Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2015 (UNAUDITED)

Ernst & Young
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ABU DHABI NATIONAL ENERGY COMPANY PJSC ("TAQA")

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Abu Dhabi National Energy Company PJSC ("TAQA") and its subsidiaries (the "Group") as at 31 March 2015, comprising of the interim consolidated statement of financial position as at 31 March 2015 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst + Young

Signed by:
Anthony O'Sullivan
Partner
Ernst & Young
Registration No. 687

12 May 2015
Abu Dhabi

INTERIM CONSOLIDATED INCOME STATEMENT
Three month period ended 31 March 2015 (Unaudited)

	Notes	*Three months period ended 31 March 2015 AED million*	*Three months period ended 31 March 2014 AED million*
Revenues			
Revenue from oil and gas		**1,852**	3,506
Revenue from electricity and water		**2,097**	2,244
Fuel revenue		**897**	953
Gas storage revenue		**80**	167
Other operating revenue		**205**	394
		5,131	7,264
Cost of sales			
Operating expenses		**(2,493)**	(2,929)
Depreciation, depletion and amortisation		**(1,735)**	(1,718)
		(4,228)	(4,647)
GROSS PROFIT		**903**	2,617
Administrative and other expenses		**(184)**	(258)
Finance costs		**(1,128)**	(1,232)
Changes in fair values of derivatives and fair value hedges		**(25)**	(258)
Net foreign exchange gains (losses)		**95**	(27)
Gain on sale of land and oil and gas assets		**23**	13
Share of results of associates		**43**	18
Share of results of joint venture		**8**	9
Interest income		**5**	4
Other gains		**(14)**	19
(LOSSES) PROFIT BEFORE TAX		**(274)**	905
Income tax credit (expense)	3	**654**	(529)
PROFIT FOR THE PERIOD		**380**	376
Attributable to:			
Equity holders of the parent		**256**	274
Non-controlling interests		**124**	102
PROFIT FOR THE PERIOD		**380**	376
Basic and diluted earnings per share attributable to equity holders of the parent (AED)	4	**0.042**	0.045

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Three month period ended 31 March 2015 (Unaudited)

	Three months period ended 31 March 2015 AED million	*Three months period ended 31 March 2014 AED million*
Profit for the period	**380**	376
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Changes in fair values of derivative instruments in cash flow hedges	**(686)**	(654)
Reclassification adjustments for losses included in the consolidated income statement	**333**	365
Reclassification adjustments for ineffective cash flow hedges	**-**	(21)
Share of other comprehensive (loss) income of associates	**(3)**	1
Exchange differences arising on translation of overseas operations	**(360)**	(41)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(716)**	(350)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Changes in fair value relating to investment carried at FVOCI	**-**	19
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	**-**	19
Other comprehensive loss for the period	**(716)**	(331)
Total comprehensive (loss) income for the period	**(336)**	45
Attributable to:		
Equity holders of the parent	**(314)**	34
Non-controlling interests	**(22)**	11
	(336)	45

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2015 (Unaudited)

	Notes	*31 March 2015 AED million*	*(Audited) 31 December 2014 AED million*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**78,470**	79,824
Operating financial assets		**9,739**	10,147
Intangible assets	7	**10,395**	10,532
Investment in associates		**766**	726
Investment in joint venture		**-**	151
Advance and loans to associates		**398**	398
Deferred tax asset		**739**	547
Other assets		**208**	238
		100,715	102,563
Current assets			
Inventories		**2,932**	2,963
Operating financial assets		**197**	228
Advance and loans to associates		**468**	475
Accounts receivable and prepayments		**4,827**	5,157
Cash and short-term deposits	8	**3,650**	3,652
		12,074	12,475
Assets classified as held for sale	9	**141**	-
		12,215	12,475
TOTAL ASSETS		**112,930**	115,038
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital		**6,066**	6,066
Contributed capital		**25**	25
Other reserves		**3,485**	3,485
Accumulated losses		**(274)**	(530)
Foreign currency translation reserve		**(1,808)**	(1,448)
Cumulative changes in fair value of derivatives in cash flow hedges		**(3,194)**	(2,984)
		4,300	4,614
Non-controlling interests		**3,314**	3,581
Loans from non-controlling interest shareholders in subsidiaries		**528**	589
		3,842	4,170
TOTAL EQUITY		**8,142**	8,784

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
As at 31 March 2015 (Unaudited)

	Notes	***31 March 2015 AED million***	*(Audited) 31 December 2014 AED million*
Non-current liabilities			
Interest bearing loans and borrowings	10	**71,533**	72,380
Islamic loans	10	**1,842**	1,918
Deferred tax liabilities		**2,980**	3,643
Asset retirement obligations		**13,089**	13,143
Advances and loans from related parties		**285**	285
Loans from non-controlling interest shareholders in subsidiaries		**304**	260
Other liabilities		**5,222**	4,921
		95,255	96,550
Current liabilities			
Accounts payable, accruals and other liabilities		**6,701**	6,423
Interest bearing loans and borrowings	10	**2,011**	2,059
Islamic loans	10	**150**	148
Loans from non-controlling interest shareholders in subsidiaries		**-**	2
Amounts due to ADWEA and other related parties		**66**	97
Income tax payable		**528**	853
Bank overdrafts		**77**	122
		9,533	9,704
Total liabilities		**104,788**	106,254
TOTAL EQUITY AND LIABILITIES		**112,930**	115,038

CHAIRMAN OF THE BOARD OF DIRECTORS

CHAIRMAN OF THE AUDIT COMMITTEE

CHIEF OPERATING OFFICER

CHIEF FINANCIAL OFFICER

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Three month period ended 31 March 2015 (Unaudited)

	Attributable to owners of the parent												
	Issued capital AED million	*Treasury shares* AED million	*Equity contributed capital* AED million	*Other reserves* AED million	*Accumulated losses* AED million	*Foreign currency translation reserve* AED million	*Cumulative changes in fair value of investment carried at FVOCI* AED million	*Cumulative changes in fair value of derivate for cash flow hedges* AED million	*Total* AED million	*Non-controlling interests* AED million	*Loans from non-controlling interest shareholder in subsidiaries* AED million	*Loan from ADWEA* AED million	*Total equity* AED million
Balance at 1 January 2014	6,225	(293)	325	4,290	(1,375)	(1,194)	68	(2,593)	5,453	3,595	642	2,624	12,314
Profit for the period	-	-	-	-	274	-	-	-	274	102	-	-	376
Other comprehensive income (loss) for the period	-	-	-	-	-	(41)	19	(218)	(240)	(91)	-	-	(331)
Total comprehensive income (loss) for the period	-	-	-	-	274	(41)	19	(218)	34	11	-	-	45
Transfer to retained earnings	-	-	(300)	-	300	-	-	-	-	-	-	-	-
Dividends paid to subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	(429)	-	-	(429)
Cancellation of treasury shares	(159)	293		(134)									-
Repayment of loans	-	-	-	-	-	-	-	-	-	-	(14)	(7)	(21)
Balance at 31 March 2014 (unaudited)	6,066	-	25	4,156	(801)	(1,235)	87	(2,811)	5,487	3,177	628	2,617	11,909
Balance at 1 January 2015	6,066	-	25	3,485	(530)	(1,448)	-	(2,984)	4,614	3,581	589	-	8,784
Profit for the period	-	-	-	-	256	-	-	-	256	124	-	-	380
Other comprehensive income (loss) for the period	-	-	-	-	-	(360)	-	(210)	(570)	(146)	-	-	(716)
Total comprehensive income (loss) for the period	-	-	-	-	256	(360)	-	(210)	(314)	(22)	-	-	(336)
Dividends declared to subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	(245)	-	-	(245)
Repayment of loans	-	-	-	-	-	-	-	-	-	-	(61)	-	(61)
Balance at 31 March 2015 (unaudited)	**6,066**	**-**	**25**	**3,485**	**(274)**	**(1,808)**	**-**	**(3,194)**	**4,300**	**3,314**	**528**	**-**	**8,142**

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Three month period ended 31 March 2015 (Unaudited)

	Notes	***Three months period ended 31 March 2015 AED million***	*Three months period ended 31 March 2014 AED million*
OPERATING ACTIVITIES			
(Loss) profit before tax		**(274)**	905
Adjustments for:			
Depreciation, depletion and amortisation		**1,735**	1,718
Release of onerous contracts provision		**(22)**	(25)
Employee benefit obligations, net		**-**	(4)
Gain on exchange - loans and borrowings and operating financial assets		**(438)**	(52)
Exploration and evaluation costs derecognised during the period		**4**	14
Gain on sale of land and oil and gas assets		**(23)**	(13)
Interest expense and notional interest		**953**	1,068
Accretion expense		**175**	164
Share of results of associates		**(43)**	(18)
Share of results of joint ventures		**(8)**	(9)
Unrealised gains on fair valuation of derivatives and fair value of hedges		**2**	180
Interest income		**(5)**	(4)
Construction costs		**3**	177
Revenue from operating financial assets		**(386)**	(505)
Working capital changes:			
Inventories		**22**	(137)
Accounts receivables and prepayments and other assets		**186**	(210)
Amounts due to ADWEA and other related parties		**(31)**	(19)
Accounts payable, accruals and other liabilities		**(354)**	188
Income tax paid		**(367)**	(241)
Asset retirement obligation payments		**(26)**	(37)
Cash received from service concession arrangements		**412**	166
Net cash from operating activities		**1,515**	3,306

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Three month period ended 31 March 2015 (Unaudited) continued

	Notes	***Three months period ended 31 March 2015 AED million***	*Three months period ended 31 March 2014 AED million*
INVESTING ACTIVITIES			
Proceeds from sale of non-core assets		**31**	-
Purchase of property, plant and equipment		**(633)**	(975)
Construction costs paid		**(3)**	(177)
Dividend received from joint venture		**18**	7
Loan repayment by an associate		**7**	5
Purchase of intangible assets		**(117)**	(154)
Interest received		**5**	4
Acquisition of other assets		**1**	(7)
Net cash used in investing activities		**(691)**	(1,297)
FINANCING ACTIVITIES			
Interest bearing loans and borrowings received	10	**212**	470
Repayment of interest bearing loans and borrowings	10	**(408)**	(605)
Repayment of Islamic loans	10	**(36)**	(26)
Interest paid		**(512)**	(1,203)
Dividend paid to non-controlling interest shareholders		**(175)**	(316)
Repayment of loans from ADWEA		-	(7)
Loans received from non-controlling interest shareholders		**44**	-
Repayment of loans to non-controlling interest shareholders in subsidiaries		**(63)**	(22)
Net cash used in financing activities		**(938)**	(1,709)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(114)**	300
Net foreign exchange difference		**157**	(91)
Cash and cash equivalents at 1 January		**3,530**	3,946
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	**3,573**	4,155

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Abu Dhabi National Energy Company PJSC ("TAQA" or the "Company") was established on 21 June 2005 pursuant to the provisions of Emiri Decree number 16/2005 as a public joint stock company with Abu Dhabi Water and Electricity Authority ("ADWEA") as its founding shareholder and 100% owner. During the period from 23 July 2005 to 1 August 2005, 24.9% of TAQA's shares were offered to the public on the Abu Dhabi Securities Exchange through an Initial Public Offering (IPO) and 24.1% were offered through a private offering with the remaining 51% interest holding in the Company retained by ADWEA and, accordingly, the Company is a subsidiary of ADWEA. Following the issuance of mandatory convertible bonds and conversion of the bonds into ordinary shares during the third quarter of 2008, ADWEA's holding increased to 51.05%. Public ownership increased to 27.95% and the balance of 21% is held by the Farmers' Fund. The Company continues to be a subsidiary of ADWEA which was established pursuant to the provisions of Law 2 of 1998, concerning the regulation of the Water and Electricity Sector.

The principal activity of TAQA is to own and invest in companies engaged in power generation, water desalination and exploration, development, production and storage of oil and gas, supplemented by developing alternative and technology-driven energy initiatives, in addition to other investments as considered appropriate to meet its objectives. TAQA's registered head office is P O Box 55224, Abu Dhabi, United Arab Emirates.

The interim condensed consolidated financial statements of TAQA and its subsidiaries ("the Group") for the period ended 31 March 2015 were authorised for issuance by the Board of Directors on 12 May 2015.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months period ended 31 March 2015 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (AED), which is the functional currency of the parent Company and presentation currency of the Group. All values are rounded to the nearest million (AED million) except where otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2014. In addition, results for the three months ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new and amended standards and interpretations as at 1 January 2015.

IAS 19 Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. The amendment must be applied retrospectively.

2.2 SIGNIFICANT ACCOUNTING POLICIES continued

Annual Improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 2 ***Share-based Payments***
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 ***Business Combinations***
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 ***Operating Segments***
The amendments are applied retrospectively and clarify that:
- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 ***Property, Plant and Equipment and IAS 38 Intangible Assets***
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The amendment has no impact on the Group.

IAS 24 ***Related Party Disclosures***
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not engage any management entity.

2.2 SIGNIFICANT ACCOUNTING POLICIES continued

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 3 ***Business Combinations***
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

These amendments have no impact on the Group.

IFRS 13 ***Fair Value Measurement***
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). These amendments have no impact on the Group.

IAS 40 ***Investment Property***
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment does not impact the accounting policy of the Group.

3 INCOME TAX

	Three months period ended 31 March 2015 AED million	*Three months period ended 31 March 2014 AED million*
Current income tax:		
Current income tax charge	**164**	341
Deferred income tax:		
Relating to origination and reversal of temporary differences	**(818)**	188
Income tax (credit) expense	**(654)**	529

On 18 March 2015 the UK Government announced a number of changes in the UK oil and gas taxation regime which are designed to reduce the burden of taxation and incentivise further investment. These changes were enacted into law under the Finance Act 2015 on 26 March 2015. The principal changes impacting TAQA's UK business comprised a reduction in the rate of Petroleum Revenue Tax from 50% to 35%, a reduction in the rate of Supplementary Charge to Corporation Tax from 32% to 20% and the introduction of an Investment Allowance to provide a new relief against Supplementary Charge, based on capital investment, which replaces a number of existing field allowances.

The effect of these changes have been recognised in the current period, resulting in an overall credit adjustment to the consolidated income statement of AED 553 million.

4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the income and share data used in the earnings per share computations:

	Three months period ended 31 March 2015	*Three months period ended 31 March 2014*
Profit for the period attributable to equity holders of the parent (*AED million*)	**256**	274
Weighted average number of ordinary shares issued (million)	**6,066**	6,066
Basic earnings per share (AED)	**0.042**	0.045

No figure for diluted earnings per share has been presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

5 OPERATING SEGMENT INFORMATION

For management reporting purposes, the Group is organised into business units based on their geography, products and services, and has six reportable operating segments as follows:

- Power and Water Segment – U.A.E
- Power Segment – Others
- Oil and Gas Segment – North America
- Oil and Gas Segment – United Kingdom
- Oil and Gas Segment – Netherlands
- Oil and Gas Segment – Atrush

Power and Water Segment – U.A.E
This segment is engaged in generation of electricity and production of desalinated water for supply in UAE.

Power Segment – Others
This segment is engaged in generation of electricity in Morocco, India, Ghana, Saudi Arabia and North America.

5 OPERATING SEGMENT INFORMATION continued

Oil and Gas Segment-North America
This segment comprises the TAQA North business unit and is engaged in Upstream and Midstream oil and gas activities in Canada and the United States.

Oil and Gas Segment-United Kingdom
This segment comprises the TAQA Bratani business unit and is engaged primarily in Upstream oil and gas activities in the United Kingdom.

Oil and Gas Segment-Netherlands
This segment comprises the TAQA Energy business unit and is engaged primarily in Upstream and Midstream oil and gas activities in the Netherlands.

Oil and Gas Segment-Atrush
This segment comprises the TAQA Atrush business unit and is engaged primarily in Upstream oil and gas activities in Kurdistan, Iraq

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. Group financing (including finance costs except for the subsidiaries involved in power and water generation with project financing arrangements and interest income) is managed on a group basis and is not allocated to operating segments.

Investment in certain associates with activities other than power and water generation and oil and gas and investments carried at FVOCI are managed on a group basis and are therefore not allocated to operating segments.

Interest bearing loans and borrowings and Islamic loans except for the subsidiaries involved in power and water generation with project financing arrangements and bank overdrafts are managed on a group basis and are not allocated to operating segments.

5 OPERATING SEGMENT INFORMATION continued

The following table presents revenue and profit information for the Group's operating segments:

	Power and water generation - UAE AED million	*Power generation - others AED million*	*Oil and gas - North America AED million*	*Oil and gas - UK AED million*	*Oil and gas - Netherlands AED million*	*Oil and gas - Atrush AED million*	*Adjustments, eliminations and unallocated AED million*	*Consolidated AED million*
Period ended 31 March 2015:								
Revenue from external customers	**1,630**	**1,379**	**526**	**1,336**	**258**	**2**	**-**	**5,131**
Operating expenses	**(376)**	**(1,019)**	**(263)**	**(749)**	**(85)**	**-**	**(1)**	**(2,493)**
Administrative and other expenses	**(31)**	**(24)**	**(49)**	**(11)**	**(11)**	**(10)**	**(48)**	**(184)**
Share of results of associates	**-**	**2**	**-**	**-**	**-**	**-**	**41**	**43**
Share of results of a joint venture	**-**	**-**	**-**	**-**	**-**	**-**	**8**	**8**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,223**	**338**	**214**	**576**	**162**	**(8)**	**-**	**2,505**
Depreciation, depletion and amortisation	**(449)**	**(32)**	**(517)**	**(678)**	**(54)**	**-**	**(5)**	**(1,735)**
Earnings before interest and tax (EBIT)	**774**	**306**	**(303)**	**(102)**	**108**	**(8)**	**(5)**	**770**
Finance costs	**(516)**	**(82)**	**(31)**	**(130)**	**(4)**	**-**	**(365)**	**(1,128)**
Changes in fair value of derivatives and fair value hedges	**-**	**(27)**	**-**	**2**	**-**	**-**	**-**	**(25)**
Net foreign exchange gains (losses)	**5**	**(48)**	**14**	**36**	**2**	**-**	**86**	**95**
Gain from sale of land and oil and gas assets	**-**	**-**	**23**	**-**	**(5)**	**-**	**5**	**23**
Interest income	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**5**
Other income	**-**	**(30)**	**-**	**-**	**5**	**-**	**11**	**(14)**
Income tax (expense) credit	**-**	**(124)**	**75**	**674**	**(41)**	**-**	**70**	**654**
Profit (loss) for the period	**263**	**(5)**	**(222)**	**480**	**65**	**(8)**	**(193)**	**380**

5 OPERATING SEGMENT INFORMATION continued

The following table presents revenue and profit information for the Group's operating segments:

	Power and water generation - UAE AED million	*Power generation - others AED million*	*Oil and gas - North America AED million*	*Oil and gas - UK AED million*	*Oil and gas - Netherlands AED million*	*Oil and gas - Atrush AED million*	*Adjustments, eliminations and unallocated AED million*	*Consolidated AED million*
Period ended 31 March 2014:								
Revenue from external customers	1,591	1,717	1,276	2,389	290	1	-	7,264
Operating expenses	(376)	(1,142)	(396)	(960)	(55)	-	-	(2,929)
Administrative and other expenses	(33)	(31)	(69)	(23)	(12)	(16)	(74)	(258)
Share of results of associates	-	2	-	-	-	-	16	18
Share of results of a joint venture	-	-	-	-	-	-	9	9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,182	546	811	1,406	223	(15)	(49)	4,104
Depreciation, depletion and amortisation	(430)	(33)	(505)	(674)	(73)	-	(3)	(1,718)
Earnings before interest and tax (EBIT)	752	513	306	732	150	(15)	(52)	2,386
Finance costs	(550)	(116)	(34)	(115)	(4)	-	(413)	(1,232)
Changes in fair value of derivatives and fair value hedges	21	(265)	(19)	1	-	-	4	(258)
Net foreign exchange gains (losses)	-	(12)	1	6	-	-	(22)	(27)
Gain from sale of land and oil and gas assets	-	-	13	-	-	-	-	13
Interest income	-	2	-	-	-	-	2	4
Other income	1	18	-	-	-	-	-	19
Income tax (expense) credit	-	18	(77)	(473)	(50)	-	53	(529)
Profit (loss) for the period	224	158	190	151	96	(15)	(428)	376

5 OPERATING SEGMENT INFORMATION continued

The following table presents segment assets of the Group's operating segments as at 31 March 2015 and 31 December 2014:

	Power and water generation - UAE AED million	*Power generation - others AED million*	*Oil and gas - North America AED million*	*Oil and gas - UK AED million*	*Oil and gas - Netherlands AED million*	*Oil and gas - Atrush AED million*	*Adjustments, eliminations and unallocated AED million*	*Consolidated AED million*
At 31 March 2015								
Investment in associates	**-**	**84**	**-**	**-**	**-**	**-**	**682**	**766**
Assets classified as held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**141**	**141**
Advance and loans to associates	**-**	**1**	**-**	**-**	**-**	**-**	**865**	**866**
Operating financial assets	**-**	**9,936**	**-**	**-**	**-**	**-**	**-**	**9,936**
Other assets	**49,443**	**5,507**	**22,771**	**13,228**	**5,169**	**3,235**	**1,868**	**101,221**
Segment assets	**49,443**	**15,528**	**22,771**	**13,228**	**5,169**	**3,235**	**3,556**	**112,930**
At 31 December 2014								
Investment in associates	-	82	-	-	-	-	644	726
Investment in joint venture	-	-	-	-	-	-	151	151
Advance and loans to associates	-	8	-	-	-	-	865	873
Operating financial assets	-	10,375	-	-	-	-	-	10,375
Other assets	49,990	5,580	23,966	14,197	5,721	3,080	379	102,913
Segment assets	49,990	16,045	23,966	14,197	5,721	3,080	2,039	115,038

6 PROPERTY, PLANT AND EQUIPMENT

During the three month period ended 31 March 2015, the Group acquired assets with a cost of AED 633 million (31 March 2014: AED 975 million).

7 INTANGIBLE ASSETS

Exploration and evaluation assets
On 12 March 2013, the Kurdistan Regional Government exercised its option of Government Participation in the Atrush block which could potentially reduce TAQA's interest in the block from 53.2% to a minimum of 39.9%. The mechanism by which this will be achieved, including the settlement of outstanding petroleum costs owed to the contractors by the Government for its participating interest share, is currently being negotiated. An amount of AED 221 million is held in a receivables account for reimbursement of petroleum costs. The transaction is expected to be finalised during the third quarter of the year 2015.

During the year ended 31 December 2014, TAQA Atrush successfully completed appraisal activities on Phase 1 of the Atrush block. As a result, during the three month period ended 31 March 2015, exploration and evaluation assets in the amount of AED 67 million were reclassified to development and production assets (31 December 2014: AED 760 million).

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim consolidated statement of cash flows comprise the following amounts:

	At 31 March 2015 AED million	*At 31 March 2014 AED million*
Cash at banks and on hand	**3,155**	3,674
Short term deposits	**495**	578
	3,650	4,252
Bank overdrafts	**(77)**	(97)
	3,573	4,155

9 ASSETS CLASSIFIED AS HELD FOR SALE

During the period ended 31 March 2015, the Group decided to divest its investment in LWP Lessee LLC (Lakefield) joint venture. Accordingly, the Lakefield investment with a carrying value of AED 141 million as of 31 March 2015 has been reclassified as assets held for sale in the interim consolidated financial statements in accordance with IFRS 5 ("Non-Current Assets Held For Sale And Discontinued Operations"). The consideration for the sale of the assets is expected to be higher than the carrying amount.

10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS

Receipts:
Loans received during the period are as follows:

	Three month period ended 31 March 2015 AED million	*Three month period ended 31 March 2014 AED million*
Interest bearing loans and borrowings	**212**	470

Repayments:
The Group made the following repayments during the period:

Interest bearing loans and borrowings	**408**	605
Islamic loans	**36**	26

11 SEASONALITY OF OPERATIONS

Due to higher electricity demand in the summer period in the United Arab Emirates, higher revenues and operating profits are usually expected for the power and water generation domestic subsidiaries in the second and third quarters of the year compared to the first and fourth quarters of the year.

Due to high demand for natural gas in Canada and Europe in the winter period, higher revenues and operating profits are usually expected in the first and fourth quarters of the year compared to the second and third quarters of the year. Revenue from European midstream operations is generated during the first and fourth quarters of the year.

12 RELATED PARTY TRANSACTIONS

The following table provides a summary of significant related party transactions included in the interim consolidated income statement during the three month period:

	Three months period ended 31 March 2015 AED million	*Three months period ended 31March 2014 AED million*
Fellow subsidiary (Abu Dhabi Water and Electricity Company):		
Revenue from electricity and water	**1,626**	1,585
Fuel revenue	**3**	5

12 RELATED PARTY TRANSACTIONS continued

Compensation of key management personnel
Some subsidiaries' key management personnel are provided by operation and maintenance companies under contractual agreements with the controlled subsidiaries.

The remuneration of senior key management personnel of the Group during the three month period was as follows:

	Three months period ended 31 March 2015 AED million	*Three months period ended 31March 2014 AED million*
Short-term benefits	**6**	10
Post-employment benefits	**1**	1
	7	11

13 COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure commitments
The authorised contracted capital expenditure contracted for at 31 March 2015 but not provided for amounted to AED 3,890 million (31 December 2014: AED 3,603 million).

(ii) Operating lease commitments
Group as a lessor:
Future capacity payments to be received by the Group under the power and water purchase agreement ("PWPA") based on projected plant availability as at 31 March 2015 amount to AED 82.6 billion (31 December 2014: AED 82.9 billion).

Group as a lessee:
Future minimum rentals payable under non-cancellable operating leases as at 31 March 2015 amount to AED 2.2 billion (31 December 2014: AED 2.3 billion).

Joint Venture (Assets classified as held for sale):
The Group's joint venture has future minimum rentals payable under a non-cancellable operating lease as at 31 March 2015 amounting to AED 1,668 million (31 December 2014: AED 1,708 million), of which the Group's share is AED 834 million (31 December 2014: AED 854 million).

Associates:
Sohar Aluminium Company LLC, one of the Group's associates, has future minimum rentals payable under a non-cancellable operating lease as at 31 March 2015 amounting to AED 1,432 million (31 December 2014: AED 1,460 million), of which the Group's share is AED 573 million (31 December 2014: AED 584 million).

13 COMMITMENTS AND CONTINGENCIES continued

(iii) Other commitments

a) As at the reporting date TAQA North has entered into contractual commitments, mainly pipeline usage and commitments, under which they are committed to spend AED 384 million prior to 31 December 2016 (31 December 2014: AED 442 million).

(iv) Contingencies

a) As a result of acquisitions made in prior periods, there are contingent liabilities arising from (a) tax assessments or proposed assessments and (b) certain other disputes, all of which are being contested. Pursuant to the Purchase and Sale Agreements between TAQA and the sellers, the sellers have provided TAQA and its subsidiaries with indemnity obligations with respect to such contingent liabilities for the periods prior to the dates of the respective acquisitions.

b) TAQA GEN X LLC ("GENX") is the owner by assignment of a Fuel Conversion Services, Capacity and Ancillary Services Purchase Agreement dated as of September 17, 1999 (the "Tolling Agreement") by and between AES Red Oak, L.L.C. ("AES") and Williams Energy Marketing & Trading Company, as well as other ancillary rights and agreements. GENX entered into an Energy Management Agreement ("EMA") and an International Swap & Derivatives Master Agreement ("ISDA") both dated 28 December 2010 with Morgan Stanley Capital Group Inc. to manage the energy products under the Tolling Agreement and ancillary rights and agreements. The Group guaranteed the obligations of GENX to Morgan Stanley Capital Group Inc. under the EMA and ISDA agreement. Payments under this guarantee shall not exceed US $100 million (AED 367 million) (31 December 2014: AED 367 million) over the life of the EMA. No payments have been made to date (31 December 2014: nil).

c) TAQA Bratani Ltd. has entered into decommissioning deeds for certain North Sea Assets acquired by it, pursuant to which it may be required to provide financial security to the former owners of the assets, either by means of (a) placing monies in trust or procuring the issuance of letters of credit in an amount equal to its share of the net decommissioning costs of the subject fields plus an allowance for uncertainty; or (b) procuring a guarantee from a holding company or affiliate which satisfies a minimum credit rating threshold; or (c) providing security in such other form as may be agreed by parties to the deeds. TAQA Bratani Ltd. initially provided TAQA's ("parent company") guarantee, but in the interim the parent company's credit rating was reduced to below the minimum credit rating specified in the deeds. The Group has previously been in good faith discussions with the other parties to the deeds regarding whether and to what extent the Group will be required to replace or supplement some or all of the parent guarantee with other acceptable credit support but no outcomes were concluded, and the parent guarantee remains in place. However, since that time, the U.K. Government has introduced a legislative framework that is designed to allow security arrangements for North Sea decommissioning obligations to be made on a post-tax basis, to the extent parties to the decommissioning deeds adopt modified decommissioning deeds, and the Group would expect that if or when the discussions with counter-parties resume, it would most probably be on that basis. If the Group was required to replace the parent guarantee in its entirety, the amount it would have to procure through the issuance of letters of credit or other collateral, could be in excess of US $1.0 billion.

In respect of certain other North Sea Assets acquired by members of the Group, the Group is able to meet the security arrangements for decommissioning obligations by way of provision of a parent company guarantee, so long as the Group continues in majority – ownership of the Government of Abu Dhabi.

d) In addition to the above, there are certain guarantees and letters of credit arising in the ordinary course of business to which TAQA and certain other subsidiaries are parties. These do not create any material additional obligations other than what is disclosed in the consolidated statement of financial position as at period end.

14 FINANCIAL INSTRUMENTS

14.1 Hedging Activities

	31 March 2015			*(Audited) 31 December 2014*		
	Notional amount	***Fair value Current AED million***	***Fair value Non-current AED million***	*Notional amount*	*Fair value Current AED million*	*Fair value Non-current AED million*
Cash flow hedges						
Assets						
Forward foreign exchange contracts	AED 241m	**7**	**35**	AED 318m	5	31
		7	**35**		5	31
Liabilities						
Cross currency interest rate swap	AED 1,268m	**8**	**382**	AED 1,524m	8	333
Interest rate swaps	AED 30,465m	**870**	**4,552**	AED 30,722m	813	4,300
Forward foreign exchange contracts	AED 483m	**39**	**85**	AED 514m	18	57
		917	**5,019**		839	4,690
Fair value hedges						
Liabilities						
Futures and forward contracts		**172**	**-**		197	-

14.2 Fair values

The fair values of the financial instruments of the Group are not materially different from their carrying values at the reporting date except for certain fixed interest borrowings and operating financial assets. Set out below is a comparison of the carrying amounts and fair values of fixed interest borrowings and operating financial assets:

	Carrying amount		*Fair value*	
	31 March 2015 AED million	*(Audited) 31 December 2014 AED million*	***31 March 2015 AED million***	*(Audited) 31 December 2014 AED million*
Operating financial assets	**9,936**	10,375	**9,940**	10,427
Interest bearing loans and borrowings (note i)	**31,626**	31,711	**35,307**	35,142

(i) Interest bearing loans and borrowings relates to the Abu Dhabi National Energy Company Global Medium Term notes, Abu Dhabi National Energy Company bonds and the Ruwais Power Company bond.

The fair value of operating financial assets is estimated by discounting the expected future cash flows using appropriate interest rates for assets with similar terms, credit risk and remaining maturities.

The fair value of the interest bearing loans and borrowings is based on price quotations at the reporting date.

14 FINANCIAL INSTRUMENTS continued

14.3 Fair value hierarchy

The Company 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.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total ***AED million***	*Level 1* *AED million*	*Level 2* *AED million*	*Level 3* *AED million*
At 31 March 2015				
Financial assets measured at fair value				
Forward foreign exchange contracts	**42**	**-**	**42**	**-**
Financial assets disclosed at fair value				
Operating financial assets	**9,940**	**-**	**-**	**9,940**
Financial liabilities measured at fair value				
Interest rate swaps	**5,422**	**-**	**5,422**	**-**
Forward foreign exchange contracts	**124**	**-**	**124**	**-**
Cross currency interest rate swaps	**390**	**-**	**390**	**-**
Futures and forward contracts	**172**	**-**	**172**	**-**
Financial liabilities disclosed at fair value				
Interest bearing loans and borrowings	**35,307**	**35,307**	**-**	**-**
At 31 December 2014				
Financial assets measured at fair value				
Forward foreign exchange contracts	36	-	36	-
Financial assets disclosed at fair value				
Operating financial assets	10,427	-	-	10,427
Financial liabilities measured at fair value				
Interest rate swaps	5,113	-	5,113	-
Forward foreign exchange contracts	75	-	75	-
Cross currency interest rate swaps	341	-	341	-
Futures and forward contracts	197	-	197	-
Financial liabilities disclosed at fair value				
Interest bearing loans and borrowings	35,142	35,142	-	-

During the period ended 31 March 2015 and the year ended 31 December 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

For financial instruments where there is no active market, fair value is determined using valuation techniques. These 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.

15 COMPARATIVE INFORMATION

Certain comparative numbers were reclassified to conform to the current year presentation. Such reclassifications as discussed below have no effect on the previously reported profit or equity of the Group.

Statement of financial position:
An investment carried at FVOCI of AED 2 million as at 31 December 2014 previously shown separately on the statement of financial position has been reclassified under other assets.