

1 Legal status and activities

Jebel Ali Free Zone FZE ("the Establishment"/"the Group") was established as a Jebel Ali Free Zone Establishment under registration number 1283 pursuant to Law No 9 of 1992 issued by the Ruler of Dubai and implementing regulations issued by the Jebel Ali Free Zone Authority ("JAFZA"). The Establishment's registered office is P.O. Box 17000, Jebel Ali, Dubai, United Arab Emirates.

The Establishment is a wholly owned subsidiary of Economic Zones 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 warehouse, and provide facility management.

Name of entity	Principal activity	Holding percentage 2011	2010
United Arab Emirates			
Consolidated Warehouse FZE	Leasing, operating and managing properties	100	100
Cayman Islands			
JAFZ Sukuk Limited *	Financing (Sukuk-Al- Musharaka)	100	100

*The Group holds 100% beneficial interest in JAFZ Sukuk Limited, a special purpose entity established for the execution of AED 7.5 billion Islamic trust certificates.

On 13 November 2007, the Establishment 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 Establishment 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 Establishment 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.

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"). These financial statements have been prepared under the historical cost convention.

The preparation of the 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 financial statements are disclosed in Note 4.

2.2 Going-concern basis

At 31 December 2011, the Group's current liabilities that include Sukuk Al-Musharaka trust certificates ("the Sukuk") of AED 7.5 billion, exceeded its current assets by AED 7.3 billion (2010: net current assets AED 62 million). Further, the Sukuk, as described in note 14 to the consolidated financial statements, are due for repayment in November 2012. In view of this, the directors have performed an assessment of the appropriateness of going concern assumption in preparing these financial statements. The directors have concluded that the Group would be able to meet its obligations as they fall due without significant curtailment of its operations for the reasons set out below:

- The Group has generated significant positive operating cash flows in each of the last five years including AED 1.2 billion for 2011 (2010: AED 1.6 billion);
- At 31 December 2011, the Group has cash and cash equivalents of AED 1.1 billion;

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

2.2 Going-concern basis (continued)

- The Group is in advanced stage of discussions with a consortium of banks to partially refinance a significant portion of the existing Sukuk. A facility mandate letter has been signed with the consortium of banks on 24 April 2012 in this regard; and
- The Group is confident of raising additional finance through Islamic Trust Certificates ("New Sukuk") before the end of the third quarter of 2012. The necessary work in respect of raising the additional finance is already in progress.

Accordingly, the financial statements of the Group for the year ended 31 December 2011 have been prepared on a going concern basis.

2.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another 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.

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, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

2.4 Changes in accounting policy and disclosures

(a) Amended or revised standard adopted by the Group

- IAS 1, 'Presentation of financial statements' effective 1 January 2011, the amendment clarifies which items should be included in the statement of changes in equity; and
- IAS 24 'Related party disclosures' (revised 2009), effective 1 January 2011, the revised standard clarifies and simplifies the definition of a related party.

(b) Amended or revised standards and interpretations mandatory for financial years beginning 1 January 2010 but not currently relevant to the Group

- Amendment to IFRS 1, 'First-time adoption of IFRS', effective 1 July 2010;
- Amendment to IAS 32, 'Financial instruments: Presentation – Classification of rights issues', effective 1 February 2010;
- Amendment to IFRS 7, 'Financial instruments: Disclosures' (amendment to the credit risk disclosures), effective 1 July 2011;
- Amendment to IFRIC 14, 'IAS 19, effective 1 January 2011; and
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010.

(c) New standards, amendments and interpretations issued and effective for the financial years beginning on or after 1 July 2011 and not early adopted

- IFRS 1 (amendment) 'First time adoption', (effective from 1 July 2011);
- IFRS 7 (amendments) 'Financial Instruments: Disclosures', (effective from 1 July 2011);
- IFRS 9 'Financial instruments', (effective from 1 January 2015);
- IFRS 10 'Consolidated financial statements', (effective from 1 January 2013);
- IFRS 11 'Joint arrangements', (effective from 1 January 2013);
- IFRS 12 'Disclosures of interests in other entities', (effective from 1 January 2013);
- IFRS 13 'Fair value measurements', (effective from 1 January 2013);
- IAS 1 (amendment) 'Financial statement presentation, (effective from 1 July 2012);
- IAS 12 (amendment), 'Income taxes', (effective from 1 January 2012);
- IAS 19 (amendment) 'Employee benefits' , (effective from 1 January 2013);
- IAS 27 (revised), 'Separate financial statements', (effective from 1 January 2013); and
- IAS 28 (revised), 'Associates and joint ventures', (effective from 1 January 2013).

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group. The Group did not early adopt any new or amended standards in 2011.

2 Summary of significant accounting policies (continued)

2.5 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 Dirham ("AED"), which is the Group'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 income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

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.

2.6 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 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
Motor and utility vehicles	5-10
Furniture and fixtures	5-10
Equipment	3-5

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 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.

2.7 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. Amortisation is calculated using the straight-line method to allocate the cost over the term of rights of 99 years.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

2.8 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.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Building	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.

2.9 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.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets as loans and receivables or as 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. These 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 8, 9 and 10).

2.10.2 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 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.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the 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.

2.12 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 statement of income. If a loan or held-to-maturity investment 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.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

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

In the consolidated statement of cash flows, 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 and bank overdrafts, if any.

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 Advances from customers

Instalments received from buyers for sales of warehouse 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.

2.18 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.

2.19 Borrowing cost

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 profit or loss in the period in which they are incurred.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

2.20 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).

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 ongoing 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 13. 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 Hedges

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 statement of income.

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 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 statement of income within 'other gains/ (losses) – net'.

2.21 Employee benefits

(a) End of service benefits to non-UAE nationals – Defined benefit plan

A provision is made for employees employed in the UAE for estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the balance sheet date. Provision is also 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.

(b) General pension and social security – Defined contribution plan

Effective 1 January 2003, the Group joined the pension scheme operated by the Federal General Pension and Social Security Authority. Accordingly contributions for eligible UAE National employees are made and charged to the statement of comprehensive income, in accordance with the provisions of Federal Law No. 7 for 1999 relating to Pension and Social Security Law.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

2 Summary of significant accounting policies (continued)

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where 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.

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.

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. 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.

(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) 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.

(c) Administrative services

Revenue from license, registration administration and consultancy service are recognised as the service is provided.

(d) Other operating income

Other operating income is recognised when the service is provided and right to receive payment is established.

2.24 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.

2.25 Segment information

The Group is managed as a single business unit and its assets are located in Jebel Ali Free Zone, Dubai, United Arab Emirates. The Chief Executive Officer ("CEO") is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the CEO for the purposes of allocating resources and assessing performance. The CEO considers the business from a service perspective only as the business is geographically carried out in United Arab Emirates. Apart from lease rental, all other activities such as administrative services and license and registration do not meet the quantitative threshold required by IFRS 8. Accordingly, management has determined that the business is one reportable segment based on the information reviewed by the Chief Executive Officer for the purposes of allocating resources and assessing performance.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market 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) Foreign exchange risk

The Group does not have any significant foreign currency exposure, as the majority of its transactions are denominated in United Arab Emirates Dirham ("AED").

(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 Al-Musharaka borrowings denominated in the AED. 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 swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily semi-annually), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At 31 December 2011, if the interest rate on the non-hedged portion of Sukuk Al-Musharaka borrowing of AED 3.5 billion had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 35,000,000 (2010: AED 35,000,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(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. 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 9. The table below excludes cash in hand amounting to AED 335,000 (2010: AED 6,027,000) 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)	**2011**	**2010**
	AED'000	**AED'000**
A3	263,080	300,298
Baa1	481,960	167,500
A1	338,195	19,630
	1,083,235	487,428

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(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.

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
At 31 December 2011				
Sukuk Al Musharaka	7,862,844	-	-	-
Derivative financial instruments	124,203	-	-	-
Trade and other payables excluding advances from customers	804,135	-	-	-
Due to related parties	5,754	-	-	-
	8,796,936			
At 31 December 2010				
Sukuk Al Musharaka	378,159	7,841,923	-	-
Derivative financial instruments	107,472	111,323		
Trade and other payables excluding advances from customers	831,599	-	-	-
Due to related parties	11,168	-	-	-
	1,328,398	7,953,246		

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 partners 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 partners 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 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.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

3 Financial risk management (continued)

3.2 Capital management (continued)

The gearing ratios at 31 December 2011 and 2010 were as follows:

	2011 AED'000	2010 AED'000
Total borrowings (Note 14)	7,500,000	7,500,000
Less: Cash and cash equivalents (Note 10)	(1,083,570)	(493,455)
Net debt	6,416,430	7,006,545
Total equity	5,670,921	5,339,896
Total capital	12,087,351	12,346,441
Gearing ratio	53%	57%

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2011				
Liabilities				
Derivative used for hedging	-	124,203	-	124,203
31 December 2010				
Liabilities				
Derivative used for hedging	-	213,592	-	213,592

The fair value of financial instruments that are not traded in an active market is based on valuation techniques (level 2). The fair value of the unlisted securities is based on net asset values provided by the fund managers. The fair market value of these investments, as indicated by the fund managers are based on:

a) For listed investments, current bid prices in an active market;
b) For unlisted investments, valuations based on fundamentals and rationale of the portfolio performed by independent valuers.

The Group did not have any other financial assets or liabilities that are measured at fair value as at 31 December 2011 or 2010.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

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.

4.1 Critical accounting estimates and assumptions

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.
- The discount rate of 11.8% 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.
- Growth rate of 3% based on a conservative view of the long-term rate of growth.

At 31 December 2011, an impairment charge of AED 247,017,000 (2010: AED 198,303,000) has been recognised against investment property under construction (Note 6).

If the estimated cost of capital used in determining the discount rate had been 1% higher/lower than management's estimates, net profit for the year would have been lower/higher by AED 217,467,000.

If the completion date was to be delayed by 1-3 years relative to management's estimate - for example, due to delays in the construction, an additional impairment charge of AED 94,847,000 to AED 255,562,000 would have been recognised due to delay in generating rental income.

If the estimated growth rate used had been 1% higher/lower than management's estimates, net profit for the year would have been higher/lower by AED 136,510,000.

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

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 2010	90	45,992	23,759	3,921	73,762
Additions	-	40	610	-	650
Transfer	-	570	241	(811)	-
At 31 December 2010	90	46,602	24,610	3,110	74,412
Additions	-	2,190	77	-	2,267
Transfer to investment property	-	-	-	(3,110)	(3,110)
Disposals		(106)	-	-	(106)
At 31 December 2011	90	48,686	24,687	-	73,463
Depreciation					
At 1 January 2010	90	13,194	17,575	-	30,859
Charge for the year	-	8,657	3,153	-	11,810
At 31 December 2010	90	21,851	20,728	-	42,669
Charge for the year	-	8,693	2,419	-	11,112
Disposals		(106)	-		(106)
At 31 December 2011	90	30,438	23,147	-	53,675
Net book value					
At 31 December 2011	-	18,248	1,540	-	19,788
At 31 December 2010	-	24,751	3,882	3,110	31,743

	2011 AED'000	2010 AED'000
Depreciation included under:		
Cost of sales (Note 18)	2,051	2,427
General and administrative expenses (Note 20)	9,061	9,383
	11,112	11,810

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

6 Investment property

	Buildings and infrastructure AED'000	Investment properties under construction AED'000	Total AED'000
Cost			
At 1 January 2010	2,991,077	1,190,711	4,181,788
Additions	-	385,049	385,049
Transfer	214,957	(214,957)	-
Disposal	(17,055)	-	(17,055)
At 31 December 2010	3,188,979	1,360,803	4,549,782
Additions	-	344,074	344,074
Transfer from a related party	-	156,016	156,016
Transfer from property and equipment	3,110	-	3,110
Transfers	303,271	(303,271)	-
At 31 December 2011	3,495,360	1,557,622	5,052,982
Depreciation and Impairment			
At 1 January 2010	608,661	28,446	637,107
Charge for the year	79,422	-	79,422
Impairment charge	-	198,303	198,303
Disposals	(4,193)	-	(4,193)
At 31 December 2010	683,890	226,749	910,639
Charge for the year	91,091	-	91,091
Impairment charge	-	247,017	247,017
At 31 December 2011	774,981	473,766	1,248,747
Net book value			
At 31 December 2011	2,720,379	1,083,856	3,804,235
At 31 December 2010	2,505,089	1,134,054	3,639,143

At 31 December 2011 and 31 December 2010, 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 2011 is AED 4,734,356,000(2010: AED 4,332,360,000) including investment property under construction of AED 1,083,856,000 (2010: AED 1,134,054,000). At 31 December 2011, an impairment charge of AED 247,017,000 (2010: AED 198,303,000) has been recognised to the consolidated statement of income under 'cost of sales' (Note 18). The following amounts have been recognised in the consolidated statement of income in respect of investment property:

	2011 AED'000	2010 AED'000
Lease rental income (Note 17)	1,135,127	1,066,425
Direct operating expenses	249,737	235,736
Impairment of investment property	247,017	198,303

At 31 December 2011, the Group had unprovided contractual obligations for future capital commitment of AED 45,000,000 (2010: AED 1,015,425,000).

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

7 Land use right

	2011 AED'000	2010 AED'000
Cost		
At 1 January	8,923,000	8,923,000
Additions during the year (Note 8)	58,284	-
At 31 December	8,981,284	8,923,000
Amortisation		
At 1 January	280,270	190,139
Charge for the year	90,476	90,131
At 31 December	370,746	280,270
Net book value at 31 December	8,610,538	8,642,730

The land use right of the Group is held under a long-term lease arrangement and amortised over the term of the lease of 99 years (Note 1). Amortisation of AED 90,476,000 (2010: AED 90,131,000) is included under 'cost of sales' in the statement of income (Note 18).

8 Related party transactions and balances

Related parties include the parent and the ultimate parent company, the shareholders, key management personnel, associates, joint ventures and any businesses which are 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.

	2011 AED'000	2010 AED'000
Income:		
Revenue generated from other related parties	19,153	18,722
Other operating income- other related parties	6,783	4,024
Finance income - ultimate parent company	28,142	23,682
Expenses:		
Cost recharged from the parent company	55,036	61,327
Cost recharged from other related parties	676	16,211
Other operating expenses – other related parties	6,099	12,550
Repair and maintenance – other related parties	47,080	49,871
Security services – other related party	3,454	2,866
Key management remuneration:		
– Salaries and other short term employee benefits	10,443	10,610
– Termination and post employment benefits	1,158	1,554
	11,601	12,164

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

8 Related party transactions and balances (continued)

	2011 AED'000	2010 AED'000
Balance sheet items:		
Transfer-in of investment property - parent company	156,016	-
Transfer-in of land use rights - parent company	58,284	-

Related party balances include the following:		
Due from related parties comprises:		
Due from the parent company	255,203	461,324
Due from other related parties	77,369	111,581
	332,572	572,905
Loan to the ultimate parent	541,472	507,805
	874,044	1,080,710
Analysed between:		
Current	332,572	572,905
Non-current	541,472	507,805
	874,044	1,080,710
Due to related parties comprises:		
Other related parties	5,754	11,168

Amounts due from the parent company of AED 255,203,000 (2010: AED 461,324,000) represents surplus fund receivable balance and does not bear any interest. This balance is payable on demand.

Loan receivable from the ultimate parent of AED 721,367,000 (2010: AED 701,158,000) is interest bearing at rate of 2% and is 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 Establishment's weighted average cost of capital at the time of initial recognition. The undiscounted value and current carrying value of this balance at the balance sheet date are as follows:

	31 December 2011		31 December 2010	
	Undiscounted AED'000	Carrying value AED'000	Undiscounted AED'000	Carrying value AED'000
Non-current due from the ultimate parent	721,367	541,472	701,158	507,805

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

9 Trade and other receivables

	2011 AED'000	2010 AED'000
Trade receivables	108,858	87,224
Less: provision for impairment of receivables	(76,518)	(64,737)
	32,340	22,487
Other receivables and prepayments	51,508	337,182
As at 31 December	83,848	359,669
Analysed between:		
Current assets	27,958	240,448
Non-current assets	55,890	119,221
	83,848	359,669

At 31 December 2010, other receivable and prepayments included an amount of AED 204,088,000 due from a customer of a related party, JAFZA Gazeley FZE. This balance was assigned in favour of the Group towards on account settlement of amount due to the Group from JAFZA Gazeley FZE in 2010. This amount was received in full during 2011.

At 31 December 2011 and 31 December 2010, the Group has a broad base of customers with no concentration of credit risk within trade receivables. The carrying amounts of the Group trade and other receivables are denominated entirely in AED.

As of 31 December 2011, trade receivables of AED 1,312,000 (2010: AED 200,000) were fully performing. As of 31 December 2011, trade receivables of AED 31,028,000 (2010: AED 22,287,000) 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:

	2011 AED'000	2010 AED'000
1 to 12 months	19,123	14,465
Over 12 months	11,905	7,822
As at 31 December	31,028	22,287

As of 31 December 2011, trade receivables of AED 76,518,000 (2010: AED 64,737,000) were impaired and provided for. The ageing of these receivables is as follows:

	2011 AED'000	2010 AED'000
1 to 12 months	22,666	13,835
Over 12 months	53,852	50,902
As at 31 December	76,518	64,737

Movements in the Group's provision for impairment of trade receivables are as follows:		
At 1 January	64,737	59,006
Provision for impairment of receivables (Note 20)	11,781	5,731
As at 31 December	76,518	64,737

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

9 Trade and other receivables (continued)

The provision for impairment of trade receivables balance of AED 76.6 million is a cumulative balance. The current year provision charge amounted to AED 11.7 million (2010: AED 5.7 million). The creation and release of provision for impairment of receivables have been included in "General and administrative expenses" (Note 20) in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

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.

10 Cash and cash equivalent

	2011 AED'000	2010 AED'000
Cash at banks and on hand	82,567	35,529
Fixed deposits	1,001,003	457,926
Cash and cash equivalent	1,083,570	493,455

The fixed deposits earned interest at rates ranging from 0.7% to 4.0% per annum (2010: 1.5% to 3.4%)

For purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2011 AED'000	2010 AED'000
Cash and cash equivalent	1,083,570	493,455
Less: long term fixed deposits	(751,003)	-
	332,567	493,455

11 Share capital

The total authorised and issued and fully paid share capital of the Establishment at 31 December 2010 and 31 December 2011 comprises 4,268 shares (2010: 4,268 shares) of AED 1,000,000 each.

12 Provision for employees' end of service benefits

	2011 AED'000	2010 AED'000
At 1 January	12,768	13,249
Charge for the year (Note 22)	2,313	1,958
Transfer in / (out)	(264)	-
Payments during the year	(2,308)	(2,439)
	12,509	12,768

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 2011, 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 branch and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion cost of 5% (2010: 5%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 4.25% (2010: 5%).

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

13 Derivative financial instruments

As at 31 December 2011, the Group had various interest rate swap contracts (floating swapped to fixed) for a notional principal amount of AED 4,003,975,000 (2010: AED 4,003,975,000).

These effective interest rate swaps relate to fixed interest rates that vary from 4.5% to 5.97% (2010: 4.5% to 5.97%), and the main floating rate is EIBOR. Gains and losses recognised in hedge reserve in equity on interest rate swap contracts will be continuously released to the statement of income until the repayment of the Sukuk Al-Musharaka. The fair value of interest rate swaps as on 31 December 2011 was AED 124,203,000 as liability (31 December 2010: AED 213,592,000 as liability).

The derivative financial instruments are analysed between:

	2011 AED'000	2010 AED'000
Current liability	124,203	106,055
Non-current liability	-	107,537
	124,203	213,592

14 Sukuk Al-Musharaka

The Group issued through its subsidiary JAFZ Sukuk Limited trust certificates ("Sukuk Al-Musharaka") for a nominal value of AED 7,500,000,000 on 27 November 2007 listed on Nasdaq Dubai and the London Stock Exchange. Sukuk Al-Musharaka, matures five years from the issue date and bears a profit commission at a rate of six months EIBOR plus 1.30% per annum to be paid semi-annually.

The carrying amounts of Sukuk Al-Musharaka are denominated in AED. The following fair values of Sukuk Al-Musharaka are based on quoted market rates:

	Carrying amount		Fair value	
	2011 AED'000	2010 AED'000	2011 AED'000	2010 AED'000
Sukuk Al-Musharaka	7,500,000	7,500,000	6,999,375	6,618,750

15 Trade and other payables

	2011 AED'000	2010 AED'000
Trade Payable	66,119	111,579
Refundable deposits	433,252	384,942
Accrued expenses	261,281	254,658
Advances from customers	44,109	42,076
Retentions payable to contractors	35,623	76,159
Other Payables	7,862	4,261
	848,246	873,675

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

	2011 AED'000	2010 AED'000
16 Deferred revenue		
At 1 January	296,350	251,290
Additions during the year	1,153,167	1,111,486
Released during the year	(1,135,127)	(1,066,425)
At 31 December	314,390	296,351
Current portion	272,670	253,739
Non-current portion	41,720	42,612
	314,390	296,351
17 Revenue		
Lease rental income:		
- Plots	437,690	412,785
- Warehouses	251,787	233,275
- Offices	207,586	183,076
- On site residences	222,885	223,982
- Others	15,179	13,307
	1,135,127	1,066,425
License and registration fees	103,793	95,669
Administration service revenue	99,662	83,488
	1,338,582	1,245,582
18 Cost of sales		
Depreciation of property and equipment (Note 5)	2,051	2,427
Depreciation of investment property (Note 6)	91,091	79,422
Amortisation land use right (Note 7)	90,476	90,131
Loss on impairment of investment property (Note 6)	247,017	198,303
Repairs and maintenance	67,551	66,181
Utilities	96,631	78,342
Others	9,915	6,902
	604,732	521,708
19 Other operating income		
Gain on sale of investment property	-	13,050
Public health Services	10,382	9,469
Security service allocation	4,872	-
Lease transfer, sub-lease income and lease commission	9,463	13,295
Rent on occupancy post termination	1,125	3,497
Postal service income	2,422	112
Fines and penalties income	1,203	2,457
Other income	13,400	22,205
	42,867	64,085

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

	2011 AED'000	2010 AED'000
20 General and administrative expenses		
Staff cost	76,051	93,828
Expenses recharged by related parties	55,712	77,538
Depreciation	9,061	9,383
Provision for impairment of trade and other receivable	11,781	5,731
Others	11,891	8,163
	164,496	194,643
21 Selling and marketing expenses		
Staff cost	25,708	24,767
Others	4,660	4,174
	30,368	28,941
22 Staff cost		
Salaries and other staff benefits	93,748	94,376
End of service benefits	2,313	1,958
Pension expenses	7,171	8,049
Bonus	24,861	14,212
Reversal of bonus	(26,334)	-
	101,759	118,595
Included under:		
General and administrative expenses	76,051	93,828
Selling and marketing expenses	25,708	24,767
	101,759	118,595
23 Finance cost – net		
Finance income:		
Interest income on bank deposits	15,982	5,610
Interest income on balance due from a related party	14,682	23,682
Unwinding of fair value loss of due from related party	13,459	-
Other finance income	1,171	-
	45,294	29,292
Finance costs:		
Fair value loss on due from a related party	-	(48,387)
Profit commission on Sukuk Al-Musharaka	(264,548)	(275,039)
Fair value loss on interest rate swaps designated as cash flow hedges transferred from equity	(115,546)	(110,862)
Interest on bank borrowing	-	(19,298)
Other finance charges	(5,417)	(375)
	(385,511)	(453,961)
	(340,217)	(424,669)

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

24 Financial instrument by category

	2011	2010
	AED'000	**AED'000**
Loans and receivable assets per balance sheet		
Trade and other receivables excluding prepayments	35,789	254,343
Due from related parties	874,044	1,080,710
Cash and bank balances	1,083,570	493,455
	1,993,403	1,828,508

	Derivative liability	Amortised cost
	AED'000	**AED'000**
Financial liabilities per balance sheet		
31 December 2011		
Derivative financial instruments	124,203	-
Trade and other payables excluding customer advances	-	804,137
Due to related parties	-	5,754
Sukuk Al-Musharaka	-	7,500,000
	124,203	8,309,891
31 December 2010		
Derivative financial instruments	213,592	
Trade and other payables excluding customer advances	-	831,599
Due to related parties	-	11,168
Sukuk Al-Musharaka	-	7,500,000
	213,592	8,342,767

25 Future minimum rental payments receivable under non cancellable leases

The Group has non-cancellable leases having terms of between 1 and 15 years. All land leases agreements entered after April 2009 contain rent review provisions 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 as at 31 December are as follows:

	2011	2010
	AED'000	**AED'000**
Within one year	760,157	733,384
After one year but not more than five years	1,478,985	1,450,062
More than five years	1,474,133	1,433,842
	3,713,275	3,617,288

Notes to the consolidated financial statements for the year ended 31 December 2011 (continued)

26 Restatement of comparatives

Prior year figures have been reclassified to align with the current year classifications. These reclassifications do not have any impact on the results for the year or the Group's net assets. The impact of these reclassifications is summarised in the table below:

	As previously stated AED'000	Reclassifications AED'000	As reclassified AED'000
Investment property	3,742,165	(103,022)	3,639,143
Trade and other receivables – current	240,470	(22)	240,448
Trade and other receivables – non-current	16,177	103,044	119,221
Net balance sheet impact - 31 December 2010	3,998,812	-	3,998,812
Investment property	3,687,819	(143,138)	3,544,681
Trade and other receivables – current	23,880	-	23,880
Trade and other receivables – non-current	-	143,138	143,138
Net balance sheet impact - 31 December 2009	3,711,699	-	3,711,699
Cost of sales	-	(521,708)	(521,708)
Other operating income	51,036	13,049	64,085
General and administrative	-	(194,643)	(194,643)
Selling and general expenses	-	(28,941)	(28,941)
Other finance costs	(19,673)	(48,387)	(68,060)
Administrative and selling expenses	(301,818)	301,818	-
Depreciation	(91,232)	91,232	-
Repairs and maintenance	(58,078)	58,078	-
Amortisation	(90,131)	90,131	-
Impairment loss of investment properties	(198,303)	198,303	-
Gain on sale of investment property	13,050	(13,050)	-
Provision for doubtful trade receivables	(5,731)	5,731	-
Impairment loss of due from a related party	(48,387)	48,387	-
Net impact on statement of income - 31 December 2010	(749,267)	-	(749,267)

The above reclassifications have been made to better reflect the substance of certain transactions and to present the expenses recognised in profit or loss using a classification based on either their function.

Jebel Ali Free Zone FZE
and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2010

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AUDITORS' REPORT TO THE SHAREHOLDER OF JEBEL ALI FREE ZONE FZE AND ITS SUBSIDIARIES

Report on the Financial Statements

We have audited the accompanying financial statements of Jebel Ali Free Zone FZE (the "Establishment") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2010 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the applicable provisions of the articles of association of the Establishment and the applicable provisions of Implementing Regulations 1/92 pursuant to Law No. 9 of 1992 concerning the formation of legal Establishments at the Jebel Ali Free Zone, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, proper books of account have been kept by the Establishment in accordance with the provisions of Implementing Regulations 1/92 pursuant to Law No. 9 of 1992 concerning the formation of legal Establishments in the Jebel Ali Free Zone. We obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Implementing Regulations or of the articles of association of the Group have occurred during the year ended 31 December 2010 which would have had a material effect on the business of the Establishment or on its financial position.

Ernst & Young

Joseph A. Murphy
Partner
Registration No. 492

11 April 2011

Dubai

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2010

	Notes	***2010 AED'000***	*2009 AED'000*
Revenue	3	**1,245,582**	1,252,779
Other operating incomes		**51,036**	50,956
Administration and selling expenses	4	**(301,818)**	(349,592)
Repairs and maintenance		**(58,078)**	(52,330)
Depreciation	6 & 7	**(91,232)**	(79,558)
Amortisation	8	**(90,131)**	(90,131)
Impairment of investment properties	7	**(198,303)**	(28,446)
Impairment of due from a related party	16	**(48,387)**	(144,966)
Provisions for doubtful accounts receivable	9	**(5,731)**	-
Gain on long term lease of investment property		**-**	151,689
Gain on sale of investment property		**13,050**	-
Finance income		**29,292**	15,143
Profit commission on Sukuk Al-Musharaka	13	**(385,901)**	(419,455)
Other finance costs		**(19,673)**	(19,355)
PROFIT FOR THE YEAR	5	**139,706**	286,734

The attached notes 1 to 19 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2010

	Note	***2010 AED'000***	*2009 AED'000*
Profit for the year		**139,706**	286,734
Net movement on fair value of cash flow hedges	12	**3,436**	46,312
Other comprehensive income for the year		**3,436**	46,312
Total comprehensive income for the year		**143,142**	333,046

The attached notes 1 to 19 form part of these consolidated financial statements.

Jebel Ali Free Zone FZE and its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	***2010*** ***AED'000***	*2009* *AED'000*
ASSETS			
Non-current assets			
Fixed assets	6	**31,743**	42,903
Investment properties	7	**3,742,165**	3,687,819
Land use right	8	**8,642,730**	8,732,861
Due from a related party	16	**507,805**	569,365
Accounts receivable and prepayments	9	**16,177**	-
		12,940,620	13,032,948
Current assets			
Due from related parties	16	**572,905**	1,545,547
Accounts receivable and prepayments	9	**240,470**	23,880
Cash and short-term deposits	10	**493,455**	29,577
		1,306,830	1,599,004
TOTAL ASSETS		**14,247,450**	14,631,952
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**4,268,000**	4,268,000
Retained earnings		**1,285,488**	1,145,782
Cumulative changes in fair value	12	**(213,592)**	(217,028)
Total equity		**5,339,896**	5,196,754
Non-current liabilities			
Employees' end of service benefits		**12,768**	13,249
Sukuk Al-Musharaka	13	**7,500,000**	7,500,000
Derivative financial instruments	12	**107,537**	105,293
Deferred revenue		**42,612**	-
		7,662,917	7,618,542
Current liabilities			
Derivative financial instruments	12	**106,055**	111,735
Interest bearing loan from a bank	14	**-**	367,500
Accounts payable and accruals	15	**873,675**	1,068,265
Due to related parties	16	**11,168**	17,866
Deferred revenue		**253,739**	251,290
		1,244,637	1,816,656
Total liabilities		**8,907,664**	9,435,198
TOTAL EQUITY AND LIABILITIES		**14,247,450**	14,631,952

These consolidated financial statements were authorised for issue on 11 April 2011 by:

Salma Ali Saif Saeed Bin Hareb	Muhannad Al Ashram	Hisham Abdullah Al Shirawi
Chief Executive Officer	EZW Group Director	EZW Group Chairman

The attached notes 1 to 19 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2010

	Notes	***2010*** ***AED'000***	*2009* *AED'000*
OPERATING ACTIVITIES			
Profit for the year		**139,706**	286,734
Adjustments to reconcile profit to net cash flows			
Depreciation	6 & 7	**91,232**	79,558
Amortisation	8	**90,131**	90,131
Impairment of investment properties	7	**198,303**	28,446
Impairment of due from a related party	16	**48,387**	144,966
Gain on sale / long term lease of investment property		**(13,050)**	(151,528)
Finance income		**(29,292)**	(15,143)
Profit commission on Sukuk Al-Musharaka	13	**385,901**	419,455
Other finance costs		**19,673**	19,355
Provision for employees' end of service benefits, net		**(481)**	2,133
Provision for doubtful accounts receivable	9	**5,731**	-
Investment properties written off	7	**-**	5,321
Provision no longer required written back		**(14,516)**	-
		921,725	909,428
Working capital adjustments:			
Accounts receivable and prepayments		**(8,503)**	37,849
Accounts payable and accruals		**(88,869)**	134,797
Due from related parties		**805,374**	(101,494)
Due to related parties		**(6,698)**	(24,396)
Deferred revenue		**45,061**	(27,494)
Net cash from operating activities		**1,668,090**	928,690
INVESTING ACTIVITIES			
Additions to fixed assets		**(650)**	(38,395)
Addition to investment properties		**(445,336)**	(992,991)
Proceeds from sale of investment properties		**-**	180,000
Net cash used in investing activities		**(445,986)**	(851,386)
FINANCING ACTIVITIES			
Proceeds from interest bearing loan	14	**-**	367,500
Profit commission paid on Sukuk Al-Musharaka		**(376,663)**	(434,208)
Other finance costs paid		**(19,673)**	(17,243)
Finance income received		**5,610**	1,459
Repayment of interest bearing loan	14	**(367,500)**	**-**
Net cash used in financing activities		**(758,226)**	(82,492)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**463,878**	(5,188)
Cash and cash equivalents at 1 January		**29,577**	34,765
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	10	**493,455**	29,577

The attached notes 1 to 19 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

	Share capital AED'000	*Retained earnings AED'000*	*Cumulative changes in fair value AED'000*	*Total AED'000*
Balance at 1 January 2009	4,267,250	859,798	(263,340)	4,863,708
Profit for the year	-	286,734	-	286,734
Other comprehensive income	-	-	46,312	46,312
Total comprehensive income	-	286,734	46,312	333,046
Increase in share capital (note 11)	750	(750)	-	-
Balance at 31 December 2009	4,268,000	1,145,782	(217,028)	5,196,754
Profit for the year	-	139,706	-	139,706
Other comprehensive income	-	-	3,436	3,436
Total comprehensive income	-	139,706	3,436	143,142
Balance at 31 December 2010	**4,268,000**	**1,285,488**	**(213,592)**	**5,339,896**

The attached notes 1 to 19 form part of these consolidated financial statements.

1 ACTIVITIES

Jebel Ali Free Zone FZE ("the Establishment") was established as a Free Zone Establishment in the name of JAFZ Management FZE under registration number 01283 on 5 March 2006 pursuant to Law No. 9 of 1992. On 2 October 2007, the Establishment changed its name from JAFZ Management FZE to Jebel Ali Free Zone FZE. The Establishment is a wholly owned subsidiary of Economic Zones World FZE ("the Parent Company"), which is ultimately owned by Dubai World ("the Ultimate Parent").

The Establishment is engaged in the management and operation of Free Zones, Economic Zones and Industrial Zones. The Establishment commenced its operations from 22 November 2007. The Establishment's registered office is at P.O. Box 17000, Jebel Ali, Dubai, United Arab Emirates.

The Establishment entered into a concession agreement with Jebel Ali Free Zone Authority (JAFZA) on 13 November 2007, wherein the Establishment has been granted the exclusive right and privilege to provide certain administrative services, at its own expense, within a specified area that comprises substantially all of the Free Zone (the Concession Area) and the right to all revenue and income therefrom. The concession period is effective from 22 November 2007 for 99 years. As consideration for the concession granted under the concession agreement, the Establishment will pay a concession fee to JAFZA. The concession fee for the first 3 years is nil, for the 4th year it will be 2% of revenue earned from licencing and registration activity and increases to 50% of such revenue by the end of the 99th year.

The Establishment entered into a usufruct right agreement with JAFZA on 13 November 2007, wherein JAFZA granted the Establishment the right to use and benefit from the concession area and all fixed assets including the infrastructure and the superstructure constructed on the said land therein for the period of 99 years with effect from 22 November 2007. As consideration for the grant of the usufruct right, the Establishment was required to pay a one-time usufruct fee to JAFZA of (1) AED 8,923,000 thousand, being the value of land in the Free Zone as valued by an independent valuer at 31 August 2007 and (2) an amount of AED 2,972,770 thousand, being the book value of JAFZA's net fixed assets and net current assets as at the effective date i.e. 22 November 2007.

During 2007, the Parent Company undertook the obligation to pay AED 11,895,770 thousand on behalf of the Establishment towards the usufruct fee. Consequently, the amount of AED 11,895,770 thousand was treated as shareholder loan in the books of the Establishment. During 2007, the Establishment repaid AED 7,500,000 thousand in cash and issued shares to the value of AED 3,899,000 thousand to the Parent Company. The balance amount of AED 496,770 thousand was waived and accordingly transferred to retained earnings.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared under the historical cost convention except for derivative financial instruments that have been measured at fair value.

The presentation currency of the consolidated financial statements is UAE Dirham (AED), as all of the Group's assets, liabilities, income and expenses are AED denominated or in currencies that are pegged to AED. All values are rounded to the nearest thousand (AED'000) except where otherwise indicated.

Statement of compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of UAE Law.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Establishment and entities (including special purpose entities) controlled by the Establishment as at 31 December. The financial statements of the entities consolidated are prepared for the same reporting period as the Establishment, using consistent accounting policies.

2.1 BASIS OF PREPARATION - continued

Basis of consolidation - continued
Where necessary, adjustments are made to the financial statements of these entities to bring their accounting policies in line with those used by the Establishment.

Special purpose entities
Special purpose entities are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of a specific borrowing or lending transaction. The financial statements of special purpose entities are included in the Group's consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity.

The Establishment is operating in U.A.E. through the following entities under its control (together "the Group"):

Company	Parent Company	Country of incorporation	Principal activity
JAFZ Sukuk Limited	Maple Finance Limited	Cayman Islands	Financing (Sukuk-Al-Musharaka)
Consolidated Warehouse FZE	Economic Zones World FZE	Dubai, United Arab Emirates	Leasing, operating and managing properties

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

New and amended IFRS and IFRIC interpretations
The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended 31 December 2009, except as follows:

A. Standards, amendments and interpretations effective and relevant to the Group from 1 January 2010:
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items - The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

B. Standards, amendments and interpretations effective in 2010 but not relevant to the Group:
The following new and amended standards and interpretations are mandatory for accounting periods beginning on or after 1 January 2010 but are not relevant to the Group's operations:

- IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions;
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39;
- IFRS 5 (amendment), Non-current assets held for sale and discontinued operations;
- IAS 27 Consolidated and Separate Financial Statements; and
- IFRIC 17 Distributions of Non-cash Assets to Owners.

C. Standards, amendments and interpretations in issue but not yet effective:
The following new and amended standards and interpretations have been published but are not yet effective and the Group has not early adopted them:

- IFRS 9 Financial Instruments - Classification and Measurement (effective period beginning on or after 1 January 2013);

2.1 BASIS OF PREPARATION - continued

New and amended IFRS and IFRIC interpretations - continued

C. Standards, amendments and interpretations in issue but not yet effective - continued

- IAS 24 Related Party Disclosures (Amendment) (effective for annual periods beginning on or after 1 January 2011);
- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment) (effective for annual periods beginning on or after 1 February 2010);
- IFRIC 14 Prepayments of a minimum funding requirement (Amendment) (effective for annual periods beginning on or after 1 January 2011) and
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010).

The management anticipates that all of the above Standards and Interpretations will be adopted in the Group's financial statements from their effective dates. The adoption of those Standards and Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

D. Improvement to IFRSs:
In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

Issued in April 2009
IAS 7 Statement of Cash Flows:
Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment had no immediate impact on the presentation of the statement of cash flows.

IAS 17 Leases:
IAS 17 Leases has been amended in relation to the classification of leasehold land. The amendment deletes previous guidance stating that a lease of land with an indefinite economic life normally is classified as an operating lease, unless title is expected to pass to the lessee at the end of the lease term. A lease of land is subject to the general lease classification criteria of IAS 17. That is, if a lease of land transfers substantially the entire risks and rewards incidental to ownership of the land to the lessee, then the lease is a finance lease; otherwise it is an operating lease. The Group has reassessed and concluded that application of this amendment has had no financial impact on the consolidated financial statements of the Group for the current or prior accounting periods.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

Issued in May 2008

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations

Issued in April 2009

IFRS 2	Share-based Payment
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 8	Operating Segments
IAS 1	Presentation of Financial Statements
IAS 34	Interim Financial Reporting
IAS 36	Impairment of assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 16	Hedge of a Net Investment in a Foreign Operation

2.1 BASIS OF PREPARATION - continued

New and amended IFRS and IFRIC interpretations - continued

D. Improvement to IFRSs - continued

Issued in May 2010
The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The following amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosures
IAS 1	Presentation of Financial Statements
IAS 27	Consolidated and Separate Financial Statements
IAS 34	Interim Financial Reporting
IFRIC 13	Customer Loyalty Programmes

The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant impact on the amounts recognised in the financial statements.

Investment properties
The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Operating Lease Commitments–Group as 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.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for these portions separately. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property.

The Group considers each property separately in making its judgment.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES – continued

Judgments - continued

Consolidation of special purpose entities
Special purpose entities (SPE) are consolidated based on an evaluation of the substance of its relationship with the Group and based on the SPE risks and rewards. Management considers the following to determine the existence of control over SPE:

a) the existence of majority representation, decision-making powers to obtain the majority of the benefits of the activities of the SPEs and being exposed to the risks incidental to the SPEs activities; and

b) the existence of majority of the residual or ownership risks related to the activities of these SPEs or its assets.

Estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives and depreciation of fixed assets and investment properties
The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the assets.

Trade and other receivables / payables
The fair value of trade and other receivables and trade and other payables approximates to book value due to the short term maturity of these instruments.

Derivatives
The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes only is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Valuation of investment properties
The fair values are based on the valuations prepared by the management based on valuations performed by qualified and independent Chartered Surveyors and Property Consultants. The valuations were performed in accordance with RICS Appraisals and Valuation Standards based on discounted future cash flows. The key assumptions used to determine the recoverable amount for the different assets, are further explained in note 7.

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts receivable were AED 87,224 thousand (2009: AED 77,763 thousand), and the provision for doubtful debts was AED 64,737 thousand (2009: AED 59,006 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of income.

2.3 SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
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. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in most of its revenue arrangements except for revenue from administrative services. The following specific recognition criteria must also be met before revenue is recognised:

Lease rental
Lease rents are invoiced in advance and are recognised as revenue on a straight-line basis over the lease term, with the balance being treated as deferred revenue.

Other services
Revenue from administration service, license and registration, and consultancy is recognised as the service is provided.

Other operating income
Other operating income is recognised when the service is provided and the right to receive payment is established.

Interest income
Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is included in finance income in the consolidated income statement.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur using the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

Capital work-in-progress is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of other assets as follows:

Motor and utility vehicles	over 5 years
Furniture and fixtures	over 5 years
Other equipment	3 - 5 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts, being the higher of their fair value less costs to sell and their value in use.

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

2.3 SIGNIFICANT ACCOUNTING POLICIES - continued

Fixed assets - continued
An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation, are reviewed and adjusted if appropriate at each financial year end.

Investment properties
Properties held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses in accordance with the cost model of IAS 40. The cost of self-constructed properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the properties to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Borrowing costs that are directly attributable to acquisition, construction or production of a property are included in the cost of that property.

Investment properties under construction are not depreciated until such time as the relevant assets are completed and commissioned. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	over 20 - 35 years
Infrastructure – overpass bridge	over 50 years
Infrastructure - others	over 5 years

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 properties are derecognised either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated income statement in the year of retirement or disposal.

Land use right
Land use right represents the prepaid lease payments of leasehold interests in land under operating lease arrangements and is amortised on a straight-line basis over the lease terms.

Financial instruments – initial recognition and subsequent measurement

i) Financial assets
Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, and loan and other receivables.

2.3 SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement - continued
Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the consolidated income statement in administrative and selling expenses.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data 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.

iii) Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, Sukuk Al-Musharaka, loans and borrowings, and derivative financial instruments.

2.3 SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement - continued
Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings (including Sukuk Al-Musharaka)
After initial recognition, interest bearing loans and borrowings (including Sukuk Al-Musharaka) are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the consolidated income statement.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated income statement.

iv) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Derivative financial instruments
The Group uses derivative financial instruments to manage its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the consolidated income statement.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or
- cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

2.3 SIGNIFICANT ACCOUNTING POLICIES - continued

Derivative financial instruments - continued
A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair values or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in cumulative changes in fair value, while the ineffective portion is immediately recognised in the consolidated income statement. Amounts taken to other comprehensive income are transferred to the consolidated income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability. If the forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the consolidated income statement.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value, less costs to sell, and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.3 SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash at hand and bank and short-term deposits with an original maturity of three months.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Foreign currencies
The consolidated financial statements are presented in AED, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to consolidated income statement.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes a provision for contributions to be made to the UAE Pension Group calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the 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.

For arrangements entered into prior to 1 January 2005, the date of inception in deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Group as a lessee
Operating lease payments are recognised as an expense in the consolidated income statement on a straight line basis over the lease term.

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.

3 REVENUE

Revenue comprises the following:

	2010	*2009*
	AED'000	*AED'000*
Lease rental income	**1,066,425**	1,052,222
License and registration fees	**95,669**	112,472
Administration service revenue	**83,488**	88,085
	1,245,582	1,252,779

The lease rental incomes are generated from investment properties and land for which right of use was granted for 99 years.

4 ADMINISTRATION AND SELLING EXPENSES

Administration and selling expenses include staff costs, electricity and water expenses, advertising and promotion expenses and other sundry expenses.

Administration and selling expenses include costs amounting to AED 97,925 thousand (2009: AED 126,155 thousand) charged by related parties (note 16).

5 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2010	*2009*
	AED'000	*AED'000*
Staff costs	**118,521**	110,953
Rent operating lease	**3,548**	7,328

6 FIXED ASSETS

2010:

	Motor and utility vehicles AED'000	*Furniture and fixtures AED'000*	*Other equipment AED'000*	*Capital work in progress AED' 000*	*Total AED'000*
Cost					
At 1 January 2010	90	45,992	23,759	3,921	73,762
Additions	-	40	610	-	650
Transfer	-	570	241	(811)	-
At 31 December 2010	90	46,602	24,610	3,110	74,412
Depreciation					
At 1 January 2010	(90)	(13,194)	(17,575)	-	(30,859)
Charge for the year	-	(8,657)	(3,153)	-	(11,810)
At 31 December 2010	(90)	(21,851)	(20,728)	-	(42,669)
Net carrying amount					
At 31 December 2010	**-**	**24,751**	**3,882**	**3,110**	**31,743**

2009:

	Motor and utility vehicles AED'000	*Furniture and fixtures AED'000*	*Other equipment AED'000*	*Capital work in progress AED' 000*	*Total AED'000*
Cost					
At 1 January 2009*	90	16,466	15,498	1,354,929	1,386,983
Transfer to investment properties (note 7)	-	-	-	(1,345,425)	(1,345,425)
Additions	-	380	6	38,009	38,395
Disposals	-	(1,653)	-	-	(1,653)
Transfer to related parties	-	(612)	(37)	(3,889)	(4,538)
Transfer	-	31,411	8,292	(39,703)	-
At 31 December 2009	90	45,992	23,759	3,921	73,762
Depreciation					
At 1 January 2009	(90)	(6,602)	(13,666)	-	(20,358)
Charge for the year	-	(8,495)	(3,944)	-	(12,439)
Transfer to related parties	-	408	35	-	443
Relating to disposals	-	1,495	-	-	1,495
At 31 December 2009	(90)	(13,194)	(17,575)	-	(30,859)
Net carrying amount					
At 31 December 2009	-	32,798	6,184	3,921	42,903

7 INVESTMENT PROPERTIES

2010:	*Buildings and Infrastructure AED'000*	*Investment properties under construction AED'000*	*Total AED'000*
Cost			
At 1 January 2010	2,991,077	1,333,849	4,324,926
Additions	-	344,933	344,933
Transfer	214,957	(214,957)	-
Disposal	(17,055)	-	(17,055)
At 31 December 2010	3,188,979	1,463,825	4,652,804
Depreciation and impairment			
At 1 January 2010	(608,661)	(28,446)	(637,107)
Charge for the year	(79,422)	-	(79,422)
Impairment charge	-	(198,303)	(198,303)
Relating to disposals	4,193	-	4,193
At 31 December 2010	(683,890)	(226,749)	(910,639)
Net carrying amount			
At 31 December 2010	**2,505,089**	**1,237,076**	**3,742,165**

2009:	*Buildings and Infrastructure AED'000*	*Investment properties under construction AED'000*	*Total AED'000*
Cost			
At 1 January 2009	2,004,916	-	2,004,916
Transfer from fixed assets (note 6)	-	1,345,425	1,345,425
Additions	-	1,045,540	1,045,540
Transfer	1,042,416	(1,042,416)	-
Transfer to related party	-	(9,379)	(9,379)
Disposal	(56,255)	-	(56,255)
Written off	-	(5,321)	(5,321)
At 31 December 2009	2,991,077	1,333,849	4,324,926
Depreciation and impairment			
At 1 January 2009	(549,486)	-	(549,486)
Charge for the year	(67,119)	-	(67,119)
Impairment charge	-	(28,446)	(28,446)
Relating to disposals	7,944	-	7,944
At 31 December 2009	(608,661)	(28,446)	(637,107)
Net carrying amount			
At 31 December 2009	2,382,416	1,305,403	3,687,819

At 31 December 2010, the fair value of investment properties, except for investment properties under construction, was AED 3,198,306 thousand (2009: AED 3,206,739 thousand) compared with a carrying value of AED 2,505,089 thousand (2009: AED 2,382,416 thousand).

7 INVESTMENT PROPERTIES - continued

Investment properties under construction mainly include infrastructure development cost for the free zone, staff accommodation, showrooms and convention centre complex. These properties will be capitalised upon completion.

Impairment charge for the current year on investment properties under construction amounting to AED 198,303 thousand (2009: AED 28,446 thousand) relates to the convention centre complex (under construction) and reflects its estimated recoverable amount, due to the decline in the real estate market in Dubai.

The fair value of investment properties was determined by the management based on valuations performed by qualified and independent Chartered Surveyors and Property Consultants. The valuations were performed in accordance with RICS Appraisals and Valuation Standards. The fair value of investment properties under construction was determined based on discounted cash flow method and other investment properties were based on yield method.

In 2009, the fair value of investment properties (including under construction) was determined by the management based on expected future cash flows to be received from renting out the properties discounted at a suitable discount rate in order to calculate the present value of those cash flows.

Significant assumptions applied in determining the fair value of investment properties are as follows:

	2010	2009
Projection period	**5–8 years**	5–8 years
Terminal growth rate	**3%**	3%
Discount rate	**11-11.8%**	10.3-11.3%
Yield rate	**11-13%**	-

With respect to investment properties under construction (other than convention centre complex) of AED 206,464 thousand (2009: AED 401,357 thousand), which are not yet completed, management is of the view that their fair value cannot be determined reliably.

The buildings and infrastructure are constructed on the land for which the Group obtained a usufruct right for a period of 99 years (note 1).

8 LAND USE RIGHT

	2010 AED'000	*2009 AED'000*
Cost:		
At 1 January and 31 December	**8,923,000**	8,923,000
Amortisation:		
At 1 January	**(190,139)**	(100,008)
Charge for the year	**(90,131)**	(90,131)
At 31 December	**(280,270)**	(190,139)
Net book value:		
At 31 December	**8,642,730**	8,732,861

The land use right of the Group is held under a long-term lease arrangement and amortised over the term of the lease of 99 years (note 1).

9 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010 ***AED'000***	*2009* *AED'000*
Trade accounts receivable, net	**22,487**	18,757
Other receivables and prepayments*	**234,160**	5,123
	256,647	23,880

Presented in the balance sheet as:

	2010 ***AED'000***	*2009* *AED'000*
Current assets	**240,470**	23,880
Non-current assets	**16,177**	-
	256,647	23,880

Movements in the impairment provision for trade accounts receivable were as follows:

	2010 ***AED'000***	*2009* *AED'000*
At 1 January	**59,006**	59,006
Charge for the year	**5,731**	-
As at 31 December	**64,737**	59,006

As at 31 December, trade accounts receivable at a nominal value of AED 64,737 thousand (2009: AED 59,006 thousand) were impaired and fully provided.

As at 31 December, the ageing of unimpaired trade accounts receivable is as follows:

			Past due but not impaired				
	Total *AED'000*	*Neither past due nor impaired* *AED'000*	*<30 days* *AED'000*	*30-60 days* *AED'000*	*60-90 days* *AED'000*	*90-180 days* *AED'000*	*>180 days* *AED'000*
2010	**22,487**	**200**	**10,505**	**317**	**664**	**2,979**	**7,822**
2009	18,757	448	3,222	1,029	592	5,789	7,677

* Other receivable and prepayments includes AED 204,088 thousand receivable from the customer of a related party, JAFZA Gazeley FZE. The customer balance was assigned in favour of the Group towards on account settlement of JAFZA Gazeley FZE. The amount was received in full subsequent to the reporting date.

10 CASH AND SHORT-TERM DEPOSITS

	2010	*2009*
	AED'000	*AED'000*
Cash at banks and on hand	**35,529**	29,577
Short-term deposits	**457,926**	-
	493,455	29,577

Short-term deposits are made for periods less than three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

11 SHARE CAPITAL

The share capital of the Group is 100% owned by Economic Zones World FZE. During 2009, the Group increased its share capital by capitalising retained earnings of AED 750 thousand as approved by the shareholder. At 31 December 2010, the share capital comprises 4,268 (2009: 4,268) issued and fully paid shares of AED 1,000,000 each.

12 DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2010, the Group had various interest rate swap contracts for a notional principal amount of AED 4,003,975 thousand (2009: AED 4,003,975 thousand).

The fixed interest rates vary from 4.4% to 5.15% (2009: 4.4% to 5.15%), and the main floating rate is EIBOR. Gains and losses recognised in cumulative changes in the fair value in equity on interest rate swap contracts will be continuously released to the consolidated income statement until the repayment of the Sukuk Al-Musharaka. The fair value of interest rate swaps as on 31 December 2010 was AED 213,592 thousand as a liability (2009: AED 217,028 thousand).

Presented in the balance sheet as:

	2010	*2009*
	AED'000	*AED'000*
Current liability	**106,055**	111,735
Non-current liability	**107,537**	105,293
	213,592	217,028

13 SUKUK AL-MUSHARAKA

On 27 November 2007, the Group issued Trust Certificates (Sukuk Al-Musharaka) for a total value of AED 7,500,000 thousand issued through JAFZ Sukuk Limited and listed on Nasdaq Dubai (formerly Dubai International Financial Exchange (DIFX)) and the London Stock Exchange. The Sukuk Al-Musharaka, which is structured to conform to the principles of Islamic Shariah, matures in 2012 and carries a profit commission rate of 6 month EIBOR plus 1.30% per annum to be paid half yearly.

14 INTEREST BEARING LOAN FROM A BANK

The Group took a rollover facility of AED 367,500 thousand from a local bank for working capital, carrying interest at EIBOR plus 3.5% per annum in 2009. The loan was secured by cash deposit of an equivalent amount placed by a related party. The loan was settled during the year.

15 ACCOUNTS PAYABLE AND ACCRUALS

	2010 AED'000	2009 AED'000
Trade Payable	**111,579**	181,315
Accrued expenses and provisions	**254,658**	348,221
Retentions payable to contractors	**76,159**	141,573
Refundable deposits	**384,942**	348,771
Advances from customers	**42,076**	44,352
Other Payables	**4,261**	4,033
	873,675	1,068,265

Retentions payable and refundable deposits are presented as current liabilities although they may not be payable within twelve months of the reporting date.

16 RELATED PARTY TRANSACTIONS

For the purpose of these 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 the party 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 Ultimate Parent Group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Ultimate Parent Group's management.

Other than those mentioned in note 9, transactions with related parties during the years were as follows:

a. Amounts due from related parties include AED 701,158 thousand (2009: AED 1,633,081 thousand) receivable from the Ultimate Parent. The receivable balance is repayable by December 2019. The receivable balance bears interest @ 2.05% per annum and is payable to the Group at time of maturity. During the year ended 31 December 2010, the Group earned interest of AED 16,690 thousand (2009: AED 13,684 thousand) on amount due from the Ultimate Parent. The receivable balance was impaired to the extent of AED 193,353 thousand (2009: AED 144,966 thousand) due to expected delay in collections.

b. Amounts due from related parties include AED 461,324 thousand (2009: AED 410,865 thousand) receivable from the Parent Company. The receivable balance does not bear any interest, is payable on demand and is expected to be settled within a year.

c. Effective 1 November 2009, the Group leased an office building from its portfolio of investment properties to a related party for a period of 97 years. The total consideration was AED 200,000 thousand. The Group received an amount of AED 180,000 thousand in cash in 2010 and the balance of AED 20,000 thousand in 2010.

As the agreement covers the entire useful life of the building, this investment property has been derecognised as no future economic benefit will accrue to the Group. The gain on this was determined as follows:

	2009 *AED'000*
Total consideration	200,000
Net book value of office building (note 7)	(48,311)
Gain recognised in the consolidated income statement	151,689

16 RELATED PARTY TRANSACTIONS - continued

Transactions with related parties included in the consolidated income statement are as follows:

	Other parent group entities	
	2010	*2009*
	AED'000	*AED'000*
Revenue	**9,345**	28,730
Administration and selling expenses	**97,925**	126,155
Repair and maintenance	**49,871**	36,247
Finance income	**23,682**	13,684
Management charges for the key senior management personnel	**12,164**	8,348

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

	Due from related parties		*Due to related parties*	
	2010	*2009*	***2010***	*2009*
	AED'000	*AED'000*	***AED'000***	*AED'000*
Current				
Shareholder	**461,324**	410,865	**-**	-
Other parent group entities	**111,581**	1,134,682	**11,168**	17,866
Non – current				
Other parent group entity (net of impairment of AED 193,353 thousand (2009: AED 144,966 thousand))	**507,805**	569,365	**-**	-
	1,080,710	2,114,912	**11,168**	17,866

17 COMMITMENTS

Operating lease commitments – as lessor
The Group has commercial property leases on its land for which 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 2009 contain rent review provisions 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 as at 31 December are as follows:

	2010	*2009*
	AED'000	*AED'000*
Within one year	**733,384**	729,126
After one year but not more than five years	**1,450,062**	1,488,200
More than five years	**1,433,842**	1,467,298
	3,617,289	3,684,624

Capital expenditure commitments
The Group's estimated expenditures contracted for at the reporting date amounted to AED 1,015,425 thousand (2009: AED 1,539,200 thousand). These commitments relate to investment properties under construction and are expected to be settled over a period of 5 years.

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to raise finances for the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash that arise directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to interest rate and profit commission rate risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks and ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate and profit commission rate risk
The Group is exposed to interest rate risk on roll over facility taken from bank and profit commission rate risk on its profit bearing Sukuk Al-Musharaka.

The Group manages its interest and profit commission rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, 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 2010, after taking into account the effect of interest rate swaps, approximately 51% of the Group's borrowings are at a fixed rate of interest (2009: 51%).

Interest and profit commission rate sensitivity analysis
The following table demonstrates the sensitivity to a reasonably possible change in interest and profit rate, with all other variables held constant, to the Group’s profit before tax (through the impact on floating rate borrowings) and equity:

	Increase/ decrease in basis points	*Effect on profit before tax AED’000*	*Effect on equity AED’000*
2010	**+10**	**(3,545)**	**6,092**
	-10	**3,545**	**(6,071)**
2009	+10	(3,716)	7,752
	-10	3,716	(5,091)

Foreign currency risk
The Group is not exposed to significant currency risk. The functional currency of the Group is the UAE Dirham and almost all assets, liabilities and income transactions are denominated in UAE Dirham or US Dollar, which is pegged to the UAE Dirham.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and amounts due from related parties) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Credit risk - continued

Trade receivables
Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group provides services to its Free Zone Establishments. Its 5 largest customers account for 47% of outstanding accounts receivable at 31 December 2010 (2009: 37%). The maximum exposure for trade accounts receivable and amount due from related parties is the carrying amount as disclosed in notes 9 and 16, respectively.

Cash deposits
Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. 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 limits its credit risk with regard to bank deposits by only dealing with reputable banks.

Liquidity risk
The Group limits its liquidity risk by ensuring adequate internally generated funds and funds from the Parent group are available when required. The Group's terms of sales require amounts to be paid within 30 days of the date of the invoice.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2010 based on contractual undiscounted payments.

At 31 December 2010

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*5 years AED'000*	*Total AED'000*
Sukuk Al-Musharaka	-	378,159	7,841,923	-	8,220,082
Accounts payable and accruals*	370,498	461,101	-	-	831,599
Derivative financial instruments	-	107,472	111,323	-	218,795
	370,498	**946,732**	**7,953,246**	**-**	**9,270,476**

At 31 December 2009

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*5 years AED'000*	*Total AED'000*
Sukuk Al-Musharaka	-	346,645	8,219,095	-	8,565,740
Accounts payable and accruals*	533,569	490,344	-	-	1,023,913
Interest bearing loan	-	377,185	-	-	377,185
Derivative financial instruments	-	114,057	110,688	-	224,745
	533,569	1,328,231	8,329,783	-	10,191,583

*Includes retentions payable and refundable deposits amounting to AED 461,101 thousand (2009: AED 490,344 thousand) which are presented as current liabilities (note 15), although they may not be payable within twelve months of the reporting date.

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Capital management
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 Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009. Equity balance was AED 5,339,896 thousand as at 31 December 2010 (2009: AED 5,196,754 thousand) which comprises share capital, retained earnings and cumulative changes in fair values.

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and derivatives.

Financial assets consist of bank balances and cash, receivables and amounts due from related parties. Financial liabilities consist of Sukuk Al-Musharaka, interest bearing loan, payables and amounts due to related parties.

Derivatives consist of interest rate swaps.

Fair value is defined as the amount at which the instruments could be exchanged in current transactions between knowledgeable willing parties in an arm's length transaction, other than in a forced period of liquidation sale. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate.

Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 AED '000	*Level 2 AED '000*	*Level 3 AED '000*	*Total AED '000*
Financial liabilities				
Derivatives financial instruments				
2010	**-**	**213,592**	**-**	**213,592**
2009	-	217,028	-	217,028

19 FAIR VALUES OF FINANCIAL INSTRUMENTS - continued

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities approximate their fair values:

	Carrying value		***Fair value***	
	2010	*2009*	***2010***	*2009*
	AED'000	*AED'000*	***AED'000***	*AED'000*
Financial liability				
Sukuk Al-Musharaka	7,500,000	7,500,000	6,618,750	5,775,000

Knight Frank

Economic Zones World

Jebel Ali Free Zone FZE

JAFZ Sukuk (2019) Limited

The Delegate and Joint Lead Managers in respect of the Certificates (each as defined below)

The Investment Agent and Mandated Lead Arrangers in respect of the Islamic Facility (each as defined below)

The Security Agents (as defined below) in respect of the Certificates and the Islamic Facility

1st June 2012

Dear Sirs,

VALUATION OF THE JAFZ REAL ESTATE PORTFOLIO – DUBAI

1 Instructions

Instructions 1.1 We refer to instructions received from Jebel Ali Free Zone FZE ("JAFZ") of April 2012 and to our subsequent Terms of Engagement letter and General Terms of Business for Valuations, to provide a valuation report on a portfolio of commercial, industrial and residential real estate assets at Jebel Ali Free Zone (the "Free Zone") ("the properties").

Client 1.2 Our clients (the "Client") for the purposes of our engagement described in this valuation report are Economic Zones World and JAFZ.

Valuation standards 1.3 This valuation has been undertaken in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (March 2012) Global & UK edition ("the Red Book"). RICS considers that a valuation complying with the Red Book also complies with International Valuation Standards.

Purpose of valuation 1.4 Our Client has confirmed that this valuation report is required for inclusion in the prospectus (the "Prospectus") to be issued by JAFZ Sukuk (2019) Limited (the "Trustee") in connection with the issue by it of U.S.$ trust certificates due 2019 (the "Certificates"), the admission of the Certificates to the official list of the Irish Stock Exchange, the admission of the Certificates to trading on the regulated market of the Irish Stock Exchange, the admission of the Certificates to the official list of securities maintained by the Dubai Financial Services Authority and the admission of the Certificates to trading on NASDAQ Dubai. Accordingly, this valuation report is addressed to the Trustee and the joint lead managers (the "Joint Lead Managers") of the issue of the Certificates and the delegate (the "Delegate") in respect of the Certificates, in each case whose names appear in the Prospectus.

Our client has also confirmed that this valuation report is required for the purposes of the entry into by a number of financial institutions (the "Mandated Lead Arrangers") of the Islamic Facility (as defined and more particularly described in the Prospectus). Accordingly, this valuation report is addressed to the Mandated Lead Arrangers and the investment agent (the "Investment Agent") and the security agents (the "Security Agents") in respect of the Islamic Facility.

Holders of the Certificates and the participants in the Islamic Facility will benefit from a legal mortgage granted by JAFZ over its usufruct right described in paragraph 2.3 below. The portfolio of assets described in section 2 below has been created pursuant to leases and other arrangements or rights exercised or exercisable by or on behalf of JAFZ pursuant to such usufruct right.

Conflict of interest

1.5 We confirm that we have no current or recent fee earning involvement with the properties, the Client or any other party connected with this transaction and that we have no conflicts of interest in providing this report to you.

1.6 We are acting as External Valuers.

Responsibility to third parties

1.7 Our valuation report is only for the use of our Client and the other addressees listed above and no responsibility is accepted to any other party for the whole or any part of its contents.

Disclosure & publication

1.8 Notwithstanding paragraph 4 (Disclosure and Publication) of our General Terms of Business, we acknowledge that the Property Valuation Report is for the use only by the addressees of this Property Valuation Report and may be relied upon by each of them in connection with the transactions described in paragraph 1.4 above.

Expertise

1.9 The valuers, on behalf of Knight Frank UAE Limited, with the responsibility for this report are all based in the United Arab Emirates. Parts of this valuation have been undertaken by additional valuers, as listed on our file in accordance with VS1.6.4 of the Red Book. We confirm that Knight Frank UAE Limited's valuers and additional valuers meet the requirements of RICS Valuation – Professional Standards VS 1.6, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

Vetting

1.10 This report has been vetted as part of Knight Frank UAE Limited's quality assurance procedures.

Scope of enquiries & investigations

Inspection

1.11 We were instructed to carry out inspections of all the properties. Our inspections of the properties were undertaken over the course of Sunday 29th April and Monday 30th April 2012.

Almost all the properties inspected were leased out; therefore access to many demised areas was restricted due to tenant's occupation. Floor areas for the properties have been provided by JAFZ and have been relied upon for the purposes of the valuation. Check measurements were taken in a small sample of buildings for verification purposes but due to the quantity of assets under consideration, this was not possible for every property.

Enquiries

1.12 In carrying out this instruction we have undertaken verbal / web based enquiries. We have relied upon this information as being accurate and complete.

1.13 The enquiries undertaken by us in this instruction have been limited in the following respect: e.g. restriction on planning enquiries; assumed floor areas etc.

Information provided

1.14 In this report we have been provided with information by JAFZ, its advisors and other third parties. We have relied upon this information as being materially correct in all aspects.

1.15 In particular, we detail the following:

- Tenancy schedules detailing rents payable, lease commencement and expiry dates
- Information relating to the occupancy of the property i.e. whether leased or vacant
- Floor areas of each demised / leased area
- Physical description / notation of the assets
- Operational expenses relating to each asset or group / cluster of assets provided by JAFZ / Imdaad (Facilities Manager for the Free Zone)

1.16 In the absence of any documents or information provided on certain items, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are set out below.

Assumptions

1.17 We have been supplied with certain information from Economic Zones World / JAFZ and made the following assumptions:

- Knight Frank have relied upon tenancy schedules detailing current rents payable, lease commencement and expiry dates
- Knight Frank have relied upon information relating to the occupancy of the property i.e. whether leased or vacant
- Knight Frank have relied upon floor areas of each demised / leased area which have been provided by the Client
- Knight Frank have assumed that in a sale of any assets, the transfer fees would be split equally between the buyer and JAFZ. Transfer fees upon a sale of property in Dubai are payable to Dubai Lands Department, and are split equally between vendor and purchaser. In the Jebel Ali Free Zone, transfer fees are 4% of the sale value, hence these fees would be split between the buyer and JAFZ.
- Knight Frank have valued each property individually and not as part of a portfolio
- Knight Frank have relied upon the operational expenses which have been provided by JAFZ and Imdaad as they pertain to groups of buildings.

Valuation bases

1.18 In accordance with our instructions, we have provided opinions of value on the following bases:-

Market Value (MV)

1.19 The Market Value of the unexpired usufruct interest in the land assets in their current physical condition, subject to any existing ground leases.

The Market Value of the unexpired usufruct interest in the commercial, industrial and staff accommodation residential assets, subject to the occupational leases.

Valuation Date

1.20 The valuation date is 31st March 2012.

2 The Portfolio

Portfolio Description

Location

2.1 The Free Zone is situated around the Jebel Ali Port, some 45 km south of Dubai in the United Arab Emirates. The city of Abu Dhabi is situated approximately 120 km to the south via the Sheikh Zayed Road (Highway 11). The Free Zone is divided into North and South Zones by the Sheikh Zayed Road, the major highway in the UAE which links Abu Dhabi in the south with Dubai, Sharjah and the Northern Emirates. The South Zone bounds, and is linked with a highway and bridge to the new Al Maktoum International Airport, currently in operation for freight and soon to be open for passenger flights, and which will become one of the world's largest on completion. It is located adjacent to two major air and sea transportation hubs and the UAE's main arterial highway, providing excellent access to the other Emirates.

Description

2.2 The assets under consideration comprise a portfolio of land and commercial / industrial investment assets as follows:

- Land – total 29 million sq m (22.7 million sq m (leased), 5.9 million sq m (vacant)) split between the North Zone and the South Zone.
- Office portfolio – 95,621 sq m of leasable space across 20 buildings
- Warehouse portfolio – 592,296 sq m of leasable space across 1,072 units
- Customized warehouse portfolio – 62,871 sq m of leasable bespoke warehouse and ancillary office space
- Staff Accommodation portfolio – 8,128 rooms of varying sizes and configurations
- Food Courts – 5,877 sq m of leasable retail space

All such assets are located within the Free Zone and comprise the significant majority of the assets of JAFZ. The properties being valued do not include JAFZ's assets in respect of the Convention Centre.

The properties which are the subject of this valuation report are not freehold assets of JAFZ. Instead, all such properties have been created pursuant to leases and other arrangements or rights exercised or exercisable by or on behalf of JAFZ pursuant to the usufruct/concession arrangements referred to in paragraph 2.3 below. Such usufruct interest grants JAFZ the right to lease land and buildings located within the Free Zone for the remaining term of such usufruct interest.

Tenure 2.3 All the assets are held on the basis of a 99 year usufruct concession / right which was granted by the Government of Dubai, acting through the Jebel Ali Free Zone Authority ("JAFZA"), to JAFZ. This was granted on 22nd November 2007 and expires on 21 November 2106, having 94 years + unexpired.

Property Plan 2.4 A plan showing the approximate extent of the property described in the valuation report is shown below (for identification purposes only):

Market Value

Assumptions 2.5 Our valuation is necessarily based on a number of assumptions set out in our General Terms of Business and Terms of Engagement Letter.

Key assumptions 2.6 We would in particular draw your attention to key assumptions that are particularly relevant and important:

- That the Free Zone will continue to enjoy its free zone status and its tenants will continue to enjoy all the benefits of establishment in the Free Zone for the remainder of the usufruct concession
- The transfer costs payable on any sale would be split 2% vendor and 2% purchaser.

Market Value 2.7 We are of the opinion that the Market Value of the unexpired usufruct interest in the properties, subject to the existing tenancies, at 31st March 2012 is:

AED 13,892,300,000

(Thirteen Billion, Eight Hundred Ninety Two Million, Three Hundred Thousand UAE Dirhams)

Valuation analysis 2.8 The table below sets out the split of values by asset type:

Table 1:

Asset Type	Market Value AED
Offices (LOBs)	1,517,623,000
Warehouses (LIUs)	2,432,581,000
Staff Accommodation	1,180,625,000
Customized Warehouses	301,826,000
Food Courts	74,755,000
Land	8,384,888,000
Total AED (rounded)	**13,892,300,000**

Rent Analysis 2.9 The current gross rental income from the portfolio is AED 1,168,034,300 per annum.

Office Assets

Summary

2.10 The commercial office portfolio comprises a mix of low rise, older office buildings constructed in the mid to late 1990s, together with more modern high rise office towers built in the last 2-3 years. The office buildings are described with an LOB reference (Leased Office Building) and a number e.g. LOB 1, LOB 2 etc. There are approximately 20 office buildings within the portfolio.

2.11 The total leasable area of all the offices in the portfolio is approximately 95,621 sq m The majority of the office buildings are clustered around the main Gate 4 entry. JAFZ itself occupies space in buildings LOB 14 and LOB 15.

2.12 The office portfolio enjoys high levels of occupancy across the different office building types (portfolio average occupancy is 92%).

2.13 **Rental Income**

The current rental income from the office portfolio is AED 178.7 million per annum gross. These rents are inclusive of DEWA (Dubai Electricity and Water Authority) charges and repairs and maintenance.

Office Portfolio Summary

2.14 The summary value of the office portfolio is as follows:

Market Value - AED 1,517,623,000

Warehouse Assets

Summary

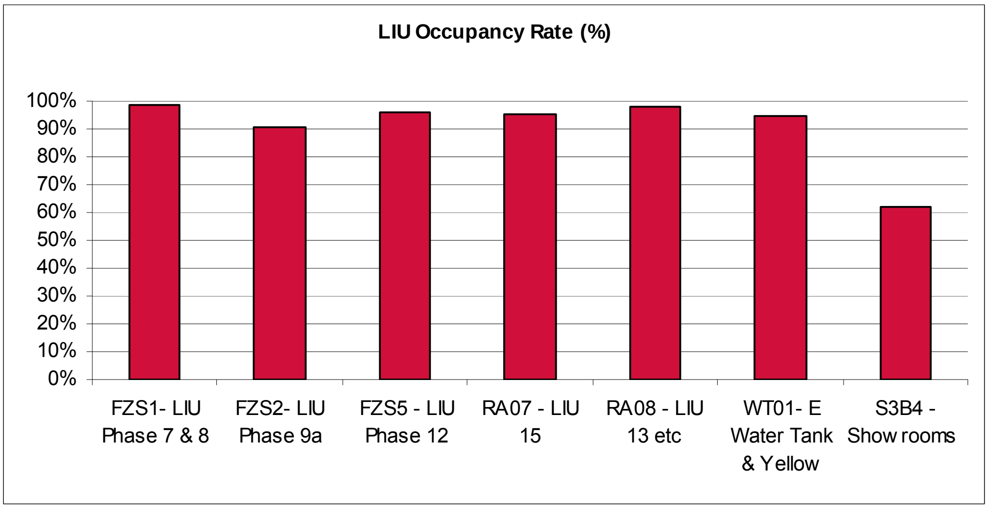
2.15 The main warehouse portfolio comprises a mix of industrial estates, constructed from the 1990s onwards, and varying in age and condition. The warehouses are described with an LIU reference (Light Industrial Unit) and a number e.g. LIU 3, LIU 15 etc. There are approximately 1,072 individual LIUs and occupancy currently runs at approximately 94%.

2.16 The warehouses (LIUs) are spread fairly equally between the North and South Zones and the newer units tend to be found within the South Zone. Units include showroom / starter units, traditional small industrial starter units and are arranged in terraces or small estates. All the industrial units are leases on one year lease agreements, which are renewable.

2.17 The total leasable area of all the warehouses in the portfolio is approximately 592,296 sq m. The units tend to be quite small, as companies with large space requirements typically take a ground lease and construct their own facility bespoke to their own requirements.

2.18 **Occupancy**

The LIU portfolio includes a range of older, dated units and some newly built showroom units. All are generally well maintained and the occupancy levels across the portfolio are very high as can be seen in summary below:



Source: Knight Frank

The portfolio average occupancy is 94%.

2.19 **Rental Income**

The LIU portfolio has a current rent roll (gross) of AED 256.2 million per annum.

Warehouse Portfolio Summary

2.20 The summary values of the buildings comprising the warehouse portfolio are as follows:

Market Value - AED 2,432,581,000

Staff Accommodation Assets

Summary

2.21 The staff accommodation in the portfolio comprises a mix of low rise, dated accommodation from the 1990s and some much newer, more modern high rise accommodation which has been recently built in the South Zone. JAFZ is in the process of identifying some of the older prefabricated portakabin style staff accommodation for demolition, and hence those assets have not been considered in this valuation.

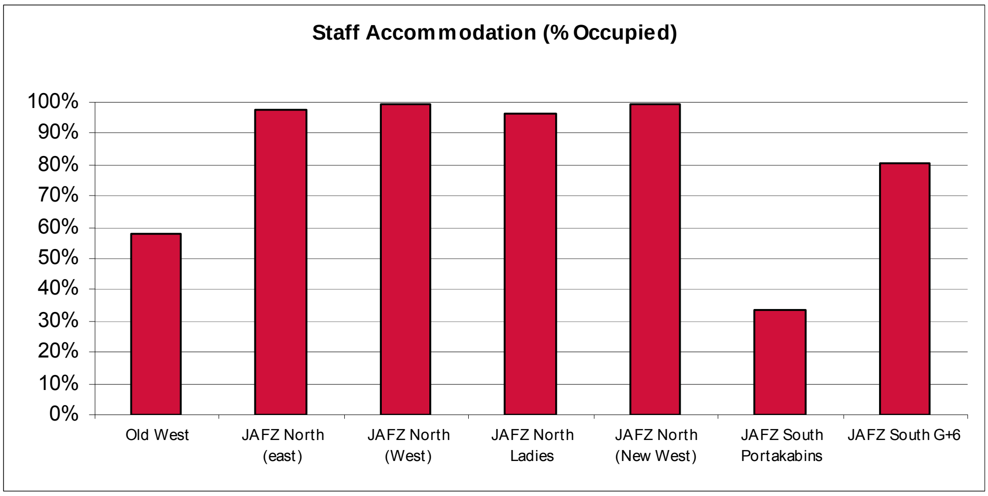
2.22 The staff accommodation is clustered in three main areas in the Free Zone. The older accommodation is found in the North Zone (East), which is a cluster of low rise, dated blocks, not too far distant from Roundabout 5 in the North Zone and Gate No. 3. The accommodation blocks are generally uniform externally, but blocks typically provide three main types of accommodation – Junior, Senior and Labour rooms.

2.23 The newer accommodation is found in a purpose built workers' village in the South Zone and is laid out in an apartment style of development, with mid rise blocks set in landscaped gardens, with security gates and central community facilities and a shopping mall. These facilities have been built in the last three years.

2.24 The accommodation has been generally well maintained and repaired, although some of the older accommodation blocks appear quite tired, as you would expect for a property of over 15 years old, given the use. The portfolio under consideration provides for 8,128 rooms with an overall portfolio occupancy of 88% at the time of this report.

2.25 **Occupancy**

Occupancy levels across the portfolio are very high as can be seen in the summary below:



Source: Knight Frank

2.26 **Rental Income**

The current gross rental income from the staff accommodation assets is AED 227,173,970 per annum.

Staff Accommodation Summary

2.27 The summary values of the buildings comprising the staff accommodation portfolio are as follows:

Market Value - AED 1,180,625,000

Customized Warehouses Assets

Summary

2.28 The portfolio includes a number of warehouses which are not standard, speculative built units, but are bespoke and much larger than the small units found in the many estates within the Free Zone. These are five in number and are split between the North Zone and South Zone.

2.29 The customized warehouses are held on longer occupation leases by corporate tenants and range in size from 10,000 sq m to 30,000 sq m. There are three warehouses that have been bespoke built for corporate occupiers, including Hitachi, Goodrich and Hellman Logistics. These are held on occupational leases with unexpired terms of 5-10 years. The other two assets include a vacant warehouse known as Chinamex, and a warehouse and office asset known as PVAXX.

2.30 **Occupancy**

The customized buildings, with the exception of Chinamex Warehouse which is vacant, are all virtually fully occupied.

2.31 **Rental Income**

The gross annual rental income from the customized units totals AED 27,808,105 per annum.

Customized Warehouse Summary

2.32 The summary values of the buildings comprising the customized warehouse portfolio are as follows:

Market Value - AED 301,826,000

Usufruct Land Rights – Leased and Vacant

Summary

2.33 JAFZ benefits from usufruct rights / concessions for a term of 99 years on all the lands in its portfolio in the North and South Zones, which expires on 21 November 2106. The vast majority of JAFZ's land plots are leased out to free zone companies on ground leases of five to 15 years in length, enabling free zone companies to develop their own bespoke facilities to their own design and specification (subject to planning).

2.34 There are a total of approximately 1,100 tenants, who occupy circa 1,552 leased plots of land at the time of this report. These ground leases represent a total land area under lease of 22,695,138 sq m. The available lands (not yet leased but available for lease) are predominantly in the South Zone, and extend to 5,924,727 sq m at the time of this report. There is a further 457,584 sq m of land which is classified as being "reserved" or "allocated". This provides for a total land area of 29,077,468 sq m.

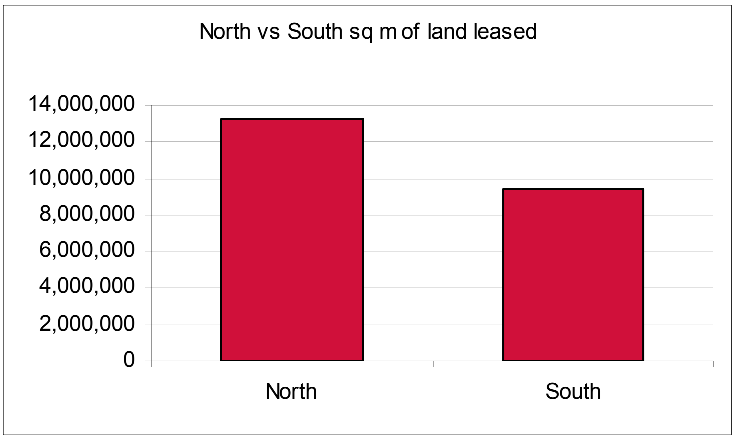
2.35 Ground rents are typically charged annually in advance. The lessee is fully responsible for maintenance and utility costs associated with his plot of land and any building subsequently constructed thereon. Renewals for ground leases are six months in advance of expiry.

2.36 Where tenants have taken a ground lease and constructed their own facility, there is generally a substantial capital cost associated with this, and as a result of these high sunk costs, there are very few tenants who default, or fail to renew their ground lease upon expiry. If a tenant does default or fails to renew, both land and improvements upon it then all revert back to JAFZ, leaving JAFZ with an asset which is capable of being leased or sold and therefore an income or capital sum being obtained.

Portfolio Overview

2.37 **Occupancy**

78% of the land plots in JAFZ are currently leased with 22% still available to lease. The total land area is over 29 million sq m.



Source: Knight Frank

Usufruct Land Rights Summary

2.38 Our opinion of the Market Value of the land portfolio is summarised as:

Market Value - AED 8,384,888,000

Food Court Assets

Summary

2.39 There are four separate food courts in the JAFZ portfolio. These have been developed by JAFZ to provide a service for the tenants of the Free Zone, as there are very few retail outlets or places to eat in the industrial zones generally. The established food courts appear to be well used – the one by the office cluster at LOB 15 is close to the main gate 4 and the main office hub.

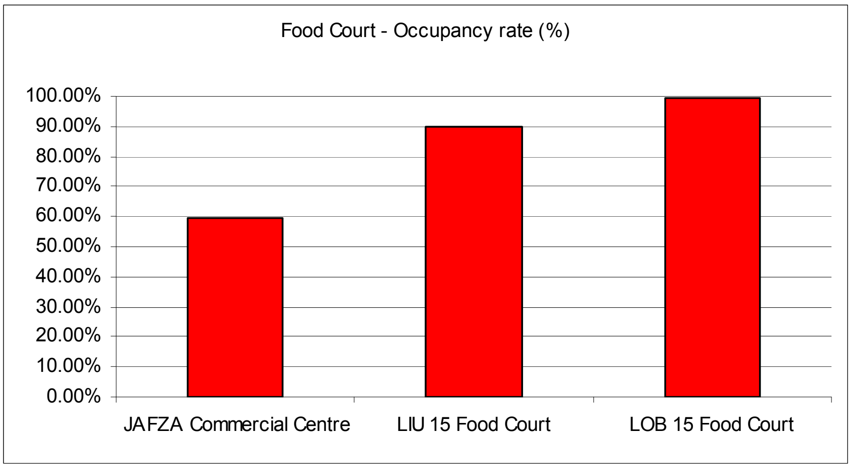
2.40 The food courts are typically single or two storey modern buildings which are configured with food and beverage kiosks and kitchens around the perimeters of the building and large indoor dining areas. The actual efficiency of these buildings is poor, with lots of common areas and circulation space, and the actual leased areas are minimal. The dining areas are fully air conditioned and additional amenities often include ATMs which are a source of income, standalone kiosks etc.

2.41 Typical tenants include coffee shops and fast food takeaways, catering to the western and Asian sub-continent markets. Rents range from AED 1,500 to AED 4,500 per sq m generally, depending on floor level, location and prominence within the centre. All generally have good parking outside at grade and are situated in locations with a high concentration of office or warehouse staff.

2.42 We have been provided with ballpark operating expenses for the existing assets. One of the four food courts is vacant and un-let – this is situated in the South Zone. The chart below shows the occupancy levels currently across the food courts:

2.43 **Occupancy**

LOB 15 Food Court is the most established and central food court, adjacent to the JAFZ HQ and close to a concentration of offices.



Source: Knight Frank

Food Court Summary	2.44	Our opinion of the Market Value of the food court assets is: **Market Value - AED 74,755,000**

3 Valuation

Methodology

3.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Investment method

3.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

Offices

3.3 For the office assets (LOBs) which are let on inclusive rents, we have deducted the operating expenses and DEWA costs associated with each individual building or group of buildings to obtain a net rent. Upon expiry of each lease, we have assumed the rent would revert to our opinion of Estimated Rental Value (ERV). Lettings voids have been reflected on vacant space, ranging from 3 – 6 months generally. We have also reflected the likelihood of churn and some tenants leaving, and have allowed for expiry voids on a certain % of the tenants in each building to reflect the fact there will be a period of no rent while one tenant moves out and the space is re-let. A capitalisation rate has been applied to the net income. Purchasers' costs have been deducted to provide the net Market Value.

Industrial

3.4 The LIUs have been valued with the same approach, however the rents are not inclusive rents and the operating expenses are thus much lower as a percentage of gross income. We have valued the term income and assumed at expiry that leases are renewed at our opinion of the ERV. We have adopted similar letting voids on vacant space and allowed for expiry voids in the units of 3 months across 10 – 25% of all units depending on which scheme to allow for churn and movement of tenants. A capitalisation rate has been applied to the net income. Purchasers' costs' have been deducted to provide the net Market Value.

Customized Warehouses

3.5 The customized units have been considered generally via the investment approach as above, but specific regard has been had to the passing rent under the occupation lease and the rent review provisions where the lease is not annual. We have capitalised the term income until rent review or expiry, and then capitalised the reversion in line with our opinion of the ERV. The reversionary yield applied is slightly higher than the term yield reflecting the uncertainty at review / expiry.

One of the older assets is currently vacant and for the vacant warehouse, we have considered this on both an investment basis but also on vacant possession basis given its age and the fact that warehouses do "sell" in the Free Zone when transferred between companies. We have looked at capital values per sq m and applied an appropriate rate to the subject, reflecting its condition, need for repair and particular property specifics.

Staff Accommodation

3.6 The workers accommodation is leased almost on a room by room basis, although there are some corporate lets (bulk) these are not sizeable, and in all cases are on annual tenancies, so income is short term.

The rents are inclusive of DEWA and repairs and maintenance, which in some cases runs at over 50% of gross revenues from the buildings. We have undertaken the valuations via a discounted cash flow analysis, considering the occupancy levels now and assumed stabilised levels over time and allowing for OpEx cost growth as the older buildings age further.

Usufruct Land Rights

3.7 We have considered the two types of land assets – leased and vacant, both having regard to the investment approach, given that the lands are for lease.

The existing leases have been valued on a term and reversion basis, each individual lease being analysed to determine the current rent and an assumption on rent review or lease expiry that the rent will revert to our opinion of the ERV or will increase as per the rent review clause in the lease (full assumptions stated in the report). We have deducted operating expenses associated with the land portfolio, which currently equate to around 4% of gross revenue, in order to arrive at a net income. Capitalisation rates have been applied having regard to the unexpired term on the leases, with the longer unexpired terms being more attractive and safe, but with the knowledge that in the event of default, the land and property revert to the Lessor, which could actually provide some upside for the shorter unexpired terms.

The vacant land plots have been considered via a discounted cash flow analysis, with assumptions being made on phasing of leasing of the vacant lands over 10 years and a capitalisation rate being applied to the unexpired usufruct terms, discounted to reflect the risks on the future leasing income.

Valuation considerations

3.8

- The portfolio enjoys high occupancy levels and a wide range of asset types, but the largest element from a value perspective is the usufruct land rights, which make up 60% of the overall portfolio value.
- The leased ground rent portfolio is reversionary and will allow for substantial rental growth upon subsequent rent reviews and lease renewals.
- There are substantial vacant land assets which are not yet leased nor income producing, and which will enhance cash flow above the existing levels substantially when leased.

Capitalisation Rates 3.9 We have adopted the following yields in our valuation calculations:

Asset	Capitalisation Rate
Office buildings	10.0% - 11.0%
Industrial units	11.5% – 12.0 %
Staff Accommodation	12.5%
Customized warehouses	8.25% - 11.25%
Food Courts	10.0% – 11.5%
Land Plots	**Capitalisation Rate**
Vacant plots	8.5%
Leased plots < 5 yrs unexpired	8.5%
Leased plots > 5 yrs < 10 yrs unexpired	8.0%
Leased plots > 10 yrs unexpired	7.5%

Valuation bases

Market Value 3.10 Market Value is defined within RICS Valuation – Professional Standards as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Portfolios 3.11 In a valuation of a property portfolio, we have valued the individual properties separately and we have assumed that the individual properties (or groups of properties) have been marketed in an orderly way.

Valuation Date

Valuation Date 3.12 The valuation date is 31st March 2012.

4 Competition

Introduction 4.1 JAFZ has been successful in attracting many new companies wishing to set up in a free zone, as it is able to offer advantages such as the following:

- Repatriation of profits
- Tax free
- 100% foreign ownership
- Direct access to Port and good access to Airport
- Excellent infrastructure
- An abundance of available, good quality property to lease
- An abundance of fully serviced land to lease
- An abundance of on site residential (staff) accommodation
- One stop shop for visa, licences, RTA etc.

It has continued to perform well and attract new business despite the world financial crisis and ongoing slow growth globally.

Competition 4.2 There are numerous industrial zones in Dubai, many of which are very focused on particular industry sectors, and therefore will not compete directly with the Free Zone, however there are industrial / trade free zones which will seek to attract similar industries and occupiers. In addition, there is the new Khalifa Port and Industrial Zone at Taweelah which is being supported tremendously financially by the Abu Dhabi Government and is actively bringing in major industrial occupiers as well as developing speculative warehousing, both free zone and non free zone, which will therefore act as some competition to the Free Zone.

Kizad 4.3 Kizad will be developed around the Khalifa Port and will extend to 417 sq km when completed, according to the master plan, which equates to 55% of the area of Singapore. At a development cost of AED 7.2 billion, the port total area will be 9.1 sq km and will be the only automated container terminal for 3,000 miles. It has a planned capacity of 15 million TEUs and 35 million tons of general cargo.

Kizad will develop an initial phase of free zone warehouse, on a pre-lease / pre-build basis for occupiers at Khalifa Port. These are targeted at downstream occupiers who have operations associated with the Port and the heavy / medium / light industries that will ultimately be operating around the new Port.

Key USPs for Kizad in terms of attracting occupiers / tenants are:

- High specification warehouse product to be higher quality than competitors
- Free zone status within Abu Dhabi
- Direct Etihad Rail access from Kizad when network complete

- Unit power capacity of 415 v
- Electrical load of 185-300 watts per sq m
- Container capacity of 15 million TEUs pa

Kizad are investing heavily in their industrial real estate to support the port and industrial development. Their first phase of industrial development will comprise 200,000 sq m of brand new, pre-built warehousing, with units ranging in size from 1,050 sq m to 2,150 sq m. Approximately 50% of the warehousing will be classed as free zone, i.e. attracting offshore occupiers, whilst the other 50% will be non free zone, or onshore property. It is intended to offer long leases of up to 10 years in length, with fixed rental escalations, however occupiers will also be able to take 1 year leases. The road and utility infrastructure for these properties is incomplete, and will not be ready until at least 2013, and commercial tenants will be unable to take occupation of any warehouses until at least 2013 / 2014.

Quoting rents on the free zone units (off plan) are AED 400 per sq m and on the non free zone units are AED 350 per sq m (off plan). These rents are inclusive of service charge, and tenants are charged separately for waste and electricity. The longer leases will have annual rental increases ranging from 3% to 5% and rent free periods are being offered as incentives from 1 – 12 months depending on lease term. The eaves height on these units is 7 metres, and the floor loading are 25 KN per sq m, meeting European specifications and loading per unit will be via 2 dock levellers and a single ramp. Toilets and kitchens are being included in the space, but tenants can configure their own office up to 10% of the floor area.

We understand there is circa 20,000 sq m of space (off plan) currently under offer at the rents quoted above.

Dubai Investment Park 4.4

Dubai Investment Park is a master planned industrial development area with existing commercial and residential components. The industrial accommodation currently available has been built by the master developer for lease, or by sub-developers for owner occupancy and or sub-lease. A sub-leasing fee of 15% is applied to all annual leases and is often charged to the tenant on top of the rent. The quality and size of units vary significantly, with newer projects generally being better quality and of larger size. The warehouses generally range in size from 350 – 850 sq m with the provision to combine units. The eaves heights are 5-6 m and the power capacity 15-25 kw. Although the demand for ramped units is high, there are generally very few ramped units in DIP, but there is the provision to have them installed. The achieved rental rates for warehousing at DIP for large, modern space is AED 250 to 280 per sq m.

Dubai Industrial City 4.5

Dubai Industrial City's master plan comprises pre-built warehouse units developed by Dubai Investments, land plots to build your own facility (like in the Free Zone) as well as residential (one residential villa development under construction) and commercial components (4 mid rise buildings completed). Sub-leasing is not an option in DIC.

Light Industrial units range in size from 465 to 930 sq m, with the provision to combine the units. Rental rates of AED 185 per sq m exclusive of any occupational costs. The office accommodation at DIC is modern, well specified space, but somewhat isolated with few if any amenities and facilities around it to date. Rents are low as the DIC is not a free zone, hence the Emirates Road location is difficult to lease and non free zone rents are soft in fringe locations such as this. As DIC is not a free zone, it does not offer its tenants the same benefits as the Free Zone, nor does it offer one stops shops for tenant services, food courts, a range of property options or Port and Airport access.

Jebel Ali Industrial

4.6 Jebel Ali industrial area is a non free zone, non master planned industrial development area, predominantly comprising factories, industrial warehousing and labour accommodation. The majority of projects were built for owner occupation with only limited small sized units such as JAFZ's LIUs. The warehouses / light industrial units are 200-300 sq m in size, thus smaller in general than those located in the Free Zone. Rental rates are at circa AED 270 per sq m per annum, as there is still some value to being situated relatively close to the port.

We do not view Jebel Ali industrial as a real competitor to JAFZ, as it appeals to a different type of local occupier and is not a free zone.

Dubai Maritime City

4.7 DMC is a free zone, situated very close to the centre of Dubai and has direct water access for ship berthing and repairs. Situated over 2.27 million sq m of land, it is a master planned development which has stalled due to financial difficulties and was promoted as a global maritime hub at conception. It offers free zone licences to tenants in the maritime industry, and the master developer has built its own warehouses and workshops for lease to third party occupiers. There is also a large staff accommodation block which was under construction but has been halted indefinitely.

The business model was to self develop an industrial area for lease to third parties and to house the ship repair operators that would be moved out of Jaddaf, the existing ship repair facility on Dubai Creek. The other part of the development was master planned and infrastructure put in for third party development of plots for high rise residential and commercial use.

No plots have been developed to date; infrastructure work is still three years from completion and not all of the industrial area yet has power and utilities to enable them to operate. The infrastructure is incomplete and access is likely to be congested upon further development and occupation. Rent for the warehouse and workshops that have been completed are circa AED 350 per sq m, some way below those being achieved at the Free Zone for the LIUs. In addition, some small land plots are available for lease for third party occupiers, we understand few, if any have been leased, with asking rents of AED 90 per sq m, which is much higher than asking rents at the Free Zone.

Conclusions 4.8 The majority of the other industrial developments in Dubai are non free zone, and do not cater to companies seeking 100% foreign ownership etc. The other free zones that do have good quality accommodation and are able to achieve good rental levels include DAFZ (Dubai Airport Free Zone) and TECOM but neither of these are particularly industrial focussed and are very specific in their industry segment – i.e. Airport related trade and logistics, IT and Media.

Kizad has the weight of the Abu Dhabi government behind it, and has already delivered a major aluminium smelting plant, EMAL. There are discussions in final stages for a number of major industrial facilities to take land at Khalifa Port and the size of the zone planned will mean that it will be able to accommodate substantial facilities. We believe it will appeal more to heavy industry and downstream chemicals and manufacturing uses, rather than trade, import and export, logistics and port related, which are the backbone of occupiers of the Free Zone.

Our discussions with tenants in the Free Zone is that they view Kizad very much as an unknown quantity, but somewhat complementary to the Free Zone, as Kizad is focusing on primary industries, whereas the Free Zone is a focused trade and logistics hub.

5 Property risk analysis

General comments

General Comments 5.1 We summarise the property related risks which we have identified as part of our valuation report and which we consider should be drawn to your attention. This summary should not be taken to be exhaustive. Nothing in this section should be construed as being a recommendation of taking any particular course of action.

SWOT Analysis

Strengths	Weaknesses
• Diversified portfolio by asset class – land, offices, industrial, customized units. • High occupancy rates across all asset classes • Well maintained and repaired assets • Loyal tenant base, high renewal % • World class infrastructure – road and port and linkage with Airport	• Annual tenancies on most built assets – short contracted income (but high renewal rates, so this is obviated). • Some old properties in the portfolio – will have higher opex costs as they age further
Opportunities	**Threats**
• Opportunity to self develop plots of land if needed • Defaults on ground leases could provide some upside in terms of land and buildings would revert to Lessor • Opportunity to split portfolio and dispose • Vacant land could potentially be “sold” for the unexpired term of the usufruct for a premium if the leasing of land was slow	• Competition from other industrial free zones – Kizad. • Vacant land may be slow to lease up and be income producing

Risks relating to the property

Location 5.2 This location is one in which industrial uses predominate. The excellent infrastructure, proximity to the Jebel Ali Port and the logistics corridor which links JAFZ South to the Al Maktoum International Airport mean that this is a prime location for its particular use.

Obsolescence	5.3	The properties are well maintained and repaired, however some of the buildings are 15+ yrs old and will require upgrading and modernisation over the next few years to maintain the useful life.
Condition	5.4	The properties in the portfolio are generally very well repaired and maintained. The older industrial units have some cosmetic repair work needed to cladding and around loading bays, and the older staff accommodation blocks are in need of some decoration and cap ex in places. The buildings have a preventive maintenance programme which services and repairs all plant and machinery across the portfolio which serves to extend its useful life as best as possible.
Statutory licences	5.5	The values reported in this report are very much dependent on the Free Zone maintaining its free zone status, which in turn allows it to charge tenants the premium rents, which tenants are willing to pay due to the tax free status and repatriation of profits etc. If the benefits to tenants are taken away then they will be unable to pay the current rents passing.
Legal title	5.6	Any legal title issues are matters which should be referred to your legal advisers.

Income risks

Tenant covenant	5.7	We consider the ground rent portfolio has a very low risk of default, as the tenants sink considerable capital costs in to any building constructed on the land and therefore the default rate is very low.
Cash flow	5.8	There are a number of office floors and industrial units which are currently owner occupied by JAFZ, hence no rent is being charged or collected from these units. Our valuation assumes that on a sale these would be let on typical leases at our opinion of ERV.
Reletting	5.9	The renewal rate across the portfolio is high, however we have reflected letting voids and expiry voids in our cash flow models. Due to the high demand generally, these income voids have been projected to be between 3 – 12 months for individual units.

Economic & property market risks

Macro economic / political risks	5.10	The UAE is considered a very safe haven and regionally one of the best places to do business. Trade and business at the Free Zone is dependent heavily on import and export and is a logistics hub, which relies heavily on the port and airport. Should there be any political problems with Iran which leads to closure of shipping channels and disrupts port operations medium term this could directly affect businesses in the free zone and long term viability.
Demand from owners / occupiers	5.11	Demand and waiting lists for property in the Free Zone are strong, witnessed by the low vacancy rates within the portfolio. We consider that as the market improves demand will improve accordingly.
Availability of	5.12	The appetite of lenders to real estate in Dubai is currently limited, with many lenders having reached their limits enforced by the Central Bank of the UAE, or only willing to

finance		provide finance to properties with long term income streams. We consider that the assets would however be viewed positively from a lender's perspective given the success of the Free Zone and there would be local and regional financiers willing to provide debt for asset purchases in the portfolio.
Liquidity of the property type / Time to sell	5.13	The lot sizes under consideration in this portfolio are substantial, and as single assets would have a limited number of potential purchasers. If the portfolio was split up into small chunks then it would be easier to dispose of, however this would then involve a reasonable number of lots.

Valuation risks

Quality / quantity of comparables	5.14	The comparables of most use are within the Free Zone itself, as the Free Zone is a captive market to some degree which can set its own rents within reason.
Assumptions & special assumptions	5.15	We have assumed that JAFZ retains its free zone status and all the associated benefits, as this is a key driver for value, given that rents inside the free zone are at a premium to non free zones.

Risks relating to the terms of the instruction

Inspection	5.16	In the timeframe and given the number of units in this portfolio it was not possible to inspect internally all the individual units in the portfolio, nor measure each building. We have been provided with area schedules by the landlord of all land and buildings, and where possible we have taken sample check measurements to verify these. However, we have only inspected / measured a small number of the assets.

Suitability for loan purposes

5.17 We consider the property offers good security for loan purposes. The fact that the land plus property built upon it will revert to the usufruct holder upon any default means that the land assets are reversionary and more value may be realised in the event of default, i.e. there is good upside value in the event of default by ground lease holders. Additionally, although the leases on the offices and warehouses are short, there is a strong and loyal historic tenant base which offers security of income.

Use of Report

Knight Frank UAE Limited hereby consents to the inclusion of this report in the Prospectus of JAFZ Sukuk (2019) Limited. This valuation report is for the use only of the following parties:

(a) The addressees of this Report;

and may be relied upon by each of them in connection with the transactions described in paragraph 1.4 above.

Neither the whole nor any part of this valuation report nor any reference thereto may be included in any other published document, circular or statement, nor published in a way without our written approval of the form and context in which it is to appear.

Yours faithfully,

Stephen Flanagan MRICS, Registered Valuer

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