

**Abu Dhabi National Energy
Company PJSC (“TAQA”)**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

30 SEPTEMBER 2015 (UNAUDITED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ABU DHABI NATIONAL ENERGY COMPANY PJSC (“TAQA”)

Introduction

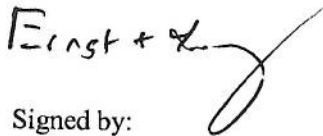
We have reviewed the accompanying interim condensed consolidated financial statements of Abu Dhabi National Energy Company PJSC (“TAQA”) and its subsidiaries (the “Group”) as at 30 September 2015, comprising of the interim consolidated statement of financial position as at 30 September 2015 and the related interim consolidated statements of income and comprehensive income for the three month period and nine month period then ended, and interim consolidated statement of changes in equity and cash flows for the nine 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 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.



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

10 November 2015
Abu Dhabi

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED INCOME STATEMENT

Period ended 30 September 2015 (Unaudited)

	Notes	<i>Three month period ended</i>		<i>Nine month period ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Revenues					
Revenue from oil and gas		1,494	3,178	4,933	9,666
Revenue from electricity and water		2,314	2,379	6,699	6,997
Fuel revenue		758	1,077	2,296	2,865
Gas storage revenue		44	28	165	225
Other operating revenue		219	<u>265</u>	574	<u>955</u>
		4,829	<u>6,927</u>	14,667	<u>20,708</u>
Cost of sales					
Operating expenses		(2,390)	(3,128)	(6,788)	(8,556)
Depreciation, depletion and amortisation		(1,571)	(1,786)	(4,967)	(5,249)
		(3,961)	<u>(4,914)</u>	(11,755)	<u>(13,805)</u>
GROSS PROFIT		868	2,013	2,912	6,903
Administrative and other expenses		(171)	(296)	(530)	(815)
Finance costs		(1,181)	(1,203)	(3,474)	(3,667)
Changes in fair value of derivatives and fair value hedges		(4)	(61)	(86)	(381)
Net foreign exchange gains		44	125	46	112
Share of results of associates		18	24	88	70
Share of results of a joint venture		(4)	(1)	16	21
Gain on sale of land and oil and gas assets		2	10	32	29
Interest income (expenses)		6	(1)	18	6
Other gains (losses)		19	<u>12</u>	(5)	<u>79</u>
(LOSS) PROFIT BEFORE TAX		(403)	622	(983)	2,357
Income tax credit(expense)	3	202	<u>(302)</u>	931	<u>(1,201)</u>
(LOSS) PROFIT FOR THE PERIOD		(201)	<u>320</u>	(52)	<u>1,156</u>
Attributable to:					
Equity holders of the parent		(416)	107	(581)	620
Non-controlling interests		215	<u>213</u>	529	<u>536</u>
(LOSS) PROFIT FOR THE PERIOD		(201)	<u>320</u>	(52)	<u>1,156</u>
Basic and diluted (losses) earnings per share attributable to equity holders of the parent (AED)	4	(0.069)	<u>0.018</u>	(0.096)	<u>0.102</u>

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2015 (Unaudited)

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
(Loss) profit for the period	<u>(201)</u>	<u>320</u>	<u>(52)</u>	<u>1,156</u>
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Changes in fair values of derivative instruments in cash flow hedges	(982)	(228)	(1,144)	(1,409)
Share of other comprehensive income of associates	(2)	1	15	18
Reclassification adjustment for losses included in the consolidated income statement	326	360	992	1,093
Reclassification adjustment for ineffective cash flow hedges	-	-	-	(42)
Exchange differences arising on translation of overseas operations	<u>(20)</u>	<u>(216)</u>	<u>(274)</u>	<u>(141)</u>
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	<u>(678)</u>	<u>(83)</u>	<u>(411)</u>	<u>(481)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Changes in fair value relating to investment carried at FVOCI	<u>-</u>	<u>(92)</u>	<u>-</u>	<u>(79)</u>
Net other comprehensive loss not being reclassified to profit or loss in subsequent periods	<u>-</u>	<u>(92)</u>	<u>-</u>	<u>(79)</u>
Other comprehensive loss for the period	<u>(678)</u>	<u>(175)</u>	<u>(411)</u>	<u>(560)</u>
Total comprehensive (loss) income for the period	<u>(879)</u>	<u>145</u>	<u>(463)</u>	<u>596</u>
Attributable to:				
Equity holders of the parent	(823)	(125)	(939)	192
Non-controlling interests	<u>(56)</u>	<u>270</u>	<u>476</u>	<u>404</u>
	<u>(879)</u>	<u>145</u>	<u>(463)</u>	<u>596</u>

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015 (Unaudited)

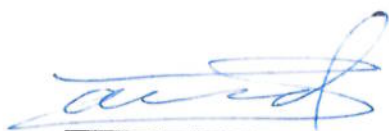
		<i>30 September</i>	<i>(Audited)</i>
		<i>2015</i>	<i>31 December</i>
	<i>Notes</i>	<i>AED million</i>	<i>AED million</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	76,907	79,824
Operating financial assets		9,830	10,147
Intangible assets	7	10,182	10,532
Investment in associates		389	726
Investment in joint venture		-	151
Advance and loans to associates		397	398
Deferred tax asset		1,489	547
Other assets		<u>228</u>	<u>238</u>
		<u>99,422</u>	<u>102,563</u>
Current assets			
Inventories		2,996	2,963
Operating financial assets		210	228
Advance and loans to associates		366	475
Accounts receivable and prepayments		4,740	5,157
Cash and short-term deposits	8	<u>3,572</u>	<u>3,652</u>
		11,884	12,475
Assets classified as held for sale	9	<u>578</u>	<u>-</u>
		<u>12,462</u>	<u>12,475</u>
TOTAL ASSETS		<u>111,884</u>	<u>115,038</u>
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		(1,111)	(530)
Foreign currency translation reserve		(1,722)	(1,448)
Cumulative changes in fair value of derivatives in cash flow hedges		<u>(3,068)</u>	<u>(2,984)</u>
		3,675	4,614
Non-controlling interests		3,670	3,581
Loans from non-controlling interest shareholders in subsidiaries		<u>457</u>	<u>589</u>
		<u>4,127</u>	<u>4,170</u>
TOTAL EQUITY		<u>7,802</u>	<u>8,784</u>

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
At 30 September 2015 (Unaudited)

		<i>30 September</i>	<i>(Audited)</i>
		<i>2015</i>	<i>31 December</i>
	<i>Notes</i>	<i>AED million</i>	<i>2014</i>
			<i>AED million</i>
Non-current liabilities			
Interest bearing loans and borrowings	10	71,541	72,380
Islamic loans	10	1,674	1,918
Deferred tax liabilities		3,252	3,643
Asset retirement obligations		13,332	13,143
Advances and loans from related parties		285	285
Loans from non-controlling interest shareholders in subsidiaries		274	260
Other liabilities		<u>5,154</u>	<u>4,921</u>
		<u>95,512</u>	<u>96,550</u>
Current liabilities			
Accounts payable, accruals and other liabilities		5,688	6,423
Interest bearing loans and borrowings	10	1,826	2,059
Islamic loans	10	152	148
Loans from non-controlling interest shareholders in subsidiaries		-	2
Amounts due to ADWEA and other related parties		98	97
Income tax payable		781	853
Bank overdrafts		<u>25</u>	<u>122</u>
		<u>8,570</u>	<u>9,704</u>
Total liabilities		<u>104,082</u>	<u>106,254</u>
TOTAL EQUITY AND LIABILITIES		<u>111,884</u>	<u>115,038</u>



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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine month period ended 30 September 2015 (Unaudited)

	Issued capital AED million	Treasury shares AED million	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 derivatives in cash flow hedges AED million	Total AED million	Non-controlling interests AED million	Loans from non- controlling interest shareholders 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	-	-	-	-	620	-	-	-	620	536	-	-	1,156
Other comprehensive income (loss) for the period	-	-	-	-	-	(141)	(79)	(208)	(428)	(132)	-	-	(560)
Total comprehensive income (loss) for the period	-	-	-	-	620	(141)	(79)	(208)	192	404	-	-	596
Transfer to retained earnings	-	-	(300)	-	300	-	-	-	-	-	-	-	-
Transfer of cumulative loss on investment carried at FVOCI to retained earnings	-	-	-	-	(11)	-	11	-	-	-	-	-	-
Dividends paid to subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	(472)	-	-	(472)
Cancellation of treasury shares	(159)	293	-	(134)	-	-	-	-	-	-	-	-	-
Repayment of loans	-	-	-	-	-	-	-	-	-	-	(53)	(13)	(66)
Balance at 30 September 2014 (unaudited)	<u>6,066</u>	<u>-</u>	<u>25</u>	<u>4,156</u>	<u>(466)</u>	<u>(1,335)</u>	<u>-</u>	<u>(2,801)</u>	<u>5,645</u>	<u>3,527</u>	<u>589</u>	<u>2,611</u>	<u>12,372</u>
Balance at 1 January 2015	6,066	-	25	3,485	(530)	(1,448)	-	(2,984)	4,614	3,581	589	-	8,784
Loss for the period	-	-	-	-	(581)	-	-	-	(581)	529	-	-	(52)
Other comprehensive income (loss) for the period	-	-	-	-	-	(274)	-	(84)	(358)	(53)	-	-	(411)
Total comprehensive income (loss) for the period	-	-	-	-	(581)	(274)	-	(84)	(939)	476	-	-	(463)
Dividends paid to subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	(387)	-	-	(387)
Repayment of loans	-	-	-	-	-	-	-	-	-	-	(132)	-	(132)
Balance at 30 September 2015 (unaudited)	<u>6,066</u>	<u>-</u>	<u>25</u>	<u>3,485</u>	<u>(1,111)</u>	<u>(1,722)</u>	<u>-</u>	<u>(3,068)</u>	<u>3,675</u>	<u>3,670</u>	<u>457</u>	<u>-</u>	<u>7,802</u>

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Nine month period ended 30 September 2015 (Unaudited)

	<i>Nine month period ended 30 September 2015</i>	<i>Nine month period ended 30 September 2014</i>
	<i>AED million</i>	<i>AED million</i>
	<i>Notes</i>	
OPERATING ACTIVITIES		
(Loss) profit before tax	(983)	2,357
Adjustments for:		
Depreciation, depletion, and amortisation	4,967	5,249
Release of onerous contracts provision	(62)	(78)
Employee benefit obligations, net	(5)	(9)
Gain on exchange – loans and borrowings and operating financial assets	(223)	(123)
Dry holes expenses	-	18
Exploration and evaluation costs derecognised during the period	51	79
Gain on sale of land and oil and gas assets	(32)	(29)
Interest expense and notional interest	2,955	3,163
Accretion expense	519	504
Share of results of associates	(88)	(70)
Share of results of a joint venture	(16)	(21)
Unrealised losses on fair valuation of derivatives and fair value hedges	102	303
Interest income	(18)	(6)
Dividend income from investment at FVOCI	-	(4)
Construction costs on service concessions	20	312
Other non-cash adjustments	1	(1)
Revenue from operating financial assets	(1,190)	(1,421)
Working capital changes:		
Inventories	(33)	(439)
Accounts receivables and prepayments and other assets	406	(373)
Amounts due to ADWEA and other related parties	1	(62)
Accounts payable, accruals, and other liabilities	(731)	(915)
Income tax paid	(439)	(132)
Asset retirement obligations payments	(89)	(91)
Cash received from service concession arrangements	<u>1,228</u>	<u>1,011</u>
Net cash from operating activities	<u>6,341</u>	<u>9,222</u>

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued Nine month period ended 30 September 2015 (Unaudited)

	<i>Notes</i>	<i>Nine month period ended 30 September 2015 AED million</i>	<i>Nine month period ended 30 September 2014 AED million</i>
INVESTING ACTIVITIES			
Proceeds from sale of non-core assets		40	41
Purchase of property, plant, and equipment		(2,306)	(3,495)
Construction costs paid		(20)	(312)
Dividends received from investment carried at FVOCI		-	4
Return of capital from investment carried at FVOCI		-	9
Proceeds from disposal of investment carried at FVOCI		-	493
Proceeds from disposal of an associate		-	13
Dividend received from associates		9	16
Dividend received from joint ventures		20	25
Loan repayment by an associate		109	5
Purchase of intangible assets		(114)	(459)
Interest received		18	6
Acquisition of other assets		(45)	(95)
Net cash used in investing activities		(2,289)	(3,749)
FINANCING ACTIVITIES			
Interest bearing loans and borrowings received	10	6,665	4,976
Repayment of Islamic loans	10	(104)	(99)
Repayment of interest bearing loans and borrowings	10	(7,270)	(7,326)
Interest paid		(2,765)	(3,304)
Dividend paid to non-controlling interest shareholders		(474)	(597)
Loans received from non-controlling interest shareholders in subsidiaries		14	39
Repayment of loans from non-controlling interest shareholders		(137)	(71)
Repayment of loan from ADWEA		-	(13)
Net cash used in financing activities		(4,071)	(6,395)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(19)	(922)
Net foreign exchange difference		36	(3)
Cash and cash equivalents at 1 January		3,530	3,946
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	8	3,547	3,021

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2015 (Unaudited)

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 nine month period ended 30 September 2015 were authorised for issuance by the Board of Directors on 10 November 2015.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the period ended 30 September 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 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 nine month period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

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.

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.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

2.2 SIGNIFICANT ACCOUNTING POLICIES continued

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.

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

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
<i>Current income tax:</i>				
Current income tax charge	(135)	(182)	(374)	(784)
<i>Deferred income tax:</i>				
Relating to origination and reversal of temporary differences	<u>337</u>	(120)	<u>1,305</u>	<u>(417)</u>
Income tax credit(expense)	<u>202</u>	(302)	<u>931</u>	<u>(1,201)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2015 (Unaudited)

3 INCOME TAX continued

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 555 million for the nine month period ended 30 September 2015.

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:

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
(Loss) Profit for the period attributable to equity holders of the parent (<i>AED million</i>)	<u>(416)</u>	<u>107</u>	<u>(581)</u>	<u>620</u>
Weighted average number of ordinary shares issued (million)	<u>6,066</u>	<u>6,066</u>	<u>6,066</u>	<u>6,066</u>
Basic (losses) earnings per share (AED)	<u>(0.069)</u>	<u>0.018</u>	<u>(0.096)</u>	<u>0.102</u>

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.

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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015 (Unaudited)

5 OPERATING SEGMENT INFORMATION continued

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

	<i>Power and water generation - UAE AED million</i>	<i>Power generation - others AED million</i>	<i>Oil and gas - North America AED million</i>	<i>Oil and gas - UK AED million</i>	<i>Oil and gas - Netherlands AED million</i>	<i>Oil and gas - Atrush AED million</i>	<i>Adjustments, eliminations and unallocated AED million</i>	<i>Consolidated AED million</i>
Period ended 30 September 2015:								
Revenue from external customers	5,261	3,751	1,534	3,404	711	5	1	14,667
Operating expenses	(1,174)	(2,556)	(778)	(1,970)	(309)	-	(1)	(6,788)
Administrative and other expenses	(105)	(81)	(162)	(22)	(25)	(24)	(111)	(530)
Share of results of associates	-	5	-	-	-	-	83	88
Share of results of a joint venture	-	-	-	-	-	-	16	16
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,982	1,119	594	1,412	377	(19)	(12)	7,453
Depreciation, depletion and amortisation	(1,374)	(93)	(1,481)	(1,775)	(230)	-	(14)	(4,967)
Earnings before interest and tax (EBIT)	2,608	1,026	(887)	(363)	147	(19)	(26)	2,486
Finance costs	(1,535)	(270)	(91)	(390)	(11)	-	(1,177)	(3,474)
Changes in fair value of derivatives and fair value hedges	-	(92)	-	6	-	-	-	(86)
Net foreign exchange gains (losses)	10	(7)	(2)	25	(1)	-	21	46
Gain from sale of land and oil and gas assets	-	-	19	-	-	-	13	32
Interest income	-	-	-	-	-	-	18	18
Other gains	2	3	-	-	-	-	(10)	(5)
Income tax (expense) credit	-	(280)	122	990	(51)	-	150	931
Profit (loss) for the period	1,085	380	(839)	268	84	(19)	(1,011)	(52)

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015 (Unaudited)

5 OPERATING SEGMENT INFORMATION continued

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

	<i>Power and water generation - UAE AED million</i>	<i>Power generation - others AED million</i>	<i>Oil and gas - North America AED million</i>	<i>Oil and gas - UK AED million</i>	<i>Oil and gas - Netherlands AED million</i>	<i>Oil and gas - Atrush AED million</i>	<i>Adjustments, eliminations and unallocated AED million</i>	<i>Consolidated AED million</i>
Period ended 30 September 2014:								
Revenue from external customers	5,264	4,802	3,454	6,347	836	5	-	20,708
Operating expenses	(1,114)	(3,352)	(1,228)	(2,436)	(426)	-	-	(8,556)
Administrative and other expenses	(96)	(133)	(235)	(63)	(36)	(37)	(215)	(815)
Share of results of associates	-	7	-	-	-	-	63	70
Share of results of a joint venture	-	-	-	-	-	-	21	21
Earnings before interest, tax, deprec and amortisation (EBITDA)	4,054	1,324	1,991	3,848	374	(32)	(131)	11,428
Depreciation, depletion and amortisation	(1,330)	(100)	(1,555)	(2,024)	(228)	-	(12)	(5,249)
Earnings before interest and tax (EBIT)	2,724	1,224	436	1,824	146	(32)	(143)	6,179
Finance costs	(1,654)	(322)	(104)	(349)	(12)	-	(1,226)	(3,667)
Changes in fair value of derivatives and fair value hedges	42	(424)	(5)	4	-	-	2	(381)
Net foreign exchange gains (losses)	3	13	35	22	6	-	33	112
Gain from sale of land and oil and gas assets	-	-	29	-	-	-	-	29
Interest income (expense)	-	(1)	-	-	-	-	7	6
Other gains	-	39	-	13	5	-	22	79
Income tax (expense) credit	-	(109)	(93)	(1,116)	(42)	-	159	(1,201)
Profit (loss) for the period	<u>1,115</u>	<u>420</u>	<u>298</u>	<u>398</u>	<u>103</u>	<u>(32)</u>	<u>(1,146)</u>	<u>1,156</u>

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015 (Unaudited)

5 OPERATING SEGMENT INFORMATION continued

The following table presents segment assets of the Group’s operating segments as at 30 September 2015 and 31 December 2014:

	<i>Power and water generation - UAE AED million</i>	<i>Power generation - others AED million</i>	<i>Oil and gas - North America AED million</i>	<i>Oil and gas - UK AED million</i>	<i>Oil and gas - Netherlands AED million</i>	<i>Oil and gas - Atrush AED million</i>	<i>Adjustments, eliminations and unallocated AED million</i>	<i>Consolidated AED million</i>
At 30 September 2015								
Investment in associates	-	87	-	-	-	-	302	389
Assets classified as held for sale	-	-	-	-	-	-	578	578
Advance and loans to associates	-	1	-	-	-	-	762	763
Operating financial assets	-	10,040	-	-	-	-	-	10,040
Other assets	<u>48,954</u>	<u>5,455</u>	<u>22,142</u>	<u>14,318</u>	<u>5,187</u>	<u>3,491</u>	<u>567</u>	<u>100,114</u>
Segment assets	<u>48,954</u>	<u>15,583</u>	<u>22,142</u>	<u>14,318</u>	<u>5,187</u>	<u>3,491</u>	<u>2,209</u>	<u>111,884</u>
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	<u>49,990</u>	<u>5,580</u>	<u>23,966</u>	<u>14,197</u>	<u>5,721</u>	<u>3,080</u>	<u>379</u>	<u>102,913</u>
Segment assets	<u>49,990</u>	<u>16,045</u>	<u>23,966</u>	<u>14,197</u>	<u>5,721</u>	<u>3,080</u>	<u>2,039</u>	<u>115,038</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2015 (Unaudited)

6 PROPERTY, PLANT AND EQUIPMENT

During the nine month period ended 30 September 2015, the Group constructed assets with a cost of AED 2,306 million (30 September 2014: AED 3,495 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 274 million is held in a receivables account for reimbursement of petroleum costs. The transaction is expected to be finalised during the last 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 nine month period ended 30 September 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:

	<i>At 30 September 2015 AED million</i>	<i>At 30 September 2014 AED million</i>
Cash at banks and on hand	3,300	2,560
Short term deposits	<u>272</u>	<u>548</u>
	3,572	3,108
Bank overdrafts	<u>(25)</u>	<u>(87)</u>
	<u>3,547</u>	<u>3,021</u>

9 ASSETS CLASSIFIED AS HELD FOR SALE

LWP Lessee LLC (Lakefield) joint venture

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 147 million as of 30 September 2015 has been reclassified as assets held for sale in the interim condensed 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.

Massar Solutions PJSC

During the period ended 30 September 2015, the Group decided to divest its investment in an associate, Massar Solutions PJSC. Accordingly, the Massar investment with a carrying value of AED 431 million has been reclassified as assets held for sale in the interim condensed 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2015 (Unaudited)

10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS

<i>Nine month period ended 30 September 2015 AED million</i>	<i>Nine month period ended 30 September 2014 AED million</i>
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Receipts:

Loans received during the period are as follows:

Interest bearing loans and borrowings	<u>6,665</u>	<u>4,976</u>
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Repayments:

The Group made the following repayments during the period:

Interest bearing loans and borrowings	<u>7,270</u>	<u>7,326</u>
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Islamic loans	<u>104</u>	<u>99</u>
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In August 2015, the Company executed a new agreement for a multi-currency revolving credit facilities with a total limit of USD 3.1 billion with a syndicate of 15 banks with the Bank of Tokoyo-Mitsubishi UFJ LTD being the agent. Consequently, the old multi-currency revolving facilities with a total limit of US\$ 3.5 billion have been cancelled and the prepaid finance cost associated with the old facilities have been expensed to the consolidated income statement. The new facilities have been drawn down to settle the old facility.

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 period:

	<i>Three month period ended 30 September</i>		<i>Nine month period ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>

Fellow subsidiary (Abu Dhabi Water and Electricity Company):

Revenue from electricity and water	1,823	1,821	5,242	5,223
Fuel revenue	3	2	9	15

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2015 (Unaudited)

12 RELATED PARTY TRANSACTIONS continued

Compensation of key management personnel

For 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 nine month period was as follows:

	<i>Nine month period ended</i>	
	<i>30 September</i>	
	<i>2015</i>	<i>2014</i>
	<i>AED million</i>	<i>AED million</i>
Short-term benefits	15	23
Post-employment benefits	<u>1</u>	<u>1</u>
	<u>16</u>	<u>24</u>

13 COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure commitments

The authorised capital expenditure contracted for at 30 September 2015 but not provided for amounted to AED 2,409 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 30 September 2015 amount to AED 79.8 billion (31 December 2014: AED 82.9 billion).

Group as a lessee:

Future minimum rentals payable under non-cancellable operating leases as at 30 September 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 30 September 2015 amounting to AED 1,622 million (31 December 2014: 1,708 million), of which the Group’s share is AED 811 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 30 September 2015 amounting to AED 1,377 million (31 December 2014: AED 1,460 million), of which Group’s share is AED 551 million (31 December 2014: AED 584 million).

(iii) Other commitments

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 387 million prior to 31 December 2016 (31 December 2014: AED 442 million).

13 COMMITMENTS AND CONTINGENCIES continued

(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 date 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: US\$ 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 likely 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 statement of financial position as at period end.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2015 (Unaudited)

14 FINANCIAL INSTRUMENTS

14.1 Hedging Activities

	30 September 2015			(Audited) 31 December 2014		
	Notional amount	Fair value		Notional amount	Fair value	
		Current	Non-current		Current	Non-current
		AED million	AED million		AED million	AED million
Cash flow hedges						
<i>Assets</i>						
Forward foreign exchange contracts	AED 214 m	<u>7</u>	<u>28</u>	AED 318 m	<u>5</u>	<u>31</u>
		<u>7</u>	<u>28</u>		<u>5</u>	<u>31</u>
<i>Liabilities</i>						
Cross currency interest rate swap	AED 1,168 m	25	477	AED 1,524 m	8	333
Interest rate swaps	AED 29,719 m	875	4,345	AED 30,722 m	813	4,300
Forward foreign exchange contracts	AED 663 m	<u>29</u>	<u>63</u>	AED 514 m	<u>18</u>	<u>57</u>
		<u>929</u>	<u>4,885</u>		<u>839</u>	<u>4,690</u>
Fair value hedges						
<i>Liabilities</i>						
Futures and forward contracts		<u>108</u>	<u>=</u>		<u>197</u>	<u>=</u>

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	
	(Audited)		(Audited)	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	AED million	AED million	AED million	AED million
Operating financial assets	10,040	10,375	10,060	10,427
Interest-bearing loans and borrowings (note i)	31,669	31,711	34,232	35,142

- (i) Interest bearing loans and borrowings comprise 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2015 (Unaudited)

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.

	<i>Total</i> <i>AED million</i>	<i>Level 1</i> <i>AED million</i>	<i>Level 2</i> <i>AED million</i>	<i>Level 3</i> <i>AED million</i>
At 30 September 2015				
Financial assets measured at fair value				
Forward foreign exchange contracts	35	-	35	-
Financial assets disclosed at fair value				
Operating financial assets	10,060	-	-	10,060
Financial liabilities measured at fair value				
Interest rate swaps	5,220	-	5,220	-
Forward foreign exchange contracts	92	-	92	-
Cross currency interest rate swaps	502	-	502	-
Futures and forward contracts	108	-	108	-
Financial liabilities disclosed at fair value				
Interest bearing loans and borrowings	34,232	34,232	-	-
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 30 September 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 the equity of the Group.

Income Statement:

Dry hole expenses of AED 18 million for the nine month period ended 30 September 2014 previously shown separately on the income statement has been reclassified under operating expenses.

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.