BASE PROSPECTUS DATED 5 September 2018

DP WORLD CRESCENT LIMITED

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

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

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

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

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

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) a master declaration of trust dated 5 September 2018 (the "**Master Declaration of Trust**") entered into between the Trustee, DP World Limited (the "**Company**" or the "**Obligor**") and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust in relation to the relevant Series (each a "**Supplemental Declaration of Trust**" and together with the Master Declaration of Trust, each a "**Declaration of Trust**"). Certificates of each Series confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from a *pro rata* ownership interest in the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the Trust Assets (as defined herein).

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

This Base Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under the DFSA's Markets Rule 2.6 and is therefore an Approved Prospectus for the purposes of Article 14 of the DFSA's Markets Law 2012. Application has also been made to the DFSA for certain Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities (the "**DFSA Official List**") maintained by the DFSA and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

References in this Base Prospectus to Certificates (other than Non-PD Certificates) being "**listed**" (and all related references) shall mean that: (i) such Certificates have been admitted to listing on the Official List and admitted to trading on the Regulated Market which is a regulated market for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**"); and/or (ii) such Certificates have been admitted to trading on Nasdaq Dubai and have been admitted to the DFSA Official List.

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

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

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

The Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, the Trustee is not and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption provided by Section 3(c)7 thereof. Accordingly, the Certificates are being offered and sold: (i) to non-U.S. persons in offshore transactions in reliance on Regulation S (the "**Unrestricted Certificates**"); and (ii) within the United States to "qualified institutional buyers" (each a "**QIB**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") who are also "qualified purchasers" (each, a "**QP**") as defined in Section 2(a)(51) of the Investment Company Act in reliance on the exemption from registration provided by Rule 144A (the "**Restricted Certificates**"). See "*Form of the Certificates*" for a description of the manner in which Certificates will be issued. Prospective purchasers are hereby notified that sellers of the Restricted Certificates may

be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".

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

The Company has been assigned long term credit ratings of Baa1 with a "stable outlook" by Moody's Investors Service Ltd. ("**Moody's**") and BBB+ with a "stable outlook" by Fitch Ratings Limited ("**Fitch**"). The United Arab Emirates (the "**UAE**") has been assigned a credit rating of Aa2 by Moody's Investors Service Singapore Pte. Ltd. The rating of certain Series of Certificates to be issued under the Programme and the credit rating agency issuing such rating may be specified in the applicable Final Terms (or Pricing Supplement, as applicable).

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

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the *Shari'a* Advisory Board of Citi Islamic Investment Bank E.C., the Central *Shariah* Committee of HSBC Bank Middle East Limited, the *Shari'a* Supervision Board of Dubai Islamic Bank and Dar Al Sharia and the *Shari'a* Supervisory Board of First Abu Dhabi Bank PJSC Prospective Certificateholders should not rely on the approval referred to above in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in the approval referred to above is in compliance with *Shari'a* principles.

Arrangers

Citigroup	**Deutsche Bank**	**Dubai Islamic Bank**
Emirates NBD Capital	**First Abu Dhabi Bank**	**HSBC**

Dealers

Citigroup	**Deutsche Bank**	**Dubai Islamic Bank**
Emirates NBD Capital	**First Abu Dhabi Bank**	**HSBC**
	Standard Chartered Bank	

IMPORTANT NOTICES

This Base Prospectus complies with the requirements in Part 2 of the Markets Law (DIFC Law No. 1 of 2012) and Chapter 2 of the Markets Rules and comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Trustee, the Company, the Group (as defined herein) and the Certificates which, according to the particular nature of the Trustee, the Company, the Group and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and the Company.

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

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

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

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

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

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

None of the Arrangers and Dealers, the Delegate or the Agents have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking in respect thereof, express or implied, is made. None of the Arrangers and Dealers, the Delegate or the Agents accepts any responsibility for: (i) the accuracy or completeness of the contents of this Base Prospectus or any information incorporated by reference into this document; (ii) any other statement made, or purported to be made, by an Arranger or Dealer or on its behalf in connection with the Trustee, this Base Prospectus or the issue and offering of Certificates under the Programme; or (iii) any acts or omissions of the Trustee, the Company or any other person in connection with this Base Prospectus or the issue and offering of Certificates under the Programme. Each of the Arrangers and Dealers, the Delegate and the Agents accordingly disclaims all and any liability whether arising in tort or

contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Trustee, the Company, the Arrangers and Dealers, the Delegate or Agents that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and the Company.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Certificates shall in any circumstances imply that the information contained herein concerning the Trustee and the Company is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Trustee since the date of this Base Prospectus. The Arrangers and Dealers, the Delegate and the Agents expressly do not undertake to review the financial condition or affairs of the Trustee or the Company during the life of the Programme or to advise any investor in the Certificates of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, the Company or the Arrangers and Dealers represents that this Base Prospectus may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee or the Company or the Arrangers and Dealers which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and none of this Base Prospectus, any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the Cayman Islands, Dubai International Financial Centre, the EEA, the Kingdom of Bahrain, Japan, the Kingdom of Saudi Arabia, Malaysia, the Republic of Italy, State of Qatar (including the Qatar Financial Centre), Singapore, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States. Please see "*Subscription and Sale and Transfer and Selling Restrictions*".

The requirement to publish a base prospectus under the Prospectus Directive only applies to Certificates which are to be admitted to trading on a regulated market for the purposes of MiFID II in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to "Non-PD Certificates" are to Certificates issued by the Trustee for which no base prospectus is required to be published under the Prospectus Directive. The Non-PD Certificates do not form part of this Base Prospectus for the purposes of the Prospectus Directive and the U.K. Listing Authority has neither approved nor reviewed information contained in this Base Prospectus in connection with Non-PD Certificates.

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

or any Final Terms (or Pricing Supplement, as applicable) shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and the Company.

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

- **have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in Certificates and the information contained in this Base Prospectus or any applicable supplement;**
- **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact such investment will have on its overall investment portfolio;**
- **have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with principal or profit payable in one or more currencies, or where the currency for principal or profit payments is different from the potential investor's currency;**
- **understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and**
- **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.**

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

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

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

None of the Trustee, the Company, any Arranger or Dealer, the Delegate or the Agents makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

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

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs who are also QPs for informational use solely in connection with the consideration of the purchase

of the Certificates being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

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

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

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

VOLCKER RULE

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

The acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be banking entities for the purposes of the Volcker Rule may be restricted from holding the Certificates. **Any prospective investor in the Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.**

NOTICE TO UK RESIDENTS

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Market Act 2000 (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the Financial Conduct Authority (the "**FCA**"). Accordingly, this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any applicable Final Terms, any applicable Pricing Supplement and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of persons described in Article 49 (*High net worth companies, unincorporated associations, etc.*) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (ii) persons falling within any of the categories of person described in Article 22 (*High net worth companies, unincorporated associations, etc.*) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be promoted. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any applicable Final Terms, any applicable Pricing Supplement or any other marketing materials in relation to the Certificates.

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

Any prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

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

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain ("**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or the equivalent amount in any other currency or such other amount as the CBB may determine.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

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

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

NOTICE TO RESIDENTS OF MALAYSIA

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus and any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within any one of the categories of persons specified under Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Company and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

The Certificates will not be offered, sold or delivered, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by or registered with the Qatar Central Bank, the Qatar Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in the State of Qatar. The Certificates are not and will not be traded on the Qatar Exchange.

MIFID PRODUCT GOVERNANCE RULES

The applicable Final Terms in respect of any Series of Certificates may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of any Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made at the time of issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

STABILISATION

In connection with the issue of any Series of Certificates, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the relevant subscription agreement (or Pricing Supplement, as applicable) (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Certificates or effect transactions with a view to supporting the market price of the Certificates during the stabilisation period at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Certificates is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Certificates and sixty 60 days after the date of the allotment of the relevant Series of

Certificates. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

The risks and uncertainties referred to above include:

- changes in global trading volumes and regional import and export volumes;
- the Company's ability to achieve and manage growth, whether through organic growth or by winning new concessions or through bolt-on acquisitions;
- the Company's exposure to certain risks in respect of the expansion of terminals and port facilities and the development of new terminals and port facilities;
- the Company's indebtedness adversely affecting its ability to raise additional capital to fund its operations;
- changes in political, social and economic stability associated with countries and regions in which the Company operates;
- the political and economic conditions in the UAE and the Middle East;
- significant competition in the container terminal industry for concessions and throughput;
- the Company's ability to maintain and renew concession agreements at its existing facilities;

- failure to comply with a wide variety of regulations applicable to the Group's business;
- fluctuations in the currency exchange rates in the markets in which the Group operates;
- any future impairment of the Company's goodwill relating to subsidiaries, joint ventures and associates which may represent a reduction in future cashflows; and
- the ability of the Company's ultimate shareholder, Dubai World, and the Government, to exert significant influence over the Company and/or their interests conflicting with those of the Company and/or holders of the Company's debt, including Certificateholders.

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

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Trustee and the Company expressly disclaim any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

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

The unaudited condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2018 and 2017 which has been derived from the unaudited condensed consolidated financial statements for the Group as of and for the six months ended 30 June 2018 (the "**DPW H1 2018 Unaudited Financial Statements**"), as prepared in accordance with International Auditing Standard 34 (Interim Financial Reporting) ("**IAS 34**") and included elsewhere in this Base Prospectus.

The audited consolidated financial statements of the Group as at and for the year ended 31 December 2017 (the "**DPW 2017 Financial Statements**") and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2016 (the "**DPW 2016 Financial Statements**" and together with the DPW 2017 Financial Statements, the "**DPW Audited Financial Statements**") are set out elsewhere in this Base Prospectus. The DPW Audited Financial Statements and the DPW H1 2018 Unaudited Financial Statements are referenced to collectively herein as "**DPW Financial Statements**". The DPW Financial Statements have been audited by KPMG LLP, independent auditors. The DPW Audited Financial Statements have been prepared and are presented in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board (the "**IASB**") and are presented in U.S. dollars.

The Group's financial year ends on 31 December and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year.

Future Change in Presentation of Leases

The IASB has introduced a new lease standard IFRS 16, which supersedes IAS 17 leases, which the Group is required to apply with effect from 1 January 2019. The Group is in the process of collating its leases and computing the impact, which is expected to be significant. For further information, see Note (2 b) (iii) (*New standards and interpretations not yet effective - IFRS 16 Leases (effective from 1 January 2019)*) to the DPW 2017 Financial Statements.

Non-IFRS Measures, Separately Disclosed Items and Alternative Performance Measures

The Group presents in the DPW Financial Statements, as separately disclosed items ("**SDIs**") on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation to allow users to understand better the elements of financial performance in the period, so as

to facilitate a comparison with prior periods and a better assessment of trends in financial performance. See Note 7 (*Separately disclosed items*) to the DPW H1 2018 Unaudited Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements and Note 9 (*Separately disclosed items*) to the DPW 2016 Financial Statements for further information regarding SDIs. Items that are included as Before Separately Disclosed Items do not purport to be alternatives to the financial statements captions (i.e. revenue, profit after tax from continuing operations etc.). The Group also presents, as SDIs, excluding not limited to, "**Revenue Before Separately Disclosed Items**", "**Cost of Sales Before Separately Disclosed Items**", "**General and Administrative Expenses Before Separately Disclosed Items**", "**Share of Profit From Equity-Accounted Investees Before Separately Disclosed Items**", "**Income Tax Before Separately Disclosed Items**" and "**Profit After Tax Before Separately Disclosed Items**".

Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**"), a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax expense, depreciation and amortisation (and from 1 January 2019, the Company intends to deduct from EBITDA the fixed component of any liability under a concession agreement or other operating lease required to be treated as a finance lease by the Group under IFRS 16 – Leases.) "**Adjusted EBITDA**" is defined as EBITDA further adjusted to remove the impact of SDIs.

Before separately disclosed items, separately disclosed items, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, Leverage, Interest Cover and Like-For-Like metrics are not recognised terms under IFRS or U.S. generally accepted accounting principles. EBITDA and Adjusted EBITDA do not purport to be alternatives to profit after tax from continuing operations as measures of operating performance or to cash flows from operating activities as measures of liquidity. Additionally, EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow available for management's discretionary use, as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Management believes that EBITDA and Adjusted EBITDA are helpful in highlighting trends because they exclude the results of decisions that are outside the control of operating management and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Management uses EBITDA and Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Since not all companies use identical calculations, these presentations of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. See "*Selected Financial Information of the Group*".

Management also refers to "**Like-For-Like**" in order to normalise for divestments, addition of new capacity and exchange rates. Some of the financial and operation measures presented herein on a Like-For-Like basis include: gross throughput, consolidated throughput, revenue, share of profit from equity-accounted investees, Adjusted EBITDA, Adjusted EBITDA Margin, Profit for the period and Profit for the period attributable to owners of the company.

When comparing the six months ended 30 June 2018 to the six months ended 30 June 2017, Like-For-Like was without (i) the new additions at Berbera (Somaliland), Limassol (Cyprus), Drydocks (UAE), Dubai Maritime City (UAE), Cosmos Agencia Marítima (Peru), Reyser (Spain); (ii) the discontinuation of Doraleh (Djibouti), Saigon (Vietnam), ISS (Pakistan), (iii) the consolidation of DP World Santos (Brazil) and (iv) the impact of exchange rates (since the Group's financial results are translated into U.S. dollars for reporting purposes). When comparing the year ended 31 December 2017 to the year ended 31 December 2016, Like-For-Like was without the addition of: (i) new units at Berbera (Somaliland), Limassol (Cyprus), Saint John (Canada), CXP (Peru), Yarimca (Turkey), Kigali (Rwanda), Posorja (Ecuador); (ii) acquisition of PNC (South Korea) and Santos (Brazil); and (iii) the impact of exchange rates (since the Group's financial results are translated into U.S. dollars for reporting purposes). When comparing the year ended 31 December 2016 to the year ended 31 December 2015, Like-For-Like was without the addition of: (i) new capacity at Yarimca (Turkey), Stuttgart (Germany), Antwerp Inland (Belgium), Prince Rupert (Canada) and the Jebel Free Zone (UAE); and (ii) the impact of exchange rates (since the Group's financial results are translated into U.S. dollars for reporting purposes).

Certain financial measures presented by DP World in this Base Prospectus are not defined in accordance with IFRS accounting standards. DP World believes that these alternative performance measures (as defined in the European Securities and Markets Authority guidelines (the "**ESMA Guidelines**") on Alternative Performance Measures ("**APMs**")) provide useful supplementary information to both investors

and to DP World's management, as they facilitate the evaluation of underlying business performance across financial reporting periods. However, investors should note that, since not all companies calculate financial measurements, such as the APMs presented by DP World in this Base Prospectus, in the same manner, these are not always directly comparable to performance metrics used by other companies.

Additionally, the APMs presented by DP World in this Base Prospectus are unaudited and have not been prepared in accordance with IFRS, U.S. GAAP or any other accounting standards. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS.

For the purposes of the ESMA Guidelines, DP World considers that the EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, Leverage (Net Debt to Adjusted EBITDA), Interest Cover and Like-For-Like metrics constitute APMs. For a description of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt and Leverage (Net Debt to Adjusted EBITDA), see *Selected Financial Information of the Group*.

Certain Conventions

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

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

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

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

Operational Data

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

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

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

"**Consolidated throughput**" refers to throughput from all terminals where the Group has control as per IFRS.

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

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

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

Certain Defined Terms

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

- references to the "**Company**" herein are to DP World Limited, a company limited by shares incorporated in the DIFC with Registration Number 0226 issued on 9 August 2006;
- references to the "**Concession Agreement**" herein are to the concession agreement between JAFZA and JAFZ dated 13 November 2007 and amended and restated on 29 April 2012, pursuant to which JAFZA granted JAFZ a concession with exclusive rights and privileges to provide certain licensing and administration services (the "**Services**") within the specified area that comprises substantially all of the Free Zone (the "**Concession Area**");
- references to the "**Concession Documents**" herein are to the Concession Agreement and the Usufruct Agreement;
- references to "**Dubai**" herein are to the Emirate of Dubai;
- references to "**EZW**" herein are to Economic Zones World FZE;
- references to the "**EZW Acquisition**" herein are to the acquisition by the Company of the EZW Group from PFZW on 16 March 2015 for cash consideration of U.S.$2.7 billion (see "*Description of the Company – History – Regional and international expansion through acquisitions – EZW Group*");
- references to the "**EZW Group**" herein are to EZW, together with its subsidiaries and subsidiary undertakings;
- references to the "**Free Zone**" herein are to the Jebel Ali Free Zone;
- references to the "**GCC**" herein are to the Gulf Cooperation Council;
- references to the "**Government**" herein are to the Government of Dubai;
- unless otherwise specified or the context otherwise requires, references to the "**Group**" herein are to the Company, together with its consolidated subsidiaries, joint ventures and associates;
- references to "**JAFZ**" herein are to Jebel Ali Free Zone FZE;
- references to "**JAFZA**" herein are to the Jebel Ali Free Zone Authority;
- references to the "**Master Leases**" herein are to the three master leases entered into between JAFZA and JAFZ that together cover all commercial leases relating to property in the Concession Area that JAFZA has entered into with each customer and are effective from 14 November 2007;
- references to "**PFZW**" herein are to the Port and Free Zone World FZE;
- references to "**P&O**" herein are to The Peninsular and Oriental Steam Navigation Company, a company incorporated in the United Kingdom by Royal Charter with limited liability with company number Z73;
- references to the "**UAE**" herein are to the United Arab Emirates; and

- references to the "**Usufruct Agreement**" are to the usufruct agreement dated 13 November 2007 and amended and restated on 29 April 2012 pursuant to which JAFZA granted JAFZ exclusive rights (the "**Usufruct Rights**") to use and benefit from the Concession Area and the fixed assets contained therein (the "**Usufruct Property**").

Presentation of Market, Market Share and Industry Data

The market, market share and industry data contained in this Base Prospectus has been derived from a number of publicly available sources and industry reports. In particular, information and data relating to the international container shipping industry has been derived from reports, databases (including the IMF World Economic Outlook Update, 2018, Drewry's Annual Review and Forecast of Global Container Terminal Operators 2018 and the Container Forecaster Q2, 2018 and other sources made available in the public domain). The Trustee and the Company confirm that this information has been accurately reproduced and, so far as the Trustee and the Company is aware and has been able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the accuracy of such information is subject to the availability and reliability of the data supporting such information and neither the published information nor the underlying data has been independently verified. In addition, the methodology of Drewry and of other industry sources for collecting information and data, and therefore the reported information, may differ from that used by the Company to compile its own operational data and from the methodologies employed by other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the container shipping industry. Drewry has made no representation, express or implied, and has not accepted any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. The source of any third-party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

SUPPLEMENTARY PROSPECTUS

If at any time the Trustee and the Company are required to prepare a supplementary prospectus pursuant to section 87G of the FSMA, the Trustee and the Company will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Certificates to be listed on the Official List and admitted to trading on the Regulated Market, shall constitute a supplementary prospectus as required by the U.K. Listing Authority and section 87G of the FSMA.

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

AVAILABLE INFORMATION

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

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OVERVIEW OF THE GROUP

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

Overview of the Group

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions.

As at 31 December 2017, the Group managed 78 operating marine and inland terminals supported by over 50 related businesses in over 40 countries across six continents with a significant presence in both high-growth and mature markets. The Group aims to be essential to the future of global trade, ensuring everything it does has a long-lasting positive impact on economies and society. As at 31 December 2017, the Group's portfolio had a gross capacity of 88.2 million TEU and for the year ended 31 December 2017 generated gross throughput of 70.1 million TEU revenue of U.S.$4,728.8 million, profit for the year of U.S.$1,330.8 million and an Adjusted EBITDA of U.S.$2,469.0 million.

Recent Developments

For the six-month period ended 30 June 2018, the Group's portfolio generated gross throughput of 35.6 million TEU. Gross container volumes and Like-For-Like Container Volumes grew by 4.8 per cent. and 6.0 per cent., respectively, compared to the same period in the previous year. This growth was primarily due to a strong performance from the Group's terminals located in Europe and Asia. For the six months ended 30 June 2018, the Group had revenue of U.S.$2,625.6 million, profit for the period of U.S.$677.0 million and an Adjusted EBITDA of U.S.$1,321.5 million.

Risk Factors

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

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

OVERVIEW OF THE PROGRAMME

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

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

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

Trustee.....	DP World Crescent Limited, as trustee for and on behalf of the Certificateholders and, in such capacity, as issuer of the Certificates, an exempted company incorporated with limited liability in the Cayman Islands on 14 April 2016 with registered number 310423 with its registered office at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party. The Trustee shall on each Issue Date issue the Certificates to the Certificateholders and act as Trustee in respect of the Trust Assets for the benefit of the Certificateholders.
Ownership of the Trustee	The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 shares of U.S.$1.00 each, of which 100 shares are fully paid up and issued. The Trustee's entire issued share capital is held in trust by Conyers Trust Company (Cayman) Limited as share trustee (the "**Share Trustee**") of a purpose trust, including charitable purposes, under the terms of a declaration of trust.
Administration of the Trustee.....	Conyers Trust Company (Cayman) Limited, a service provider incorporated in the Cayman Islands, acts as the secretary of the Trustee (in such capacity, the "**Trustee Administrator**"). Pursuant to the terms of a corporate services agreement dated 14 April 2016, as assigned to the Trustee Administrator with effect from 1 May 2018, between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to provide, or procure the provision of, certain administrative functions to the Trustee, including registered office, director and alternate director, secretarial, administrative and other services until termination of the Services Agreement. The offices of the Trustee Administrator are situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
The Company	DP World Limited, a company limited by shares incorporated in the DIFC with Registration Number 0226 issued on 9 August 2006. The address of the Company's registered office is P.O. Box 17000, Dubai, UAE. The Company's telephone number is +971 4 881 1110.

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

Restricted Certificates, as defined in the Agency Agreement).....	
Sale and Purchase of Throughput Services.....	For each Series, the Company (as Seller) will sell to the Trustee (as Purchaser) certain allotted Throughput Services (the "**Allotted Throughput Services**"), additional Throughput Services (the "**Additional Throughput Services**") and, if applicable, further Throughput Services (the "**Further Throughput Services**") pursuant to the relevant Purchase of Services Agreement for that Series (as defined herein). See further, "*Structure Diagram and Cash Flows*" and "*Summary of the Principal Transaction Documents*".
Method of Issue	The Certificates will be issued on a syndicated or non-syndicated basis. The Certificates will be issued in series (each series of Certificates being a "**Series**"). The specific terms of each Series will be completed in the final terms document (the "**applicable Final Terms**") or, in the case of Non-PD Certificates, the pricing supplement document (the "**applicable Pricing Supplement**").
Issue Price	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement). The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Company and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Status of the Certificates.....	Each Certificate will represent an undivided ownership interest in the Trust Assets of the relevant Series, is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.
Form and Delivery of Certificates.....	The Certificates will be issued in registered form only. The Certificates of each Series will be represented on issue by ownership interests in one or more global certificates (each a "**Global Certificate**"), which will be deposited with, and registered in the name of a nominee for, a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or the Depository Trust Company ("**DTC**") (as applicable). Certificates sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by an unrestricted global certificate (an "**Unrestricted Global Certificate**") and Certificates sold to QIBs who are also QPs in reliance on Rule 144A will initially be represented by a restricted global certificate (a "**Restricted Global Certificate**"). Ownership interests in a Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, Luxembourg and DTC (as applicable), and their respective participants. Certificates in definitive form evidencing holdings of Certificates ("**Definitive Certificates**") will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances. See further the section entitled "*Form of the Certificates*".

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

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

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

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

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

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

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

Trust Assets..... Pursuant to the relevant Declaration of Trust for each Series, the Trustee has declared that it will hold the Trust Assets upon trust absolutely for, and on behalf of, the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder. The term "**Trust Assets**" means:

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

(b) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to

the relevant Purchase of Services Agreement and which remain to be sold pursuant to the Service Agency Agreement (and the relevant Services Plan for each Series) and, if applicable, the Purchase Undertaking or the Sale Undertaking (each as defined herein);

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

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

and all proceeds of the foregoing.

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

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

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

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

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

(a) the occurrence of a Dissolution Event;

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

(c) the occurrence of a Tax Event;

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

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

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

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

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

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

Undertaking redeem the Certificates, in whole but not in part, at an amount equal to the relevant Tax Redemption Amount on the relevant Tax Redemption Date specified in the Exercise Notice. See further Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

Change of Control Put Option .... If so specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), each Certificateholder will have the right to require the redemption of its Certificates if a Change of Control Event occurs. See further Condition 10(d)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders – Change of Control Put Option*);

Dissolution Events ..... The Certificates will be subject to certain dissolution events as described in Condition 14 (*Dissolution Events*). Following the occurrence of a Dissolution Event, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Final Dissolution Amount.

Ratings..... Series of Certificates to be issued under the Programme will be rated or unrated. Where a Series of Certificates is to be rated, the relevant rating(s) (and the credit rating agency issuing such rating(s)) will be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, change or withdrawal at any time by the assigning rating agency, and each rating should be evaluated independently of any other rating.

Withholding Tax..... All payments by the Company under the Transaction Documents to which it is a party are to be made without withholding or deduction for, or on account of, any Taxes imposed in the UAE, Dubai or the DIFC (or any political subdivision or any authority thereof or therein having power to tax) unless the withholding or deduction is required by law. In the event that any such withholding or deduction is made by the Company as a result of any requirement of law, the Company will be required to pay to the Trustee additional amounts so that the Trustee will receive the full amounts that it would have received under the relevant Transaction Documents had no such withholding or deduction been required.

All payments by the Trustee in respect of the Certificates shall be made without withholding or deduction for, or on account of, any Taxes imposed in the Cayman Islands (or any political subdivision or any authority thereof or therein having power to tax) unless the withholding or deduction is required by law. In the event that any such withholding or deduction is made by the Trustee as a result of any requirement of law, the Trustee will be required, subject to certain exceptions provided in Condition 11 (*Taxation*), to pay such additional amounts as shall result in receipt by the Certificateholders of the amount that would have been received by them had no such withholding or deduction been required. The Company has agreed in the Transaction Documents that, if the Trustee is required to make any such deduction or withholding, the Company will pay to the Trustee such additional

amounts to cover the amounts so withheld or deducted. See further, Condition 11 (*Taxation*).

ERISA ..... Plans and other entities subject to ERISA or Section 4975 of the Code or similar laws may not acquire Certificates (or any interest in a Certificate).

Tax Considerations ..... See the section entitled "*Taxation*" for a description of certain tax considerations applicable to the Certificates.

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

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

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

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

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

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

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

renominalisation and/or consolidation with other Certificates then denominated in euro.

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

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

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

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

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

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The summary consolidated financial data of the Group: (i) as at and for the six months ended 30 June 2018 and 2017 have been derived from the DPW H1 2018 Unaudited Financial Statements; (ii) as at and for the year ended 31 December 2017 have been derived from the DPW 2017 Financial Statements; and (iii) as at and for the years ended 31 December 2016 and 2015 have been derived from the DPW 2016 Financial Statements, in each case appearing elsewhere in this Base Prospectus. See "Presentation of Certain Financial and Other Information".

Consolidated profit and loss information

	Six months ended 30 June					
	2017			2018		
	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total
	(U.S. dollars in thousands)					
Revenue	2,294,453	7,933	2,302,386	2,625,599	-	2,625,599
Cost of sales	(1,120,478)	(7,933)	(1,128,411)	(1,411,079)	-	(1,411,079)
Gross profit	**1,173,975**	**-**	**1,173,975**	**1,214,520**	**-**	**1,214,520**
General and administrative expenses	(330,283)	-	(330,283)	(364,228)	-	(364,228)
Other income	20,278	571	20,849	24,701	-	24,701
Share of profit/(loss) from equity accounted investees (net of tax)	60,196	(11,813)	48,383	87,853	(5,744)	82,109
Results from operating activities	**924,166**	**(11,242)**	**912,924**	**962,846**	**(5,744)**	**957,102**
Finance income	52,057	-	52,057	63,729	65,017	128,746
Finance costs	(217,811)	(51,535)	(269,346)	(292,264)	(10,906)	(303,170)
Net finance costs	**(165,754)**	**(51,535)**	**(217,289)**	**(228,535)**	**54,111**	**(174,424)**
Profit before tax	**758,412**	**(62,777)**	**695,635**	**734,311**	**48,367**	**782,678**
Income tax expense	(76,128)	-	(76,128)	(105,722)	-	(105,722)
Profit for the period	**682,284**	**(62,777)**	**619,507**	**628,589**	**48,367**	**676,956**
Profit attributable to:						
Owners of the Company	606,006	(62,777)	543,229	593,444	48,367	641,811
Non-controlling interests	76,278	-	76,278	35,145	-	35,145

(1) SDIs represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 7 (Separately disclosed items) to the DPW H1 2018 Unaudited Financial Statements.

	Year ended 31 December								
	2015			2016			2017		
	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total
	(U.S. dollars in thousands)								
Revenue	3,967,739	75,171	4,042,910	4,163,325	68,243	4,231,568	4,714,733	14,053	4,728,786
Cost of sales	(2,009,145)	(75,171)	(2,084,316)	(2,010,490)	(68,243)	(2,078,733)	(2,359,467)	(14,053)	(2,373,520)
Gross profit	1,958,594	-	1,958,594	2,152,835	-	2,152,835	2,355,266	-	2,355,226
General and administrative expenses	(590,284)	(653)	(590,937)	(628,411)	(776)	(629,187)	(693,878)	(14,699)	(708,577)
Other income	26,979	16,867	43,846	49,301	3,878	53,179	51,844	3,433	55,277
Profit on sale and termination of business	-	(610)	(610)	(2,966)	(12,524)	(15,490)	-	(28,234)	(28,234)
Share of profit/(loss) from equity accounted investees (net of tax)	52,702	-	52,702	149,435	(2,957)	146,478	123,592	4,172	127,764
Results from operating activities	1,447,991	15,604	1,463,595	1,720,194	(12,379)	1,707,815	1,836,824	(35,328)	1,801,496
Finance income	104,969	9,705	114,674	100,247	47,462	147,709	95,540	550	96,090
Finance costs	(492,087)	(23,352)	(515,439)	(438,357)	(139,521)	(577,878)	(425,410)	(98,100)	(523,510)
Net finance costs	(387,118)	(13,647)	(400,765)	(338,110)	(92,059)	(430,169)	(329,870)	(97,550)	(427,420)
Profit before tax	1,060,873	1,957	1,062,830	1,382,084	(104,438)	1,277,646	1,506,954	(132,878)	1,374,076
Income tax expense	(90,988)	-	(90,988)	(122,579)	-	(122,579)	(144,406)	101,076	(43,330)
Profit for the year	969,885	1,957	971,842	1,259,505	(104,438)	1,155,067	1,362,548	(31,802)	1,330,746
Profit attributable to:									
Owners of the Company	882,576	355	882,931	1,126,554	(102,300)	1,024,254	1,208,517	(31,802)	1,176,715
Non-controlling interest	87,309	1,602	88,911	132,951	(2,138)	130,813	154,031	-	154,031

(1) SDIs represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements and Note 9 (*Separately disclosed items*) to the DPW 2016 Financial Statements.

Profit or loss data by Segment

	Six months ended 30 June			
	2017		2018	
	Revenue	Profit/(loss) for the period	Revenue	Profit/(loss) for the period
	(U.S. dollars in thousands)			
Middle East, Europe and Africa	1,596,528	742,623	1,844,657	700,592
Australia and Americas	362,713	97,393	430,467	108,603
Asia-Pacific and Indian Subcontinent	343,145	167,139	350,475	222,980
Head office	-	(387,648)	-	(355,219)
Total	**2,302,386**	**619,507**	**2,625,599**	**676,956**

	Year ended 31 December					
	2015		2016		2017	
	Revenue	Profit/ (loss) for the year	Revenue	Profit/ (loss) for the year	Revenue	Profit /(loss) for the year
	(U.S. dollars in thousands)					
Middle East, Europe and Africa	2,911,399	1,291,882	3,071,052	1,391,914	3,284,363	1,500,840
Australia and Americas	642,137	120,936	659,020	217,739	762,151	165,055
Asia-Pacific and Indian Subcontinent	489,374	212,540	501,496	242,932	682,272	319,916
Head office	-	(653,516)	-	(697,518)	-	(655,065)
Total	**4,042,910**	**971,842**	**4,231,568**	**1,155,067**	**4,728,786**	**1,330,746**

	Six months ended 30 June			
	2017		2018	
	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items
	(U.S. dollars in thousands)			
Middle East, Europe and Africa	1,596,528	742,052	1,844,657	706,336
Australia and Americas	362,713	97,393	430,467	108,603
Asia-Pacific and Indian Subcontinent	335,212	178,952	350,475	222,980
Head office	-	(336,113)	-	(409,330)
Total	**2,294,453**	**682,284**	**2,625,599**	**628,589**

	Year ended 31 December					
	2015		2016		2017	
	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items
	(U.S. dollars in thousands)					
Middle East, Europe and Africa	2,911,399	1,276,278	3,071,052	1,400,085	3,284,363	1,490,471
Australia and Americas	642,137	120,936	659,020	215,663	762,151	197,439
Asia-Pacific and Indian Subcontinent	414,203	212,540	433,253	249,216	668,219	333,229
Head office	-	(639,869)	-	(605,459)	-	(658,591)
Total	**3,967,739**	**969,885**	**4,163,325**	**1,259,505**	**4,714,733**	**1,362,548**

Consolidated financial position information

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	(U.S. dollars in thousands)			
Total non-current assets	18,007,385	18,532,469	20,668,387	**21,232,050**
Current assets				
Cash and cash equivalents	1,436,595	1,299,391	1,483,679	1,512,163
Other current assets[1]	815,147	872,469	961,824	1,848,717
Total current assets	**2,251,742**	**2,171,860**	**2,445,503**	**3,360,880**
Total assets	**20,259,127**	**20,704,329**	**23,113,890**	**24,592,930**
Total equity	**9,134,598**	**9,519,685**	**11,625,362**	**11,509,671**
Non-current liabilities				
Interest bearing loans and borrowings	7,527,231	6,874,777	7,437,270	7,314,379
Other non-current liabilities[2]	1,682,342	1,764,669	1,699,878	1,639,631
Total non-current liabilities	**9,209,573**	**8,639,446**	**9,137,148**	**8,954,010**
Current liabilities				
Accounts payable and accruals	1,614,580	1,663,809	1,947,781	2,370,064
Interest bearing loans and borrowings	143,047	743,482	301,708	1,661,744
Other current liabilities[3]	157,329	137,907	101,891	97,441
Total current liabilities	**1,914,956**	**2,545,198**	**2,351,380**	**4,129,249**
Total liabilities	**11,124,529**	**11,184,644**	**11,488,528**	**13,083,259**
Total equity and liabilities	**20,259,127**	**20,704,329**	**23,113,890**	**24,592,930**

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

Consolidated cash flow information

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Net cash from operating activities	1,780,747	1,844,537	2,207,873	881,987	869,952
Net cash (used in)/from investing activities	(4,024,572)	(1,258,877)	(585,985)	30,182	(1,007,755)
Net cash (used in)/from financing activities	(11,785)	(701,274)	(1,481,385)	(608,571)	189,535
Net (decrease)/increase in cash and cash equivalents	(2,255,610)	(115,614)	140,503	303,598	51,732
Effect of exchange rate fluctuation on cashflow	(30,868)	(21,590)	43,785	27,810	(23,248)
Cash and cash equivalents at 1 January	3,723,073	1,436,595	1,299,391	1,299,391	1,483,679
Cash and cash equivalents at period end	**1,436,595**	**1,299,391**	**1,483,679**	1,630,799	**1,512,163**

Selected other operating and financial data

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Calculation of EBITDA and Adjusted EBITDA:					
Profit after tax	971,842	1,155,067	1,330,746	619,507	676,956
Finance costs	492,087	438,357	425,410	217,811	292,264
Finance income	(104,969)	(100,247)	(95,540)	(52,057)	(63,729)
Income tax expense	90,988	122,579	144,406	76,128	105,722
Depreciation and amortisation	480,125	542,883	632,210	300,754	358,669
EBITDA[(1)]	1,930,073	2,158,639	2,437,232	1,162,143	1,369,882
Separately disclosed items[(2)]	(1,957)	104,438	31,802	62,777	(48,367)
Adjusted EBITDA[(3)]	**1,928,116**	**2,263,077**	**2,469,034**	**1,224,920**	**1,321,515**
Adjusted EBITDA margin[(4)]	**48.6**	**54.4**	**52.4**	**53.4**	**50.3**

(1) EBITDA, a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax, depreciation and amortisation (and from 1 January 2019, the Company intends to deduct from EBITDA the fixed component of any liability under a concession agreement or other operating lease required to be treated as a finance lease by the Group under IFRS 16 – Leases). EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

(2) See Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2016 Financial Statements and Note 7 (*Separately disclosed items*) to the DPW H1 2018 Unaudited Financial Statements.

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

(4) Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Adjusted EBITDA[(1)] **by Segment:**					
Middle East, Europe and Africa	1,611,506	1,791,269	1,917,640	945,062	949,968
Australia and Americas	189,619	293,052	291,485	140,331	166,444
Asia-Pacific and Indian Subcontinent	280,963	316,476	434,989	229,017	275,186
Head office	(153,972)	(137,720)	(175,080)	(89,490)	(70,083)
Total	**1,928,116**	**2,263,077**	**2,469,034**	**1,224,920**	**1,321,515**

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

	As at or for the year ended 31 December			As at or for the six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Containerised stevedoring revenue	1,506,735	1,535,059	1,856,806	897,087	948,448
Containerised other revenue	1,239,744	1,315,186	1,450,110	695,656	703,203
Non containerised revenue	802,314	759,516	821,751	398,198	690,535
Service concession revenue	75,171	68,243	14,053	7,933	-
Lease rental and related services	418,946	553,564	586,066	303,513	283,413
Revenue	4,042,910	4,231,568	4,728,786	2,302,386	2,625,599
Net Debt to Adjusted EBITDA[1]	3.23	2.79	2.53	2.56	2.91
Interest Cover[2]	5.0	6.7	7.5	7.4	5.8
Gross throughput (in '000 of TEU)					
Middle East, Europe and Africa	25,985	26,338	29,358	14,255	14,967
Australia and Americas	7,430	7,734	8,798	4,190	4,408
Asia-Pacific and Indian Subcontinent	28,285	29,587	31,924	15,551	16,244
Gross throughput	**61,701**	**63,658**	**70,079**	**33,997**	**35,620**

(1) Net debt to Adjusted EBITDA is calculated by dividing total debt minus cash and cash equivalents (Net Debt) by Adjusted EBITDA. See below for a reconciliation of Net Debt.

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	(U.S. dollars in thousands)			
Calculation of Net Debt				
Current interest bearing loans and borrowings	143,047	743,482	301,708	1,661,744
Non-current interest bearing loans and borrowings	7,527,231	6,874,777	7,437,270	7,314,379
Total Debt[1]	**7,670,278**	**7,618,259**	**7,738,978**	**8,976,123**
Cash and cash equivalents	(1,436,595)	(1,299,391)	(1,483,679)	(1,512,163)
Net Debt[1]	**6,233,683**	**6,318,868**	**6,255,299**	**7,463,960**

(1) See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

(2) Interest Cover is calculated as Adjusted EBITDA divided by Net Finance Costs Before Separately Disclosed Items.

	% Change Like-For-Like at Constant Currency[1]		
	2015-2016	2016-2017	H1 2017-H1 2018
Results			
Gross throughput	2.2%	9.7%	6.0%
Consolidated throughput	(1.6%)	6.2%	4.5%
Revenue	1.3%	6.0%	3.0%
Share of profit from equity-accounted investees	30.5%	31.2%	17.2%
Adjusted EBITDA	6.6%	8.0%	4.2%
Adjusted EBITDA margin	52.6%	53.2%	54.4%
Profit for the period	9.0%	12.0%	2.4%
Profit for the period attributable to owners of the Company	6.2%	15.1%	5.2%

(1) See "*Presentation of Certain Financial and Other Information—Non-IFRS Measures and Alternative Performance Measures*" for information regarding the calculation of the Like-For-Like figures.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the United Kingdom Financial Conduct Authority shall be incorporated in, and form part of, this Base Prospectus:

(a) the Terms and Conditions of the Certificates contained on pages 59 to 94 (inclusive) in the base prospectus dated 9 May 2016 prepared by the Trustee in connection with the Programme (an electronic copy of which is available at https://www.rns-pdf.londonstockexchange.com/rns/8188X_-2016-5-10.pdf).

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Trustee and from the specified office of the Issuing and Paying Agent for the time being in London, upon reasonable notice being given to the Issuing and Paying Agent and during usual business hours.

Any parts of the documents referred to above which are not expressly incorporated by reference in this Base Prospectus as provided above are either not relevant for investors or are covered elsewhere in this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Trustee and approved by: (a) the U.K. Listing Authority in accordance with Article 16 of the Prospectus Directive and relevant implementing measures in the UK; and (b) the DFSA in accordance with the Markets Rules of the DFSA. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

RISK FACTORS

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

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

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

Risk factors Relating to the Trustee

The Trustee was incorporated under the laws of the Cayman Islands on 14 April 2016 as an exempted company with limited liability and has no operating history. The Trustee will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets relating to each Series of Certificates, acting in the capacity as Trustee, and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Certificates, including its right to receive payments from the Company under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee from the Company of all amounts due under the relevant Transaction Documents. Therefore the Trustee is subject to all the risks to which the Company is subject to the extent that such risks could limit the Company's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents to which it is a party. In the event of any shortfall in such amounts, the ability of the Trustee to meet payment obligations under the Certificates may be adversely affected. See "*Risks Related to the Certificates — The Certificates are limited recourse obligations*".

Risks relating to the Group

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

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

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

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

- government reactions to economic conditions and developments;
- the development of emerging market economies and government policies;
- fluctuations in the price of oil;
- trade disputes and work stoppages, particularly in the transportation services industry; and
- acts of war, hostilities, natural disasters, epidemics or terrorism.

For instance, in 2016 trading volumes were down 5.3 per cent. in the UAE due to challenging market conditions. Additionally, in 2015, trading volumes declined on the key Asia-Europe trading route due to the weakening of the euro by approximately 20 per cent. against the U.S. dollar (compared to 2014), which made goods more expensive to purchase in Asia. Similarly, trade volumes into Russia were significantly reduced in 2015 due to sanctions and the weakness of the Russian Rouble.

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

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

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

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

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

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

- election of the Company's directors and, in turn, selection of its management;
- the Group's business policies and strategies, including dividend policy;
- budget approval;
- the issuance of new debt or equity securities and the arrangement of other sources of financing;
- mergers, acquisitions and disposals of the Group's assets or businesses;
- increases or decreases in share capital; and

- amendments to the Company's constitutional documents.

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

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

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

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

The Group's investment in development and expansion projects has increased over the last few years. The Group aims to increase its existing gross capacity to approximately 100 million TEU by 2020 and in 2017 it invested U.S.$1,090 million of capital expenditure. These and other future investments in capacity will be based on the Group's expectations of market demand. However, there can be no assurance that market demand or the Group's business will increase in the near future or that demand for its services will grow at rates sufficient to achieve a satisfactory return on any expenditure that it makes. The Group also cannot provide assurance that any future acquisitions will be successfully identified and completed or that, if acquisitions are completed, the acquired companies will generate sufficient revenue to offset the associated costs or other harmful effects on the Group's business. A failure on the Group's part to manage its growth efficiently and effectively could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

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

The global container terminal industry is highly competitive. The Group faces significant competition from other global container terminal operators, as well as smaller regional operators situated in the same locations as the Group, for both the concessions, which allow the Group to operate in a particular port, and, once the Group has established operations in a specific location, for the throughput. While the Group competes with other terminal operators for both transhipment and O&D throughput on the basis of location, productivity, accessibility, connectivity, price and value-added services, competition for transhipment throughput tends to be more price-sensitive and less captive than O&D throughput as transhipment cargoes can be more easily routed through alternative ports and terminals. For the year ended 31 December 2017, approximately

30 per cent. of the Group's gross throughput was transhipment (which was in line with the years ended 31 December 2016 and 2015).

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

Following significant consolidation in the decade up until 2007, both internally and within the container shipping industry, consolidation within the container terminal industry has stabilised in recent years. According to Drewry, the five largest terminal operators by throughput and capacity, Hutchison Port Holdings ("**HPH**"), APM Terminals ("**APMT**"), PSA International ("**PSA**"), Cosco Group and DP World, collectively accounted for 513.6 million TEU, or 47.0 per cent., of global gross capacity as of 31 December 2017 and 50.0 per cent. of global gross throughput for the year ended 31 December 2017 (*source*: Drewry's Global Container Terminal Operators Annual Review and Forecast 2018). Consolidation within the container terminal industry has resulted in the Group's having to compete with other terminal operators, some of which are larger than the Group and have greater financial resources than the Group and, therefore, may be able to bid at higher concession rates, invest more heavily or effectively in their facilities or withstand price competition and price volatility more successfully than the Group. In addition, some of the Group's competitors may have broader operational experience and longer standing relationships with international shipping companies.

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

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

Competition with other free zone operators and within the MENA region

The Group's parks, logistics and economic zones ("**PLEZ**") business competes with other free zone operators and other economic areas which may offer different benefits to the economic zones the Group is in. JAFZ, which generated most of the Group's revenue in its PLEZ division, competes with several other free zones in Dubai and the other Emirates. These include the industrial free zone at Taweelah in Abu Dhabi, known as Khalifa Industrial Zone Abu Dhabi ("**KIZAD**"), which is being financially supported by the Abu Dhabi government and is actively bringing in major industrial companies as tenants. KIZAD currently has a capacity of 100 square kilometres (www.kizad.ae, information therein is not incorporated by reference into, or otherwise included in, this Base Prospectus), compared to 57 square kilometres at JAFZ. KIZAD is situated adjacent to, and integrated with, the Khalifa Port, which currently has a capacity of 2.5 million TEU that is expected to grow to approximately 15 million TEU by 2030 (compared to the Jebel Ali port which is expected to have a capacity of 22.5 million TEU by mid-2019). In addition, there are currently certain other GCC nations which are developing or expanding integrated port and free zone projects. Ongoing developments in the State of Qatar and the Sultanate of Oman are collectively expected to add approximately 15 million TEU of port capacity supported by approximately 50 square kilometres of adjacent free zone capacity by 2030. In addition, areas such as the Dubai Investment Park, Jumeirah Lake Towers and Dubai World Central offer alternative office and warehouse space.

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

In addition, while the Group has significant experience in operating a free zone through JAFZ, the roll out of the Group's other projects in its PLEZ division may face other forms or competition which may be new or unique to the economic region. Competition with other free zones and integrated port projects could result in JAFZ, or the Group's other PLEZ business, having to reduce its lease rates or service prices, which could materially and adversely affect the cash flows generated and if coupled with the possible decline in

occupancy levels, could if sustained, materially and adversely affect the business, prospects, results of operation and financial condition of the Group.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As a significant number of the Group's container terminal and other ports-related operations are conducted through jointly controlled entities, associated companies and partnerships, the Group is exposed to risks relating to actions taken by its joint venture partners and controlling shareholders of entities in which the Group holds a minority interest. For the year ended 31 December 2017, the Group's share of profits of equity accounted investees, constituted U.S.$127.8 million (or approximately 9.6 per cent.) of the Group's profit for the period. Similarly, U.S.$2,172.7 million (or approximately 9.4 per cent.) of the Group's total assets as of 31 December 2017 comprised investments in associates and joint ventures. To the extent that the Group does not have a controlling equity stake in, or the right or power to direct the management and policies of, a joint venture or other company through which the Group conducts its operations, joint venture partners or controlling shareholders may take action that is not in accordance with the Group's policies and objectives. Should a joint venture partner or controlling shareholder act contrary to the Group's interest, it could have a material adverse effect upon the Group's business, business, prospects, results of operation and financial condition.

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

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

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

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

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

The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. Historically, volatile market conditions have resulted in reduced liquidity, widening of credit spreads, lack

of price transparency in credit and capital markets and increased volatility in interest rates and exchange rates. Any such decline in global credit markets and/or reduced liquidity may affect the Group's ability to secure financing on commercially reasonable terms, if at all. The Group cannot provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and the Group may be required to secure any such financing with a lien over its assets or agree to contractual limitations on its business.

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

The Group may be subject to risks arising from international trade controls or disputes

The Group operates ports and terminals which have throughput originating from or arriving at a destination in countries which have adopted trade defence instruments such as anti-dumping and anti-subsidies laws and regulations. Moreover, import and exports are affected by discretionary import duties that may be imposed by some governments. The Group considers that the use of trade defence measures and other forms of trade controls by some countries is likely to increase in the future. For example, the U.S. has raised the possibility of greater restrictions on international trade and significant increases in tariffs on goods imported into the U.S. The Group has limited operations in the U.S.; however counter measures have been and could be adopted by other countries which are markets for the Group's throughput. Similarly, other countries could follow the U.S.'s lead and enact more barriers to trade. The worsening of such trade relations, in particular between the U.S. and China, could result in negative repercussions in these countries and have a knock-on effect on global trade and the economic environment. In addition, Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt have cut diplomatic ties and restricted business with Qatar by closing off access to that country with an air, sea and land traffic embargo. During the economic embargo, products cannot be shipped directly to Qatar from the UAE, Saudi Arabia or Bahrain. Any trade defence measures or duties imposed on exports or imports that form part of the Group's throughput, could have a material and adverse effect on the Group's business, results of operations or financial condition.

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

As at 31 December 2017, the Group had approximately U.S.$7,739.0 million of outstanding interest-bearing loans and borrowings and it may incur additional indebtedness in the future to finance the growth of its business.

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

- increasing the Group's vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on the Group's indebtedness, thereby reducing the Group's ability to use its cash flow to fund its operations, capital expenditures and future business opportunities and to pay dividends;
- exposing the Group to the risk of increased interest rates with respect to its borrowings at variable rates of interest, unless the Group is able to fully hedge its interest rate exposure with respect to such borrowings;
- restricting the Group from making strategic acquisitions or causing it to make non-strategic divestitures;

- limiting the Group's ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes;

- limiting the Group's ability to adjust to changing market conditions and place it at a competitive disadvantage compared to its competitors that are less highly leveraged; and

- ratings currently assigned to the Company and/or the Certificates being placed on credit watch or downgraded (see also "*Risks Related to the Certificates – Credit ratings assigned to the Company and/or the Certificates are subject to ongoing evaluation and there can be no assurance that the ratings currently assigned to the Company and/or the Certificates will not be placed on credit watch or downgraded*").

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

- incur or guarantee additional financial indebtedness or issue certain redeemable shares;

- grant security or create any security interests; and

- consolidate, merge or sell or otherwise dispose of any of the Group's assets.

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

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

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

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

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

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

conditions persist for a prolonged period) could result in a de-valuation of any such de-pegged currency against the U.S. dollar and could impact open cross-currency positions leading to currency fluctuations.

As of 31 December 2017, 64.4 per cent. of the Group's net operating assets were denominated in currencies other than the functional currency of the Company (being the UAE dirham, which is pegged to the U.S. dollar). As a result, currency fluctuations can have a material impact on the Group's balance sheet.

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

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

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

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which the Group operates. The variable rate debt portion of the Group's loans and borrowings is subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such debt. Consequently, any increase in such reference rates will result in an increase in the Group's interest rate expense and may have a material adverse effect on the Group's financial condition and results of operations. As of 31 December 2017, U.S.$2,328.1 million of the Group's financial instruments carried interest at floating rates before taking interest rate swaps into account. A hypothetical 1 per cent. change in interest rates on this portion of the Group's financial instruments, after taking interest rate swaps into account, would result in a change in the Group's interest expense of approximately U.S.$0.1 million per year. Furthermore, there can be no assurance that, upon the expiration of the Group's current interest rate hedging arrangements, it will be able to enter into similar hedging transactions in the future on commercially reasonable terms, if at all, or that these agreements, if entered into, will protect the Group fully against its interest rate risk in the future. Any future unhedged interest rate risk may result in an increase in the Group's interest expense and may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

Revenues generated by the PLEZ business are dependent upon occupancy levels, rental rates and legislation

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

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

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

Furthermore, the boundaries of the Free Zone are set in the Concession Documents, which means that the growth of JAFZ is limited to the development of undeveloped land or the re-development of developed properties in the Free Zone. As at 31 December 2017, approximately 10 per cent. of the land available in the Free Zone was undeveloped. Similar businesses with the PLEZ business are restricted by the limits of

the designated park or economic zone. Demand for space in the Free Zone, or the Group's other PLEZ locations, in the future may be adversely affected by, among other things, competitive factors; a downturn in the global, regional or local economy; circumstances which cause the UAE or Dubai, or other relevant locations, to be perceived as a less desirable place to do business; a change in law reducing the economic advantages to tenants of doing business in the relevant park or economic zone; a decline in the level of services provided to tenants in the relevant park or economic zone; and a change in the environmental condition of the relevant park or economic zone. A decline in the overall level of leasing revenue generated from the Free Zone, or other relevant park or economic zone, and/or revenue from licensing activities and/or administration services could have a material adverse effect on the business, prospects, results of operation and financial condition of the Group.

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

A failure by any of the Group's debtors to pay their obligations to the Group, or inability to pay by any of the Group's counterparties, may have a significant impact on the Group's reserves and profitability. As of 31 December 2017, the Group's ten largest customers accounted for approximately 54 per cent. of the Group's trade receivables. While the Group seeks to limit its credit risk by setting credit limits for individual counterparties, taking financial guarantees from counterparties and monitoring outstanding receivables, the Group's counterparties may in the future default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons. The Group's credit risk is increased by the fact that its largest counterparties operate in the same industry and therefore may be similarly affected by changes in economic and other conditions. In addition, the Group is often unable to obtain reliable information regarding the financial condition of a number of its customers because they are privately-held companies and have no obligation to make such information publicly available. While the Group takes steps to closely monitor this risk and to ensure tight control in respect of the credit risk of its counterparties, any delayed payment, non-payment or non-performance on the part of one or more of the Group's major customers, or a number of the Group's smaller counterparties, could have a material adverse effect on the Group's business, prospects, results of operation and financial condition (including cash flow).

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

Certain of the Group's container terminal operations (for instance, certain terminals located in India, Egypt, Vietnam, Korea, Ecuador, Somaliland, Rwanda and Turkey) benefit from tax "holiday" or similar awards, which exempt the Group from paying tax on its profits or allow it to pay a reduced rate of tax on its profits (in most cases for a specified period of time and in some for a specific taxable amount). Such awards do not extend to the dividend distribution of such profits. As a result of these tax awards, the Group's overall tax charge is less than it would otherwise be in the absence of such awards. Some of the existing tax awards expire at various times between 2024 and 2031 and, upon their expiration, the Group will be required to pay tax on the Group's profits at the normal rate for the relevant country. There can be no assurance that the tax awards that the Group currently enjoys will remain unchanged or that the Group will be able to renew them and any change in respect of one or more such awards may materially and adversely affect the Group's tax liabilities and profitability.

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

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

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

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

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

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

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

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

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

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

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

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

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

to comply with the security requirements applicable to the Group or obtain relevant security-related certifications may, among other things, prevent certain shipping line customers from using the Group's facilities and result in higher insurance premiums, which could have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

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

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

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

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

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

The Group's terminal and Free Zone operations are subject to extensive international, national and local laws and regulations governing, among other things (as applicable), the fees that the Group is permitted to charge at certain ports, the loading, unloading and storage of hazardous materials, environmental protection and health and safety. The Group's ability to operate its businesses is contingent on the Group's ability to comply with these laws and regulations and to obtain, maintain and renew as necessary related approvals, permits and licenses from governmental agencies and authorities in the countries in which the Group operates. As the laws and regulations governing the Group's operations, and the legal interpretations of these laws and regulations, are not uniform across the countries in which the Group operates, it is exposed to the costs and administrative difficulties involved in keeping itself informed of new and evolving legislation and regulations that span many jurisdictions. Because of the complexities involved in ensuring

compliance with different and sometimes inconsistent national and international regulatory regimes, there can be no assurance that the Group will remain in compliance with all of the regulatory and licensing requirements imposed on it by each relevant jurisdiction.

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

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

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

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

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

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

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

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

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

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

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

The Group may fail to implement and manage its new business strategy

Historically, the Group was a global ports and terminal operator. Over the last several years through acquisitions, the Group has begun complementing its ports and terminals business with its PLEZ and Maritime Services business. This is part of the Group's strategy to become not just a port and terminal operator but a leading enabler of global trade and an integral part of the supply chain. However, the PLEZ and Maritime Services businesses have different cash flow and profitability dynamics to the Group's existing ports and terminals business. For example, logistics businesses typically deliver lower EBITDA margins. As a result as the Group expands these businesses in proportion to its ports and terminals business, the Group's EBITDA margin may decline. Additionally, the Group does not have the same historical experience in these areas. Should the Group not successfully execute its new strategy it could have a material adverse effect on the Group's business, results of operation and financial condition.

The Group operates a number of defined benefit pension schemes

The Group operates a number of defined benefit pension schemes. The valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the pension position. As a result of the size of the pension scheme deficit and the judgements inherent in the actuarial assumptions used in the valuation of the pension benefit obligations, we considered this to be an area of focus. The Group expects to make a pension contribution of approximately U.S.$24.6 million in 2018 to these scheme. Any change in the assumptions or the Group's obligations could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

Risks relating to the regions in which the Group operates

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

For the year ended 31 December 2017, 69.5 per cent. of the Group's revenue related to its operations located in the Middle East, Europe and Africa financial reporting segments, a significant portion of which related to operations in the UAE. Consequently, the Group's results of operations are and will continue to be affected in general by economic and political developments in or affecting Dubai and the UAE and, in particular, by the level of economic activity in Dubai, the UAE and the broader Middle East, Indian Subcontinent and Africa regions.

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years. During the second half of 2008 and into 2009, world oil prices fell approximately 70 per cent. from their peak level of U.S.$137 per barrel of Murban crude reached in July 2008 to an average of approximately U.S.$62.7 per barrel for the year ended 31 December 2009, before returning to an average of approximately U.S.$105.87 per barrel for the year ended 31 December 2013. However, between July 2014, when the monthly average OPEC Reference Basket price per barrel was U.S.$107.89 and January 2016, crude oil prices fell sharply, by approximately 75 per cent. to a monthly average price of U.S.$26.50. Since this low point, there has been a global increase in prices and, as at 30 June 2018, the average price of the OPEC Reference Basket for the year to that date had recovered to U.S.$75.69 per barrel. Oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which the Group has no control. The lower international prices for hydrocarbon products have had a significant adverse effect on the oil-revenue dependent GCC economies, resulting in reduced fiscal budgets and public spending plans for 2016, together with increased budgetary deficits across the GCC. Despite the UAE being viewed as being less vulnerable than some of its GCC neighbours due to the growth in its non-oil sector and the sizeable wealth of the Government of Abu Dhabi, fluctuations in energy prices have an important bearing on economic growth. For instance, in the UAE, the IMF had forecasted the federal budget to remain in deficit for 2018, but based on the increase in oil price is forecasting a slight surplus of approximately 0.5 per cent. of GDP. The current economic environment, together with the anticipated reduction in governmental spending, may have an adverse impact on the level of economic activity in the UAE which could, in turn, have a negative impact on regional trade volumes (see also "*Risks relating to the Group – The Group's results of operations can be adversely impacted by declines in global trading volumes*").

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, since early 2011 there has been political unrest in a range of MENA countries, including Egypt, Algeria, the Hashemite Kingdom of Jordan, Libya, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Republic of Yemen, the Republic of Iraq (Kurdistan), Syria, Palestine, the Republic of Turkey, Tunisia and the Sultanate of Oman. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leadership and has given rise to increased political uncertainty across the region. Further, the UAE, along with other Arab states, is currently participating in the Saudi Arabian led intervention in Yemen which began in 2015 in response to requests for assistance from the Yemeni government against the Al Houthi militia. The UAE is also a member of another Saudi Arabian led coalition formed in December 2015 to combat Islamic extremism and, in particular, Islamic State. Additionally, in June 2017 a number of MENA countries including the UAE, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the Arab Republic of Egypt severed diplomatic relations with the State of Qatar, citing Qatar's alleged support for terrorism and accusing Qatar of creating instability in the region. The termination of diplomatic relations included the withdrawal of ambassadors and imposing trade and travel bans. These situations have caused significant disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices. Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability affecting the countries in the MENA region could adversely impact the UAE although to date there has been no significant impact on the UAE and, in particular, the port at Jebel Ali continues to be regarded as a safe haven for trade and shipping in the Middle East.

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

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

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

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

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

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

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

For example, on 8 July 2014 the Group was notified that the Republic of Djibouti ("**Djibouti**") had initiated arbitration proceedings before the London Court of International Arbitration ("LCIA") against the Group, alleging fraud and illegal payments and seeking rescission of all contracts between the Group and the Djibouti. On 20 February 2017 the LCIA dismissed all such claims in their entirety and ordered that Djibouti pay all of the Group's legal costs. Subsequently, on 8 November 2017, Djibouti adopted a new, retrospective law stating that Djibouti may renegotiate all agreements in the infrastructure sector which are contrary to the highest interests of the nation and, should any such renegotiations fail, Djibouti may unilaterally terminate such agreements. On 22 February 2018, pursuant to a presidential decree, Djibouti seized physical control of Doraleh Container Terminal S.A. from the Group. As a result, the Group subsequently has deconsolidated the Group's business in Djibouti (the "**Djibouti deconsolidation**"). Additionally, the Group has commenced arbitration proceedings before the LCIA to defend its rights and seeks a declaration that the contracts are valid and legally binding on Djibouti. On 20 July 2018 a hearing took place before the LCIA at which the Group requested that the LCIA declare the actions of Djibouti unlawful and confirm the validity of the concession agreement. In an arbitral award the LCIA confirmed on 31 July 2018 that the 2006 concession agreement remains valid and binding notwithstanding the laws and decrees Djibouti has adopted.

On 23 June 2016, the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**") and on 29 March 2017 the United Kingdom gave formal notice (the "**Article 50 Notice**") under Article 50 of the Treaty on European Union ("**Article 50**") of its intention to leave the European Union. The timing of the UK's exit from the EU remains subject to some uncertainty, but it is unlikely to be before March of 2019. Article 50 provides, subject to certain circumstances, that the EU treaties will cease to apply to the UK two years after the Article 50 Notice. The terms of the UK's exit from the EU are also unclear and will be determined by the negotiations taking place following the Article 50 Notice. It is possible that the UK will leave the EU with no withdrawal agreement if no agreement can be finalised within two years. In such circumstances, it is likely that a high degree of political, legal, economic and other uncertainty will result. The Brexit Vote and delivery of the Article 50 Notice have resulted in political (including UK constitutional), legal, regulatory, economic and market uncertainty in the United Kingdom as well as the rest of the European Union. Such uncertainty and consequential market disruption may cause investment decisions to be delayed, reduce job security and damage consumer confidence, having implications for the global trade levels and patterns. The effect of the United Kingdom ultimately leaving the European Union and the impact of such event on the United Kingdom's, European and global economies are impossible to predict and, accordingly, it is difficult to forecast with any certainty the effect of these events on the operations of the Group in Europe (including on its operations at DP World London Gateway (U.K.)).

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

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

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

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

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

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

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

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

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

Risks Related to the Certificates

The Certificates are limited recourse obligations

The Certificates are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of each Series of Certificates is limited to the Trust Assets of that Series and the proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, or early dissolution pursuant to Conditions 10 (*Capital Distributions of the Trust)*, the sole rights of each of the Trustee, the Delegate and, through the Delegate, the Certificateholders of the relevant Series of Certificates to realise proceeds from the Trust Assets will be by way of enforcement and will be against the Company to perform its obligations under the Transaction Documents to which it is a party. The obligations of the Company under the Transaction Documents are unsecured and rank *pari passu* with the Company's other unsecured indebtedness. Certificateholders will otherwise have no recourse to any assets of the Delegate, the Company, the relevant Dealer, the Trustee (including its directors and service providers), and the Issuing and Paying Agent or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the relevant Trust Assets. The Company is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Trustee and the Delegate will have direct recourse against the Company to recover payments due to the Trustee from the Company pursuant to the Transaction Documents. In the absence of default by the Delegate, Certificateholders have no direct recourse to the Company and there can be no assurance that the proceeds of the realisation of, or

enforcement with respect to, the Trust Assets (which, as described above, will be by way of enforcing each of the Company's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Certificates of the relevant Series. After enforcing the rights in respect of the Trust Assets (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have: (i) any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents, and the sole right of the Trustee, the Delegate and the Certificateholders against the Company shall be to enforce the obligation of the Company to perform its obligations under the Transaction Documents to which it is a party.

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

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

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

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

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

In the event of a winding-up or insolvency of one of the subsidiaries of the Company, claims of secured and unsecured creditors of such subsidiary, including trade creditors, banks and other lenders, will have priority with respect to the assets and revenues of such subsidiary over any claims that the Company or the creditors of the Company may have with respect to such assets and revenues. Generally, all of the obligations of a subsidiary of the Company would have to be satisfied before any of the assets or revenues of such subsidiary would be available, upon liquidation or otherwise, to the Company or the creditors of the Company. Claims by the Trustee or the Delegate (on behalf of the Certificateholders) against the Company under the Transaction Documents will therefore be structurally subordinated to the indebtedness of the subsidiaries of the Company, the amount of which is not subject to contractual limitations under the

terms of the Certificates. See "*Risks relating to the Group – The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the industries in which the Group operates*".

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

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

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

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

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

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

Legal investment considerations may restrict certain investments

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

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

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

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

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

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

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

Certificates where denominations involve integral multiples: Definitive Certificates

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

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

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

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

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

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

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

Shari'a requirements in relation to interest awarded by a court

In accordance with applicable *Shari'a* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by any court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment given against the Company, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

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

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

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

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

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

The Certificates may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. The liquidity of any market for the Certificates that may develop depends on a number of factors, including:

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

Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. A lack of liquidity may have a material and adverse effect on the market value of Certificates.

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

The Trustee will pay Periodic Distribution Amounts, Partial Dissolution Amounts and Dissolution Amounts on the Certificates in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Trustee does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. However, fluctuations between currencies in the past are not necessarily indicative of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency-equivalent value of the principal payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of any Periodic Distribution Amount, Partial Dissolution Amounts or Dissolution Amounts on a Certificate. As a result, investors may receive less amounts under the Certificates than expected, or no such amounts. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

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

As at the date of this Base Prospectus, the Company has been assigned a rating of Baa1 (stable outlook) by Moody's and BBB+ (stable outlook) by Fitch. Each of Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. One or more independent credit rating agencies may also assign credit ratings to the Certificates. Any ratings of either the Company or the Certificates may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Base Prospectus and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in the Company's credit ratings or the ratings of the Certificates generally will affect the market value of the Certificates. Any adverse change in the applicable credit rating could adversely affect the trading price of the Certificates.

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

A change of law may materially adversely affect the Certificates

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

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

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

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

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

The Certificates may be subject to early dissolution

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

of such Series in accordance with Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*).

If so provided in the applicable Final Terms (or, in the case of non-PD Certificates, the applicable Pricing Supplement), a Series may be redeemed early at the option of the Company. In the case of Certificates with an additional optional dissolution feature, the Company may choose to redeem such Certificates when its cost of borrowing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. In addition, such an optional dissolution feature could limit the market value of Certificates prior to or during any period when the Company may elect to redeem Certificates as the market value of those Certificates generally would not rise substantially above the Dissolution Amount, or Partial Dissolution Amount (as applicable), at which they can be redeemed.

Risks Relating to Enforcement

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

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

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

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

agreements made between a Dubai World Company and its creditors and that where disputes have already arisen, the Tribunal expects the parties to continue with pending arbitration proceedings in accordance with their contractual obligations.

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

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

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

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

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

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

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

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

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

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

Risks Relating to the Market Generally

A secondary market may not develop for any Certificates

The Certificates may have no established a trading market when issued, and one may never develop. If a market does develop, it may not be liquid. The liquidity of any market for the Certificates that may develop depends on a number of factors, including:

- the Periodic Distribution Amounts payable to the Certificateholders;
- the time remaining to the Scheduled Dissolution Date;
- the outstanding amount of the Certificates;
- the redemption features of the Certificates; and
- the level, direction and volatility of market interest rates generally.

Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Certificates that are especially sensitive to currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Certificates generally would have a more limited secondary market

and more price volatility than conventional debt securities. Illiquidity may have a material and adverse effect on the market value of Certificates.

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

The Trustee will pay Periodic Distribution Amounts on the Certificates in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Trustee does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. However, fluctuations between currencies in the past are not necessarily indicative of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency-equivalent value of the principal payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

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

As at the date of this Base Prospectus, the Company has been assigned a rating of Baa1 (stable outlook) by Moody's and BBB+ (stable outlook) by Fitch. Each of Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. One or more independent credit rating agencies may also assign credit ratings to the Certificates. Any ratings of either the Company or the Certificates may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Base Prospectus and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in the Company's credit ratings or the ratings of the Certificates generally will affect the market value of the Certificates. Any adverse change in the applicable credit rating could adversely affect the trading price of the Certificates.

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

Risks Relating to the DIFC

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

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

Risks Relating to Tax

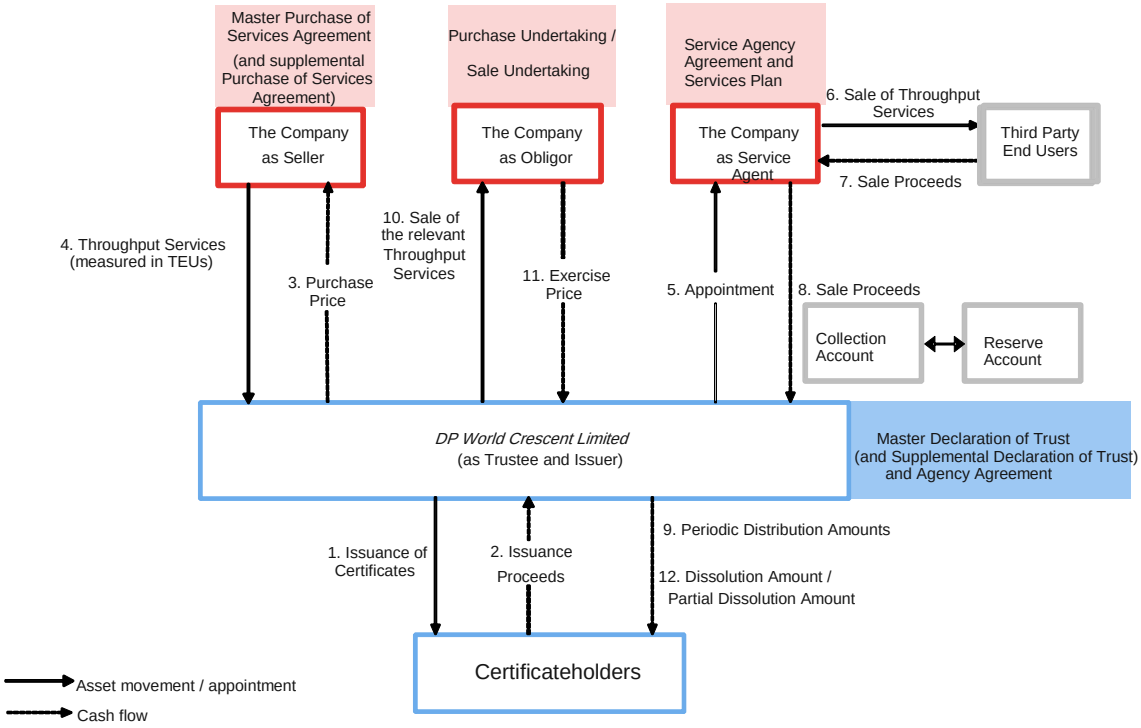
Taxation risks on payments

Payments made by the Company to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to withholding or deduction for or on account of taxation. The Service Agency Agreement and the Purchase Undertaking each require the Company to pay additional amounts in the event that any withholding or deduction is required by applicable law to be made in respect of payments made by it to the Trustee under those documents which are intended to fund Periodic Distribution Amounts, Partial Dissolution Amounts and Dissolution Amounts. Condition 11 (*Taxation*) provides that, subject to certain exceptions, the Trustee is required to pay additional amounts in respect of any such withholdings or deductions imposed by the Cayman Islands and/or the UAE, Dubai or the DIFC in certain circumstances. In the event that the Trustee fails to gross-up for any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, the Company has, pursuant to the Master Declaration of Trust, unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 11 (*Taxation*) in respect of any withholding or deduction in respect of any tax as set out in that Condition.

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

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Certificates. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Base Prospectus. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read this entire Base Prospectus carefully, especially the risks of investing in Certificates issued under the Programme discussed under "Risk Factors".



Payments by the Certificateholders and the Trustee

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

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

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

Periodic Distribution Payments and Scheduled Dissolution

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

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

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

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

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

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

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

Early Dissolution Payments

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

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

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

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

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

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

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

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

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

FORM OF THE CERTIFICATES

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

Global Certificates

Form of Certificates

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

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

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

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

Payments

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

Exchange for Definitive Certificates

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

Delivery

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

Meetings

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

Cancellation

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

Put options

If the Optional Dissolution Right (Put Option) or the Change of Control Put Option is specified as applicable in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), the Optional Dissolution Right (Put Option) or the Change of Control Put Option, as the case may be, may be exercised by the holder of the Global Certificate giving notice to the relevant Registrar or the relevant Transfer Agent of the face amount of Certificates in respect of which the option is exercised and presenting

the Global Certificate within the time limits specified in Condition 10(d)(i) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders - Optional Dissolution Right (Put Option*)) or Condition 10(d)(ii) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders - Change of Control Put Option*), as the case may be.

Notices

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

Transfer of Interests

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

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

General

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

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

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

FORM OF APPLICABLE FINAL TERMS

[**MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the]/[each] manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][1]

Final Terms dated [●]

DP World Crescent Limited
The Legal Entity Identifier (LEI): 21380096JRTWB8TL9236

Issue of [Aggregate face amount of Series] [Title of Certificates]

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

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates (the "**Conditions**") set forth in the base prospectus dated 5 September 2018 (the "**Base Prospectus**") [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU and any implementing measures in a relevant Member State) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Trustee, the Company and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement(s) to it dated [●]] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (http://www.londonstockexchange.com/exchange/ news/market-news/market-news-home.html) and on the Dubai Financial Service Authority's website (https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents) and are available for inspection upon reasonable notice being given and during usual business hours from the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and upon reasonable notice being given and during usual business hours from the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates (the "**Conditions**") contained in the Master Declaration of Trust dated 9 May 2016 and set forth in the base prospectus dated 9 May 2016 [and the supplement(s) to it dated [●]] which are incorporated by reference into the base prospectus dated 5 September 2018 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU and any implementing measures in a relevant Member State) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 5 September 2018 [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Trustee and the offer of the Certificates is only available on the basis of the combination of the Conditions, these Final Terms and the Base Prospectus dated 5 September 2018 [and the supplement(s) to it dated [●]]. Copies of the Base Prospectus[, the supplement(s) to it] and

[1] Include where one/more of the Managers considers themselves a manufacturer for MiFID II purposes.

the Final Terms are available for viewing at the market news section of the London Stock Exchange website (http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and on the Dubai Financial Service Authority's website (https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents) and are available for inspection upon reasonable notice being given and during usual business hours from the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and copies may be obtained upon reasonable notice being given and during usual business hours from the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

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

PROVISIONS RELATING TO PERIODIC DISTRIBUTION

4.	Periodic Distribution Provisions		
	(i)	Profit Rate:	[●] per cent. per annum payable in arrear on each Periodic Distribution Date
	(ii)	Periodic Distribution Date(s):	[●] in each year [up to and including the Scheduled Dissolution Date]
	(iii)	Fixed Amount[(s)]:	[[●] per Calculation Amount] [Not Applicable]

(iv)	Broken Amount(s):	[[●] per Calculation Amount payable on the Periodic Distribution Date falling in/on [●]]/[Not Applicable]
(v)	Day Count Fraction:	[Actual/Actual (ICMA) 30/360]
(vi)	Determination Dates:	[[●] in each year] [Not Applicable]

PROVISIONS RELATING TO DISSOLUTION

1.	Optional Dissolution Right (Call Option)	[Applicable/Not Applicable]
(i)	Optional Dissolution Amount of each Certificate:	[Partial Dissolution Amount]/[[●] per Calculation Amount]
(ii)	If redeemable in part:	
(a)	Minimum Dissolution Amount:	[[●] per Calculation Amount]/[Not Applicable]
(b)	Maximum Dissolution Amount:	[[●] per Calculation Amount]/[Not Applicable]
(iii)	Notice Period (if other than as set out in the Conditions):	[●]/[Not Applicable]
2.	Optional Dissolution Right (Put Option)	[Applicable/Not Applicable]
(i)	Optional Dissolution Amount of each Certificate:	[Partial Dissolution Amount]/[[●] per Calculation Amount]
(ii)	Notice Period (if other than as set out in the Conditions):	[●]/[Not Applicable]
3.	Change of Control Put Option:	[Applicable/Not Applicable]
(i)	Change of Control Amount:	[Partial Dissolution Amount]/[[●] per Calculation Amount]
4.	Final Dissolution Amount of each Certificate:	[Final Dissolution Amount]/[[●] per Calculation Amount]
5.	Tax Redemption Amount of each Certificate (following early dissolution for tax reasons):	[Final Dissolution Amount/[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

6.	Form of Certificates:	Registered Certificates: [Unrestricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Unrestricted Global Certificate] [Restricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream,

		Luxembourg] and exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Restricted Global Certificate] [Reg. S Compliance Category 2] [Rule 144A]
7.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[●]]

SIGNED on behalf of DP World Crescent Limited:

By: .....
Duly authorised

SIGNED on behalf of DP World Limited:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING**

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

2. **RATINGS**

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

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

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

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

5. **OPERATION INFORMATION**

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

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

6. **THIRD PARTY INFORMATION**

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

FORM OF PRICING SUPPLEMENT

[**MIFID II PRODUCT GOVERNANCE** – [*appropriate target market legend to be included*].]

Pricing Supplement dated [●]

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

DP World Crescent Limited
The Legal Entity Identifier (LEI): 21380096JRTWB8TL9236

Issue of [Aggregate face amount of Series] [Title of Non-PD Certificates]

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

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates (the "**Conditions**") set forth in the base prospectus dated 5 September 2018 (the "**Base Prospectus**") [and the supplement(s) to it dated [●]]. This document constitutes the Pricing Supplement relating to the issue of Non-PD Certificates described herein and must be read in conjunction with the Base Prospectus [as so supplemented]. In order to get the full information on the Trustee, the Company and the Non-PD Certificates described herein, this Pricing Supplement must be read in conjunction with the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at the market news section of the London Stock Exchange website (http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and on the Dubai Financial Service Authority's website (https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents) and are available for inspection upon reasonable notice being given and during usual business hours from the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and upon reasonable notice being given and during usual business hours from the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates (the "**Conditions**") contained in the Master Declaration of Trust dated 9 May 2016 and set forth in the base prospectus dated 9 May 2016 [and the supplement(s) to it dated [●]] which are incorporated by reference into the base prospectus dated 5 September 2018 (the "**Base Prospectus**"). This document constitutes the Pricing Supplement relating to the issue of Non-PD Certificates described herein and must be read in conjunction with the Base Prospectus dated 5 September 2018 [and the supplement(s) to it dated [●]]*, save in respect of the Conditions. The Base Prospectus[, the supplement(s) to it] and the Final Terms are available for viewing at the market news section of the London Stock Exchange website (http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and on the Dubai Financial Service Authority's website (https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents) and are available for inspection upon reasonable notice being given and during usual business hours from the registered office of the Trustee at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and copies may be obtained upon reasonable notice being given and during usual business hours from the registered office of the Issuing and Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.]

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* Only include this language where it is a fungible issue and the original Tranche was issued under a "*Prospectus*" with a different date.

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

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

PROVISIONS RELATING TO PERIODIC DISTRIBUTION

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

		[(*specify other*)]
(vi)	Determination Dates:	[[●] in each year]/[Not Applicable]
(vii)	Other terms relating to the method of calculating interest for Fixed Periodic Distribution Non-PD Certificates:	[Not Applicable/give details]

PROVISIONS RELATING TO DISSOLUTION

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

GENERAL PROVISIONS APPLICABLE TO THE NON-PD CERTIFICATES

18.	Form of Non-PD Certificates:	Registered Certificates: [Unrestricted Global Certificate (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable for Certificates in

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

SIGNED on behalf of DP World Crescent Limited:

By: .....
Duly authorised

SIGNED on behalf of DP World Limited:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

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

2. **RATINGS**

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

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

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

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

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

5. **OPERATIONAL INFORMATION**

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

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

(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(vii)	Name and address of Registrars:	[●]

6. **DISTRIBUTION**

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

7. **THIRD PARTY INFORMATION**

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

TERMS AND CONDITIONS OF THE CERTIFICATES

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

*In the case of a Series of Certificates which will not be admitted to listing, trading on a regulated market for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**") in the European Economic Area and/or quotation by any competent authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Trustee, the Company and the relevant Dealer ("**Non-PD Certificates**") and, accordingly, no base prospectus will be required to be produced in accordance with Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**"), a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Series of Non-PD Certificates.*

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

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

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

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

Each Certificate will represent an undivided ownership interest in the relevant Trust Assets (as defined below) held on trust by the Trustee (the "**Trust**") for the holders of such Certificates pursuant to: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 5 September 2018 and entered into by the Trustee, DP World Limited (the "**Company**") and Deutsche Trustee Company Limited in its capacity as delegate (the "**Delegate**"); and (ii) a supplemental declaration of trust in respect of the relevant Series to be entered into by the same parties (the "**Supplemental Declaration of Trust**", and together with the Master Declaration of Trust, the "**Declaration of Trust**").

These Conditions include summaries of, and are subject to, the detailed provisions of the relevant Declaration of Trust and the other Transaction Documents (as defined below). Payments relating to the Certificates will be made pursuant to an agency agreement dated 5 September 2018 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Delegate, the Company, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named therein. The issuing and paying agent, the paying agents, the registrars and the transfer agents for the time being (if any) are referred

to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Euro Registrar**" and the "**U.S. Registrar**" (together, the "**Registrars**" and each a "**Registrar**"), the "**Transfer Agents**" (which expression shall include the Registrars) (and together referred to in these Conditions as the "**Agents**"). References to the Agents or any of them shall include their successors.

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

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

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

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

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

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

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

(g) the Master Declaration of Trust;

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

(i) the Agency Agreement; and

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

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

1. **INTERPRETATION**

In these Conditions the following expressions have the following meanings:

"**Accountholder**" means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or DTC, as the case may be, as entitled to a particular face amount of the Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) the Scheduled Dissolution Date;

(b) the Tax Redemption Date;

(c) the Optional Dissolution Call Date;

(d) the Optional Dissolution Put Date;

(e) Change of Control Full Put Date;

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

(g) the Dissolution Event Redemption Date;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Optional Dissolution Partial Call Date;

(b) Optional Dissolution Partial Put Date; and

(c) Change of Control Put Option Date;

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

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

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

"**Payment Business Day**" means:

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

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

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

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

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) lifting containers on and off vessels; and

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

(c) facilitating the delivery and receipt of containers,

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

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

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

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

"**Trustee Administrator**" means Conyers Trust Company (Cayman) Limited; and

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

2. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

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

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

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

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

(b) **Title**

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

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

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

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

3. **TRANSFERS OF CERTIFICATES**

(a) **Transfers**

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

Transfers of interests in a Global Certificate will be effected by Euroclear or Clearstream, Luxembourg in the case of an Unrestricted Global Certificate or DTC in the case of a Restricted Global Certificate, as the case may be, and, in turn, by other participants and,

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

Compulsory Sale

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

(b) **Delivery of New Certificates**

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

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

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

(c) **Formalities Free of Charge**

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

(d) **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of fifteen (15) days ending on (and including) the due date for any payment of the Dissolution Amount, Partial Dissolution Amount or any Periodic Distribution Amount as

specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement)) or any other date on which payment of the face amount or payment of any profit in respect of a Certificate falls due as specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

(e) **Regulations**

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

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

4. STATUS AND LIMITED RECOURSE

(a) **Status**

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

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

(b) **Limited Recourse**

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

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

The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If,

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

(c) **Agreement of Certificateholders**

By purchasing Certificates, each Certificateholder is deemed to have agreed that, notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

(i) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name of the Trustee, for and on behalf of the Certificateholders) or any of their respective agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets;

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

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

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

(v) no Certificateholder shall be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations under the Certificates.

5. NEGATIVE PLEDGE

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

In these Conditions:

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

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

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

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

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

(ii) it is limited to:

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

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

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

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

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

(6) recourse in respect of any policy of insurance (or similar instrument, but for the avoidance of doubt not including any financial guarantee) which may be granted

by the Company or any of its Subsidiaries (other than an Excluded Subsidiary) for the benefit of an Excluded Subsidiary;

"**Permitted Security Interest**" means:

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

(ii) any Security Interest securing Relevant Indebtedness or Relevant Sukuk Obligation of a person and/or its subsidiaries existing at the time that such person is merged into, or consolidated with, the Company or any of its Subsidiaries, **provided that** such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Company or any of its Subsidiaries;

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

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

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

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

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

"**Relevant Sukuk Obligation**" means any present or future undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in compliance with the principles of *Shari'a*, whether or not in return for consideration of any kind, which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Securitisation**" means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, **provided that**: (i) any Security Interest given by the Company or any Subsidiary in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to the Company or any Subsidiary in respect of any default by any person under the securitisation;

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

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

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

6. **THE TRUST**

(a) **Trust Assets:** Pursuant to the relevant Declaration of Trust for each Series, the Trustee has declared that it will hold the Trust Assets upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder. The term "**Trust Assets**" means for each Series:

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

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

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

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

and all proceeds of the foregoing.

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

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

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

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

(B) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu*: (i) the Trustee in respect of all amounts properly incurred and documented owing to it under the Transaction Documents in its capacity as Trustee; (ii) the Trustee Administrator in respect of all amounts owing to it under the Transaction Documents and the Corporate Services Agreement in its capacity as Trustee Administrator; and (iii) each Agent in respect of all amounts owing to such Agent on account of its properly incurred fees, costs, charges and expenses and the payment or satisfaction of any liability incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;

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

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

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

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

7. COVENANTS

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

(i) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;

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

(iii) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to the relevant Transaction Documents;

(iv) subject to Condition 18 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*) and the Master Declaration of Trust, amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;

(v) except as provided in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than the relevant Trust in respect of a Series or in respect of any parties other than the Certificateholders of the relevant Series;

(vi) have any subsidiaries or employees;

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

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

(ix) prior to the date which is one year and one day after the date on which the relevant Trust is dissolved, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(x) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party and the Corporate Services Agreement or as expressly permitted or required thereunder or engage in any business or activity other than:

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

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

(C) such other matters which are incidental thereto.

8. PERIODIC DISTRIBUTION PROVISIONS

(a) Periodic Distribution Amount

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

(b) Calculations

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

(c) **Payment in Arrear**

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

(d) **Cessation of Profit Entitlement**

(i) No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless, subject to Condition 8(d)(ii) below, default is made in the payment of the relevant Dissolution Amount, as a result of (x) the failure by the Company to pay the relevant Certificates Exercise Price in accordance with the terms of the Purchase Undertaking or the Sale Undertaking and (y) no Sale Agreement having been executed following the exercise of the Purchase Undertaking or the Sale

Undertaking, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition and as further detailed in the Transaction Documents to, but excluding, the Relevant Date.

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

9. PAYMENT

(a) Payments in respect of Certificates

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

For the purposes of these Conditions:

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

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

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

(b) Payments subject to Applicable Laws

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

(c) Payment only on a Payment Business Day

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

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

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

(d) **Agents**

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

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

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

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

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

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

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

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

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

10. CAPITAL DISTRIBUTIONS OF THE TRUST

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

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

Upon redemption of the Certificates in accordance with this Condition 10(a) and payment in full of the Final Dissolution Amount, the Trust will be dissolved on the relevant Scheduled Dissolution Date, the Certificates shall cease to represent undivided ownership

interests in the Trust Assets, no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

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

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

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

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

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

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

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

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

If the Optional Dissolution Right (Call Option) is specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) as being

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

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

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

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

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

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

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

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

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

undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

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

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

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

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

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

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

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

For the purpose of this paragraph (ii):

a "**Change of Control Event**" will occur if at any time the Government of Dubai ceases to own, directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, directly or indirectly, the Company. For the purpose of this Condition, the Government of Dubai will be deemed to "**control**" the Company if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of the Company or

otherwise controls, or has the power to control, the affairs and policies of the Company;

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

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

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

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

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

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

(f) **No Other Dissolution**

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

(g) **Cancellations**

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

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

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

11. TAXATION

All payments by or on behalf of the Trustee in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction ("**Taxes**") (which expression shall take

the same meaning for the purposes of this Condition 11 as it takes for the purposes of Condition 10(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Certificate:

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

presented for payment in a Relevant Jurisdiction; or

(b) ***Other connection***

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

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

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

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

As used in these Conditions, "**Relevant Date**" in respect of any Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders that, upon further presentation or, as the case may be, surrender of the Certificate being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation.

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

12. PRESCRIPTION

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

13. PURCHASE AND CANCELLATION OF CERTIFICATES

(a) Purchases

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

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

All Certificates purchased by or on behalf of the Company or any Subsidiary may be surrendered for cancellation by surrendering the Certificate to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee, and, in each case, if so surrendered, shall, together with all Certificates redeemed by the Company, be cancelled forthwith. The Sale Undertaking may be exercised by the Company in respect of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under Throughput Services with an aggregate value no greater than the aggregate face amount of the Certificates so delivered to the Issuing and Paying Agent for cancellation by or on behalf of the Trustee and, upon such cancellation, the Trustee will transfer those Throughput Services to the Company. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Trustee in respect of any such Certificates shall be discharged.

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

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

14. DISSOLUTION EVENTS

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

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

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

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

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

(v) ***Illegality***: at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under

the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

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

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

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

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

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

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

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

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

(ii) *Breach of other obligations*: the Company does not perform or comply with any one or more of its other obligations under the Transaction Documents to which it is a party which default is not capable of remedy (in the opinion of the Delegate) or, if capable of remedy

(in the opinion of the Delegate), is not remedied within 30 days after written notice of such default shall have been given to the Company by the Delegate; or

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

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

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

(vi) *Insolvency*: the Company or any of its Material Subsidiaries is (or is deemed by a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Delegate) a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Company or any of its Material Subsidiaries; or

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

(viii) *Authorisation and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations in respect of the Certificates and under the Transaction Documents to which it is a party to which it is a party; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in the courts of the United Arab Emirates or the Emirate of Dubai, is not taken, fulfilled or done; or

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

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

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

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

"**EBITDA**" means, in respect of any period, profit in respect of such period, plus; (i) finance costs (net of interest income); (ii) income tax (if any); and (iii) depreciation and amortisation, less (iv) the fixed component of any liability under a concession agreement or other operating lease required to be treated as a finance lease by the Group under IFRS 16 – Leases, in each case in respect of such period and at any time; (a) in relation to the Company, shall be calculated by reference to the relevant amounts shown in the then latest audited consolidated financial statements of the Company; and (b) in relation to any Subsidiary, shall be calculated by reference to the relevant amounts (consolidated in the case of a Subsidiary which itself has subsidiaries) shown in the then latest financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary; and

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

(i) whose EBITDA (consolidated in the case of a Subsidiary which itself has subsidiaries) or whose Total Assets (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 10 per cent. of the consolidated EBITDA of the Company, or, as the case may be, the consolidated Total Assets of the Company, as the case may be; and/or

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

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

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

15. ENFORCEMENT AND EXERCISE OF RIGHTS

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

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

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

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

(iii) No Certificateholder shall be entitled to proceed directly against the Trustee or to provide instructions to the Trustee to proceed directly against the Company in each case under any Transaction Document to which either of them is a party unless the Delegate: (i) fails to do so within a reasonable time becoming so bound and such failure its continuing; or (ii) is unable by reason of an order of a court having competent jurisdiction to do so and such inability is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and/or the Company shall be to enforce their respective obligations under the Transaction Documents.

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

16. REPLACEMENT OF CERTIFICATES

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Trustee for the purpose and notice of whose designation is given to Certificateholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Trustee on demand the amount payable by the Trustee in respect of such Certificate) and otherwise as the Trustee may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

17. NOTICES

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

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

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

(a) Meetings of Certificateholders

The Master Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Master Declaration of Trust. Such a meeting may be convened by Certificateholders holding not less than 10 per cent. in aggregate face amount of the Certificates of a Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in aggregate face amount of the Certificates of a Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the outstanding face amount of the Certificates held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*; (i) to amend the relevant Scheduled Dissolution Date, any Partial Dissolution Date or any Periodic Distribution Date or Periodic Distribution Amounts on the Certificates; (ii) to reduce or cancel any amount payable in respect of the Certificates; (iii) to reduce the rate or rates of profit in respect of the Certificates or to vary the method or basis of calculating the rate or rates of profit or the basis for calculating any Periodic Distribution Amounts in respect of the Certificates; (iv) if a Minimum and/or a Maximum Dissolution Amount is specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement), to reduce any such Minimum and/or Maximum Amount; (v) to vary any method of, or basis for, calculating the Partial Dissolution Amount, the Final Dissolution Amount, the Tax Redemption Amount, the Optional Dissolution Amount or the Change of Control Amount; (vi) to vary the currency or currencies of payment or denomination of the Certificates, (vii) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass the Extraordinary Resolution; or (viii) to change the governing law of the Certificates, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate face amount of the Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

The Master Declaration of Trust provides that a resolution may be in writing signed by or on behalf of the Certificateholders holding not less than 90 per cent. in aggregate face amount of the Certificates outstanding (a "**Written Resolution**"). Such Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders. Further, the Master Declaration of Trust provides that, where the Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Trustee, the Company or the Delegate (as the case may be) may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Issuing and Paying Agent or another specified agent and/or the Delegate in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the holders of not less than 90 per cent. in aggregate face amount of the Certificates then outstanding (an "**Electronic Consent**"). Any Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution and will be binding on all Certificateholders whether or not they participated in such Written Resolution or Electronic Consent.

(b) **Modification of the Declaration of Trust and Waiver**

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

(c) **Entitlement of the Delegate**

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

19. THE DELEGATE

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

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

(ii) to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the relevant Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or Potential Dissolution Event, to exercise all of the rights of the Trustee under the Purchase Undertaking, the Service Agency Agreement and the relevant Transaction Documents; and

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

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

provided that,

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

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

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

The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the relevant Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 15 (*Enforcement and Exercise of Rights*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Company under the Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Company but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the relevant Declaration of Trust.

The Delegate may rely on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Company or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Master Declaration of Trust or the other Transaction Documents and such certificate or report may be relied upon by the Delegate as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Company or such other person in respect thereof and notwithstanding that the

scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

Nothing shall, in any case where the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Master Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Master Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for wilful default or actual fraud of which either of them may be guilty in relation to their duties under the relevant Declaration of Trust.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999.

21. GOVERNING LAW AND JURISDICTION

(a) Governing Law

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

(b) Arbitration

Without limiting the rights of the Delegate under Condition 21(c) (*Governing Law and Jurisdiction - Jurisdiction*), any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Master Declaration of Trust (including these Conditions) and/or the Certificates (including any dispute regarding their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a "**Dispute**")) shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("**LCIA**") Rules (the "**Rules**"), which rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 21(b). For these purposes:

(1) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA;

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

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

(c) Jurisdiction

Notwithstanding Condition 21(b) (*Governing Law and Jurisdiction – Arbitration)*, the Delegate (or, but only where permitted to take action in accordance with the terms of the

Master Declaration of Trust, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Company require that a dispute be heard by the courts of England.

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

If any notice to terminate is given after service of any Request for Arbitration (as defined in the Rules) in respect of any Dispute, the Delegate (or the relevant Certificateholder) must also within 28 days of service of a Request for Arbitration give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

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

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

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

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

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

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

(d) **Service of Process**

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

(e) **Waiver**

The Company has in the Master Declaration of Trust irrevocably agreed that, should any Proceedings be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to those Proceedings (including without limitation, immunity from the jurisdiction of any court or tribunal, suit, service of process, injunctive or other interim relief, any order for specific performance, any order for recovery of land, any attachment (whether in aid of execution, before judgment or otherwise) of its assets, any process for execution of any award or judgment or other legal process) shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and its assets

(irrespective of its use or intended use) are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Transaction Documents to which it is a party. Notwithstanding the foregoing, the Company makes no representation as to whether Dubai Law No. 10 of 2005 (*Government Lawsuits Amendment*) and/or Article 247 of Federal Law No. 11 of 1992 regarding the Law of Civil Procedures will apply to its assets, revenue or property.

(f) **Consent**

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

USE OF PROCEEDS

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

DESCRIPTION OF THE TRUSTEE

Registered Office

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

Date of Incorporation and legal form

The Trustee, an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 14 April 2016 under the Companies Law (2018 Revision), as amended, of the Cayman Islands, with company registration number 310423.

The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 shares of U.S.$1.00 each, of which 100 shares are fully paid up and issued. All of the issued shares of the Trustee (the "**Shares**") are held by Conyers Trust Company (Cayman) Limited as share trustee (the "**Share Trustee**") in its capacity as trustee of a purpose trust, including charitable purposes, formed pursuant to the terms of a declaration of trust (the "**Share Declaration of Trust**") dated 14 April 2016 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust). Prior to the Termination Date, the trust is a purpose trust, but the Share Trustee has the power to benefit Charities (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

Purpose and Business Activity

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

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

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

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

The Trustee does not have subsidiaries or employees.

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

Directors of the Trustee

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

Name and Occupation

Name	Principal Occupation
Mr. Yuvraj Narayan	Group Chief Financial Officer, DP World Limited
Mr. Kevin Butler	Partner at Conyers Dill & Pearman

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

The business address of Mr. Kevin Butler is at the offices of Conyers Dill & Pearman, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

There are no potential conflicts of interest between the private interests or other duties of the directors listed above and their duties to the Trustee, save that: (i) Mr. Butler is also a Partner at Conyers Dill & Pearman, which acts as Cayman Islands legal counsel to the Trustee in connection with the Programme; and (ii) Mr. Narayan is also the Group Chief Financial Officer at DP World Limited.

Corporate Administration

Conyers Trust Company (Cayman) Limited, a service provider incorporated in the Cayman Islands, acts as the secretary of the Trustee (in such capacity, the "**Trustee Administrator**"). Pursuant to the terms of a corporate services agreement dated 14 April 2016, as assigned to the Trustee Administrator with effect from 1 May 2018, between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to provide or procure the provision of certain administrative functions to the Trustee, including registered office, director and alternate director, secretarial, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses and disbursements.

The terms of the Corporate Services Agreement provide that the Trustee Administrator may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any breach by the other party of its obligations under the Corporate Services Agreement. In addition, the Corporate Services Agreement provides that either party shall be entitled to terminate the Corporate Services Agreement by giving at least thirty days' notice in writing to the other party.

The Trustee Administrator's principal office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

CAPITALISATION

The following table shows cash and cash equivalents, current financial indebtedness and the capitalisation of the Group (equal to total non-current financial indebtedness plus shareholders' equity) as at 30 June 2018 extracted from the DPW H1 2018 Unaudited Financial Statements.

	As at 30 June 2018
	(U.S. dollars in thousands)
Cash and cash equivalents	**1,512,163**
Current financial indebtedness:	
Current bank debt	979,080
Bonds issued	674,405
Other current financial debt	8,259
Total current financial indebtedness	**1,661,744**
Non-current financial indebtedness:	
Non-current bank debt	2,874,724
Bonds issued	4,272,368
Other non-current financial indebtedness	167,287
Total non-current financial indebtedness	**7,314,379**
Equity:	
Shareholders' reserve	2,000,000
Retained earnings	7,060,878
Other equity	1,784,303
Non-controlling interests	664,490
Total equity	**11,509,671**
Total capitalisation	**18,824,050**

There has been no material change in the capitalisation of the Group since 30 June 2018.

SELECTED FINANCIAL INFORMATION OF THE GROUP

The selected consolidated financial data of the Group: (i) as at and for the six months ended 30 June 2018 and 2017 have been derived from the DPW H1 2018 Unaudited Financial Statements; (ii) as at and for the year ended 31 December 2017 have been derived from the DPW 2017 Financial Statements; and (iii) as at and for the years ended 31 December 2016 and 2015 have been derived from the DPW 2016 Financial Statements, in each case appearing elsewhere in this Base Prospectus. See "Presentation of Certain Financial and Other Information".

The selected consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the DPW Financial Statements. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Consolidated profit and loss information

	Six months ended 30 June					
	2017			2018		
	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total
	(U.S. dollars in thousands)					
Revenue	2,294,453	7,933	2,302,386	2,625,599	-	2,625,599
Cost of sales	(1,120,478)	(7,933)	(1,128,411)	(1,411,079)	-	(1,411,079)
Gross profit	**1,173,975**	-	**1,173,975**	**1,214,520**	-	**1,214,520**
General and administrative expenses	(330,283)	-	(330,283)	(364,228)	-	(364,228)
Other income	20,278	571	20,849	24,701	-	24,701
Share of profit/(loss) from equity accounted investees (net of tax)	60,196	(11,813)	48,383	87,853	(5,744)	82,109
Results from operating activities	**924,166**	**(11,242)**	**912,924**	**962,846**	**(5,744)**	**957,102**
Finance income	52,057	-	52,057	63,729	65,017	128,746
Finance costs	(217,811)	(51,535)	(269,346)	(292,264)	(10,906)	(303,170)
Net finance costs	**(165,754)**	**(51,535)**	**(217,289)**	**(228,535)**	**54,111**	**(174,424)**
Profit before tax	**758,412**	**(62,777)**	**695,635**	**734,311**	**48,367**	**782,678**
Income tax expense	(76,128)	-	(76,128)	(105,722)	-	(105,722)
Profit for the period	**682,284**	**(62,777)**	**619,507**	**628,589**	**48,367**	**676,956**
Profit attributable to:						
Owners of the Company	606,006	(62,777)	543,229	593,444	48,367	641,811
Non-controlling interests	76,278	-	76,278	35,145	-	35,145

(1) SDIs represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 7 (Separately disclosed items) to the DPW H1 2018 Unaudited Financial Statements.

	Year ended 31 December								
	2015			2016			2017		
	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total	Before separately disclosed items	Separately disclosed items[1]	Total
	(U.S. dollars in thousands)								
Revenue	3,967,739	75,171	4,042,910	4,163,325	68,243	4,231,568	4,714,733	14,053	4,728,786
Cost of sales	(2,009,145)	(75,171)	(2,084,316)	(2,010,490)	(68,243)	(2,078,733)	(2,359,467)	(14,053)	(2,373,520)
Gross profit	1,958,594	-	1,958,594	2,152,835	-	2,152,835	2,355,266	-	2,355,226
General and administrative expenses	(590,284)	(653)	(590,937)	(628,411)	(776)	(629,187)	(693,878)	(14,699)	(708,577)
Other income	26,979	16,867	43,846	49,301	3,878	53,179	51,844	3,433	55,277
Profit on sale and termination of business	-	(610)	(610)	(2,966)	(12,524)	(15,490)	-	(28,234)	(28,234)
Share of profit/(loss) from equity accounted investees (net of tax)	52,702	-	52,702	149,435	(2,957)	146,478	123,592	4,172	127,764
Results from operating activities	1,447,991	15,604	1,463,595	1,720,194	(12,379)	1,707,815	1,836,824	(35,328)	1,801,496
Finance income	104,969	9,705	114,674	100,247	47,462	147,709	95,540	550	96,090
Finance costs	(492,087)	(23,352)	(515,439)	(438,357)	(139,521)	(577,878)	(425,410)	(98,100)	(523,510)
Net finance costs	(387,118)	(13,647)	(400,765)	(338,110)	(92,059)	(430,169)	(329,870)	(97,550)	(427,420)
Profit before tax	1,060,873	1,957	1,062,830	1,382,084	(104,438)	1,277,646	1,506,954	(132,878)	1,374,076
Income tax expense	(90,988)	-	(90,988)	(122,579)	-	(122,579)	(144,406)	101,076	(43,330)
Profit for the year	969,885	1,957	971,842	1,259,505	(104,438)	1,155,067	1,362,548	(31,802)	1,330,746
Profit attributable to:									
Owners of the Company	882,576	355	882,931	1,126,554	(102,300)	1,024,254	1,208,517	(31,802)	1,176,715
Non-controlling interest	87,309	1,602	88,911	132,951	(2,138)	130,813	154,031	-	154,031

(1) SDIs represent those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Group believes merit separate presentation in order to more effectively present the Group's financial performance for a period, compare its financial performance with prior periods and assess trends in its financial performance. For further information regarding SDIs, see Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements and Note 9 (*Separately disclosed items*) to the DPW 2016 Financial Statements.

Profit or loss data by Segment

	Six months ended 30 June			
	2017		2018	
	Revenue	Profit/(loss) for the period	Revenue	Profit/(loss) for the period
	(U.S. dollars in thousands)			
Middle East, Europe and Africa	1,596,528	742,623	1,844,657	700,592
Australia and Americas	362,713	97,393	430,467	108,603
Asia-Pacific and Indian Subcontinent	343,145	167,139	350,475	222,980
Head office	-	(387,648)	-	(355,219)
Total	**2,302,386**	**619,507**	**2,625,599**	**676,956**

	Year ended 31 December					
	2015		2016		2017	
	Revenue	Profit/ (loss) for the year	Revenue	Profit/ (loss) for the year	Revenue	Profit /(loss) for the year
	(U.S. dollars in thousands)					
Middle East, Europe and Africa	2,911,399	1,291,882	3,071,052	1,391,914	3,284,363	1,500,840
Australia and Americas	642,137	120,936	659,020	217,739	762,151	165,055
Asia-Pacific and Indian Subcontinent	489,374	212,540	501,496	242,932	682,272	319,916
Head office	-	(653,516)	-	(697,518)	-	(655,065)
Total	**4,042,910**	**971,842**	**4,231,568**	**1,155,067**	**4,728,786**	**1,330,746**

	Six months ended 30 June			
	2017		2018	
	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items
	(U.S. dollars in thousands)			
Middle East, Europe and Africa	1,596,528	742,052	1,844,657	706,336
Australia and Americas	362,713	97,393	430,467	108,603
Asia-Pacific and Indian Subcontinent	335,212	178,952	350,475	222,980
Head office	-	(336,113)	-	(409,330)
Total	**2,294,453**	**682,284**	**2,625,599**	**628,589**

	Year ended 31 December					
	2015		2016		2017	
	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items	Revenue Before Separately Disclosed Items	Profit for the Period Before Separately Disclosed Items
	(U.S. dollars in thousands)					
Middle East, Europe and Africa	2,911,399	1,276,278	3,071,052	1,400,085	3,284,363	1,490,471
Australia and Americas	642,137	120,936	659,020	215,663	762,151	197,439
Asia-Pacific and Indian Subcontinent	414,203	212,540	433,253	249,216	668,219	333,229
Head office	-	(639,869)	-	(605,459)	-	(658,591)
Total	**3,967,739**	**969,885**	**4,163,325**	**1,259,505**	**4,714,733**	**1,362,548**

Consolidated financial position information

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	(U.S. dollars in thousands)			
Total non-current assets	18,007,385	18,532,469	20,668,387	**21,232,050**
Current assets				
Cash and cash equivalents	1,436,595	1,299,391	1,483,679	1,512,163
Other current assets[1]	815,147	872,469	961,824	1,848,717
Total current assets	**2,251,742**	**2,171,860**	**2,445,503**	**3,360,880**
Total assets	**20,259,127**	**20,704,329**	**23,113,890**	**24,592,930**
Total equity	**9,134,598**	**9,519,685**	**11,625,362**	**11,509,671**
Non-current liabilities				
Interest bearing loans and borrowings	7,527,231	6,874,777	7,437,270	7,314,379
Other non-current liabilities[2]	1,682,342	1,764,669	1,699,878	1,639,631
Total non-current liabilities	**9,209,573**	**8,639,446**	**9,137,148**	**8,954,010**
Current liabilities				
Accounts payable and accruals	1,614,580	1,663,809	1,947,781	2,370,064
Interest bearing loans and borrowings	143,047	743,482	301,708	1,661,744
Other current liabilities[3]	157,329	137,907	101,891	97,441
Total current liabilities	**1,914,956**	**2,545,198**	**2,351,380**	**4,129,249**
Total liabilities	**11,124,529**	**11,184,644**	**11,488,528**	**13,083,259**
Total equity and liabilities	**20,259,127**	**20,704,329**	**23,113,890**	**24,592,930**

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

Consolidated cash flow information

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Net cash from operating activities	1,780,747	1,844,537	2,207,873	881,987	869,952
Net cash (used in)/from investing activities	(4,024,572)	(1,258,877)	(585,985)	30,182	(1,007,755)
Net cash (used in)/from financing activities	(11,785)	(701,274)	(1,481,385)	(608,571)	189,535
Net (decrease)/increase in cash and cash equivalents	(2,255,610)	(115,614)	140,503	303,598	51,732
Effect of exchange rate fluctuation on cashflow	(30,868)	(21,590)	43,785	27,810	(23,248)
Cash and cash equivalents at 1 January	3,723,073	1,436,595	1,299,391	1,299,391	1,483,679
Cash and cash equivalents at period end	**1,436,595**	**1,299,391**	**1,483,679**	1,630,799	**1,512,163**

Selected other operating and financial data

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Calculation of EBITDA and Adjusted EBITDA:					
Profit after tax	971,842	1,155,067	1,330,746	619,507	676,956
Finance costs	492,087	438,357	425,410	217,811	292,264
Finance income	(104,969)	(100,247)	(95,540)	(52,057)	(63,729)
Income tax expense	90,988	122,579	144,406	76,128	105,722
Depreciation and amortisation	480,125	542,883	632,210	300,754	358,669
EBITDA[(1)]	1,930,073	2,158,639	2,437,232	1,162,143	1,369,882
Separately disclosed items[(2)]	(1,957)	104,438	31,802	62,777	(48,367)
Adjusted EBITDA[(3)]	**1,928,116**	**2,263,077**	**2,469,034**	**1,224,920**	**1,321,515**
Adjusted EBITDA margin[(4)]	**48.6**	**54.4**	**52.4**	**53.4**	**50.3**

(1) EBITDA, a measure used by management to measure operating performance, is defined as profit after tax from continuing operations plus finance costs (net of finance income), income tax, depreciation and amortisation (and from 1 January 2019, the Company intends to deduct from EBITDA the fixed component of any liability under a concession agreement or other operating lease required to be treated as a finance lease by the Group under IFRS 16 – Leases). EBITDA includes the Group's share of profit from associates and joint ventures. See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

(2) See Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements, Note 9 (*Separately disclosed items*) to the DPW 2016 Financial Statements and Note 7 (*Separately disclosed items*) to the DPW H1 2018 Unaudited Financial Statements.

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

(4) Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Adjusted EBITDA[(1)] **by Segment:**					
Middle East, Europe and Africa	1,611,506	1,791,269	1,917,640	945,062	949,968
Australia and Americas	189,619	293,052	291,485	140,331	166,444
Asia-Pacific and Indian Subcontinent	280,963	316,476	434,989	229,017	275,186
Head office	(153,972)	(137,720)	(175,080)	(89,490)	(70,083)
Total	**1,928,116**	**2,263,077**	**2,469,034**	**1,224,920**	**1,321,515**

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

	As at or for the year ended 31 December			As at or for the six months ended 30 June	
	2015	2016	2017	2017	2018
	(U.S. dollars in thousands)				
Containerised stevedoring revenue	1,506,735	1,535,059	1,856,806	897,087	948,448
Containerised other revenue	1,239,744	1,315,186	1,450,110	695,656	703,203
Non containerised revenue	802,314	759,516	821,751	398,198	690,535
Service concession revenue	75,171	68,243	14,053	7,933	-
Lease rental and related services	418,946	553,564	586,066	303,513	283,413
Revenue	4,042,910	4,231,568	4,728,786	2,302,386	2,625,599
Net Debt to Adjusted EBITDA[1]	3.23	2.79	2.53	2.56	2.91
Interest Cover[2]	5.0	6.7	7.5	7.4	5.8
Gross throughput (in '000 of TEU)					
Middle East, Europe and Africa	25,985	26,338	29,358	14,255	14,967
Australia and Americas	7,430	7,734	8,798	4,190	4,408
Asia-Pacific and Indian Subcontinent	28,285	29,587	31,924	15,551	16,244
Gross throughput	**61,701**	**63,658**	**70,079**	**33,997**	**35,620**

(1) Net debt to Adjusted EBITDA is calculated by dividing total debt minus cash and cash equivalents (Net Debt) by Adjusted EBITDA. See below for a reconciliation of Net Debt.

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	(U.S. dollars in thousands)			
Calculation of Net Debt				
Current interest bearing loans and borrowings	143,047	743,482	301,708	1,661,744
Non-current interest bearing loans and borrowings	7,527,231	6,874,777	7,437,270	7,314,379
Total Debt[1]	**7,670,278**	**7,618,259**	**7,738,978**	**8,976,123**
Cash and cash equivalents	(1,436,595)	(1,299,391)	(1,483,679)	(1,512,163)
Net Debt[1]	**6,233,683**	**6,318,868**	**6,255,299**	**7,463,960**

(1) See "*Presentation of Certain Financial and Other Information – Non-IFRS Measures*".

(2) Interest Cover is calculated as Adjusted EBITDA divided by Net Finance Costs Before Separately Disclosed Items.

	% Change Like-For-Like at Constant Currency[1]		
	2015-2016	2016-2017	H1 2017-H1 2018
Results			
Gross throughput	2.2%	9.7%	6.0%
Consolidated throughput	(1.6%)	6.2%	4.5%
Revenue	1.3%	6.0%	3.0%
Share of profit from equity-accounted investees	30.5%	31.2%	17.2%
Adjusted EBITDA	6.6%	8.0%	4.2%
Adjusted EBITDA margin	52.6%	53.2%	54.4%
Profit for the period	9.0%	12.0%	2.4%
Profit for the period attributable to owners of the Company	6.2%	15.1%	5.2%

(1) See "*Presentation of Certain Financial and Other Information—Non-IFRS Measures and Alternative Performance Measures*" for information regarding the calculation of the Like-For-Like figures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's financial condition and results of operations should be read in conjunction with the information in "Presentation of Certain Financial and Other Information" and "Selected Consolidated Financial Data" and the DPW Financial Statements, appearing elsewhere in this Base Prospectus.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

Overview

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions.

As at 31 December 2017, the Group managed 78 operating marine and inland terminals supported by over 50 related businesses in over 40 countries across six continents with a significant presence in both high-growth and mature markets. The Group aims to be essential to the future of global trade, ensuring everything it does has a long-lasting positive impact on economies and society. As at 31 December 2017, the Group's portfolio had a gross capacity of 88.2 million TEU and generated gross throughput of 70.1 million TEU; for the same period, the Group generated revenue of U.S.$4,728.8 million, profit for the year of U.S.$1,330.8 million and an Adjusted EBITDA of U.S.$2,469.0 million.

Factors Affecting Financial Condition and Results of Operations

The following is a discussion of the most significant factors that have affected, or are expected to affect, the Group's financial condition and results of operations.

Volumes (TEUs)

In 2017, the Group's terminals handled an aggregate of 70.1 million TEU and had utilisation rates of 79.5 per cent. of its gross capacity. The volume of the Group's TEU is primarily driven by: (i) the growth in trade as a result of global economic conditions and (ii) growth in the Group's capacity.

Global economic conditions can affect the volume of TEU the Group handles and more specific regional economic changes can also affect the volume of TEU on a geographic segment basis. As a result, the Group's volume of TEU in its geographic segments has been affected at different times and to differing degrees by economic conditions. In 2017, global trade increased and TEU volumes increased across all geographic regions. Further trade has benefited from the weaker US dollar and stronger economic growth in the Eurozone, US, Japan and emerging Asia, along with robust growth in China. The Group's portfolio has not only benefited from the improved trading environment but also market-share gains from the new shipping alliances, and delivered ahead-of-market growth. The Group's gross volumes increased 10.1 per cent. in 2017 as compared to a 3.2 per cent. increase in 2016 and 3.0 per cent. increase in 2015.

In the first half of 2018, the Group added approximately 2 million TEU of gross capacity, mainly through additions in Maputo (Mozambique), Pusan (South Korea), Qingdao (China) and Anterwp (Belgium).

Globally the Group added 3.6 million TEU of new gross capacity and 7.3 million TEU of consolidated capacity during 2017, which includes the consolidation of our ports in Pusan (South Korea) and Santos (Brazil). In 2017, 2016 and 2015 the Group has added approximately 12.1 million TEU of gross capacity with new units at Berbera (Somaliland), Limassol (Cyprus), Saint John (Canada), CXP (Peru), Yarimca (Turkey), Kigali (Rwanda) and Posorja (Ecuador), Stuttgart (Germany), Antwerp Inland (Belgium), Prince Rupert (Canada) and Jebel Ali Free Zone (UAE). The increases reflect the continuation of the Group's substantial investment programme that the Group initiated in 2012, and which has helped to drive stronger top and bottom line growth.

The Group's portfolio of 78 terminals, including 8 new developments and major expansion projects that are currently underway has the potential to take its gross capacity to approximately 100 million TEU by 2020, subject to market demand. See "*Capital expenditures*" below.

Capacity, Utilisation and Efficiency

The Group aims to bring on capacity at its terminals in line with demand to avoid overcapacity. The Group is able to increase its capacity through either expansion of the port or terminal or increasing the efficiency of the port or terminal. In many jurisdictions where there are ramp-up risks associated with new capacity, the Group is able to seek terms with the port authorities to restrict the granting of additional capacity until a reasonable level of ramp up has been achieved. This effectively balances demand with supply. At certain of its terminals, the Group is not able to expand its operations physically and efficiency improvements are the only means for the Group to increase its capacity and throughput. Conversely, at terminals that could be expanded physically, the Group may use efficiency improvements to incrementally increase capacity until demand reaches a point that justifies the capital expenditure costs associated with physical expansion.

In particular, by operating more efficiently as described below, the Group seeks to generate additional value out of its existing facilities by increasing capacity, which in turn permits increased throughput, making each crane move more profitable. Increased operating efficiency also reduces the Group's cost base as it is able to fully utilise its existing assets and does not need to invest additional capital in the deployment of new assets. Finally, efficient operations help the Group maintain good customer relations and reduce customer defection, thereby maintaining the Group's competitive position.

Increases in operational efficiency can be achieved by, among other things:

- introducing new technologies to speed up processes and reduce labour costs;
- improving landside support to ensure that containers are quickly and efficiently transported to and from the Group's terminals;
- using external depot functions to increase the capacity for container storage;
- actively managing container storage times by incentivising customers to take delivery of containers that have arrived in port as quickly as possible;
- maintaining schedule integrity with respect to vessel calls;
- increasing the number of berthing windows by loading and unloading vessels more quickly; and
- implementing rationalised berth utilisation, which involves arranging the timing of the arrival and departure of different-sized ships to ensure that a maximum of berth length is used.

The Group believes that it operates some of the most productive and efficient terminals in the world by using modern technology and processes, such as the Group's fully automated terminal in Rotterdam World Gateway (The Netherlands) that was opened in 2015 and the introduction in 2015 of real-time monitoring of global operations from the Group's corporate head office. The Group has also introduced automation at London Gateway and Jebel-Ali. The Group believes that the maintenance and enhancement of its operations is critically important, as this has a direct impact on the Group's results.

Origin and Destination and Transhipment Cargo Mix

For the year ended 31 December 2017, approximately 70 per cent. of the Group's gross throughput was O&D. From a revenue perspective, O&D throughput differs from transhipment throughput primarily in that O&D throughput is usually handled most cost-effectively by one port, normally closest to the point of consumption or production, which makes O&D throughput less likely to be lost to competitors and less price-sensitive than transhipment throughput. O&D throughput also provides terminal operators with an opportunity to earn additional revenue by charging for delivery or reception of the container from the shipper or consignee, as well as by providing ancillary services, such as container freight stations and container cleaning. The Group will endeavour to maintain a strong O&D component in each of its terminals or, where this is not possible, obtain volume commitments from shipping lines to make its terminals less susceptible to the loss of transhipment volumes and price deterioration. However, the development of sophisticated route networks by shipping lines, together with the limited number of terminals that can

efficiently service the growing number of large container ships, increases the potential for, and attractiveness of, additional transhipment volume in certain locations. See "*Ports Operation Industry Overview – O&D versus Transhipment – Transhipment*".

Emerging Market Focus

The Group's revenue growth is dependent on the performance of emerging economies. For the year ended 31 December 2017, approximately 75 per cent. of gross throughput in the Group's portfolio of terminals came from countries that are considered to be Emerging or Frontier Markets, which include the Middle East and Africa, South America, South Asia and the Far East (as such terms are defined by the MSCI Frontier and Emerging Market indices). These economies are generally seen to be higher growth areas, growing by approximately 5 per cent. annually over the next 2 years (source: IMF World Economic Outlook, April 2018). Also they have low containerisation, such as in Africa and Latin America, compared to more mature markets which creates an opportunity for further expansion to complement the Group's existing operations. This includes the Group's recent investments in Somaliland and Ecuador as well as the consolidation of Empresa Brasileira de Terminais Portuários ("**Embraport**") in Brazil. In the past, the Group's results of operations have been affected by, and the Group expects that its financial results will continue to be affected by, key macroeconomic factors in these emerging economies. See "*Risk Factors—Risks relating to the Group—The Group's results of operations can be adversely impact by declines in global trading volumes.*"

Ability to Win Concessions

The Group believes it has a proven history of winning new concessions due to:

- its operating and technical credentials;
- its ability to offer an "integrated port management" model, which combines container handling facilities with economic free zones and infrastructure developments;
- its focus on key government issues such as security and sustainability; and
- its common user status and strong customer relationships.

Attractive concession opportunities will continue to arise globally and, as authorities granting concessions increase barriers to entry, the Group believes that its experience and qualifications will leave it well positioned to continue to win new concessions. In 2017, the Group marked the start of its concession for the up to $442 million project, to be phased over time, of developing the Port of Berbera, a multi-purpose port in the Republic of Somaliland which will serve landlocked countries in the Horn of Africa. Also, in 2017, the Group acquired an additional 66.67% stake in Embraport in Brazil which increased its shareholding to 100%.

Currency Risk

The Group's functional currency is UAE dirhams and its reporting currency is the U.S. dollar. The functional and reporting currency of subsidiaries, affiliates and associates varies depending on their geographic location. Accordingly, the Group is exposed to risks related to the translation of assets and liabilities denominated in currencies other than, or not pegged to, the U.S. dollar. In addition to these translation risks, the Group is exposed to transaction risks as a result of differences in the currency mix of its operating expenses, on the one hand, and revenue, on the other hand. As a result, a depreciation or appreciation of a particular local currency against the U.S. dollar could have either a positive or negative impact on both the group's balance sheet and its profit margin and therefore the Group's profit for the year. For example in 2017, foreign exchange movements in Brazil caused a negative impact on the Group's financial results. For additional discussion of the impact of foreign currency transactions and translations on the Group's results of operations, see Note 26 (*Financial Risk Management*) to the DPW 2017 Financial Statements and "*Quantitative and Qualitative Disclosures about Market Risk – Currency risk*".

Tax regulation

Certain of the Group's container terminal operations (for instance, certain terminals located in China, India, Egypt, Vietnam, Korea, Ecuador, Somaliland, Rwanda and Turkey) benefit from tax "holiday" or similar awards, which exempt the Group from paying tax on its profits or allow it to pay a reduced rate of tax on

its profits (in most cases for a specified period of time and in some for a specific taxable amount). Such awards do not extend to the dividend distribution of such profits. In India, the Group also pays a significantly lower rate of customs duties on the Group's imports of capital goods as a result of the EPCG Scheme, which reduces the customs duties on imports of capital goods on the basis that certain prescribed levels of exports are achieved. As a result of these tax awards, the Group's overall tax charge is less than it would otherwise be in the absence of such awards. Some of the existing tax awards expire at various times between 2024 and 2031 and, upon their expiration, the Group will be required to pay tax on the Group's profits at the normal rate for the relevant country. In addition, if the Group fails to meet the prescribed level of exports in India under the EPCG Scheme, the Group will be liable to pay the full rate of customs duties on the Group's imports of capital goods.

Expansion of PLEZ and Maritime Services

Historically, the Group was a global ports and terminal operator. Over the last several years through acquisitions, the Group has begun complementing its ports and terminals business with its PLEZ and Maritime Services business. These businesses have different cash flow and profitability dynamics to the Group's existing ports and terminals business. For example, logistics businesses typically deliver lower EBITDA margins but are also less capital intensive and generally yield a higher return on capital. As a result as the Group expands these businesses in proportion to its ports and terminals business, the Group's EBITDA margin may decline but its return on capital employed should increase.

Acquisitions and Divestments

In July 2018, the Group completed the acquisition of a 90% stake in Continental Warehousing Corporation (Nhava Sheva) Ltd ("**CWCNSL**") through a joint venture between the Group and the National Investment and Infrastructure Fund. CWCNSL was founded in 1997 and is a leading integrated multimodal logistics provider of Warehousing, Container Freight Stations ("**CFS**"), Inland Container Depots ("**ICD**"), Private Freight Terminals ("**PFT**") and integrated logistics solutions. CWCNSL's logistics network is spread across key strategic locations in India covering a total area of over 400 acres and providing over 660 thousand TEU capacity. In addition, CWCNSL's wholly owned subsidiary Delex Cargo India Private Ltd provides door-to-door logistics solutions including freight forwarding, third-party logistics, express logistics and hub-and-spoke model of delivery across 54 locations in 40 cities.

In January 2018, the Group acquired Maritime World LLC, the 100% owner of Dubai Maritime City ("**DMC**") and Drydocks World LLC ("**Drydocks**") for a total consideration of U.S.$405 million. DMC is a world-class maritime service facility and industrial business zone in a prime location of central Dubai and adjacent to DP World's Port Rashid. It is a maritime-focused commercial and industrial park, which extends to 2.3 million sqm on a man-made peninsula and provides Economic Zones World FZE additional land as an alternative to the highly-occupied Jebel Ali Free Zone. Drydocks World is a market leader in the ship repair business with the largest ship repair yard in the Middle East. The business delivers stable ship and rig repair revenues and has specialist capabilities in niche ship newbuilds and conversions.

On 22 February 2018, pursuant to a presidential decree, Djibouti seized physical control of Doraleh Container Terminal S.A. from the Group. See "*Description of DP World—Legal Proceedings*".

In May 2018, the Group acquired Cosmos Agencia Marítima S.A.C. ("**Cosmos**") for a total consideration of U.S.$257.2 million. Cosmos is based in Peru and owns a fully integrated logistics service business (Neptunia S.A and Triton Transport S.A) that offers end-to-end solutions to its customers. The logistics division offers an integrated platform of solutions in activities related to foreign trade, product storage and distribution, as well as freight services that facilitate development and implementation of industry specific projects. In addition to the maritime and logistics services offered by Cosmos Group, it also has a 50% stake in Terminales Portuários Euroandinos S.A., in the Port of Paita (Peru), which is the second largest container terminal in the country.

In January 2017, the Group monetized two of its Canadian container terminals, located in Vancouver and Prince Rupert, to create an investment vehicle in partnership with Caisse de depot et placement du Québec ("**CDPQ**"). The Group holds a 55 per cent. share in the investment vehicle and CDPQ acquired a 45 per cent. stake for U.S.$640 million. The platform will invest in ports and terminals globally, excluding the UAE, across the life cycle of the asset.

In July 2017, the Group acquired a 93 per cent. ownership stake in Remolques y Servicios Maritimos, S.L. Group ("**Reyser**") for a total consideration of U.S.$173.8 million. Reyser is a Spanish company providing maritime services internationally since 1966. Reyser's services include harbour towage, mooring, bunkering, diving and environmental support. It owns 151 vessels including 20 tug boats, 53 mooring boats, five bunkering vessels and 73 ships conducting environmental work. In November 2017, the Group acquired the remaining 66.67 per cent. ownership stake in Embraport for a total consideration of U.S.$29.2 million. This transaction increases the Group's shareholding to 100 per cent. and the terminal has been rebranded to DP World Santos. DP World Santos is the largest Brazilian private multi-modal port terminal and operates in the Port of Santos, which is the busiest container port in Latin America handling 3.4 million TEU in 2016 and has strategic access to sea, road and rail, and 90 per cent. of the cargo is destined for Brazil's most populous city, São Paulo. The port has an annual capacity of 1.2 million TEU. See Note 23 (*Business combinations*) to the DPW 2017 Financial Statements for more information.

In December 2016 the Group acquired a 23.94 per cent. stake in Pusan Newport Company Limited ("**PNC**"), which increased the Group's holdings in PNC to 66.03 per cent.. In 2016, PNC was the largest terminal in the port of Pusan with 5.25 million TEU capacity, handling 34 per cent. of the new port volumes. The New Port of Pusan began operations in 2006 and operates 23 container berths connecting to 500 ports in 100 countries. In 2015, the Port of Pusan was the sixth largest port worldwide with volumes of 19.5 million TEU in 2015 and accounted for approximately 75 per cent. of total container volumes in South Korea. See Note 23 (*Business combinations*) to the 2016 DPW Financial Statements for more information.

Explanation of Key Income Statement Items

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerised stevedoring and other containerised revenue. Revenue also includes non-containerised revenue, which mainly includes logistics and handling of break bulk cargo. For further information regarding the services the Group provides, see "*Business – Ports Business*".

Cost of Sales

Cost of sales are comprised of costs incurred in connection with the operation, maintenance and security of the Group's facilities and other costs directly attributable to the various services provided by the Group, including related depreciation expense. Major components of cost of sales include labour, the amortisation cost of port concessions, concession fees, royalties payable to port authorities, marine cost of sales, warehousing expenses, transportation expenses, and yard and gate operations expenses.

General and Administrative Expenses

General and administrative expenses include staff costs, facilities rental, travel and entertainment, insurance, advertising, marketing, printing and stationery, communication costs, legal expenses, consultancy costs, IT charges, repair and maintenance costs and other sundry expenses, including related depreciation expense.

Other Income

Other income includes gain on sale of miscellaneous operating assets and other gain/loss on non-core activities.

Net Finance Costs

Net finance costs include finance expenses less finance income. Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated statement of profit or loss.

Finance income and expense also includes realised and unrealised exchange gains and losses on monetary assets and liabilities.

Share of Profit/(Loss) of Joint Ventures and Associates

Share of profit/(loss) of joint ventures and associates reflects the Group's share of profits or losses from entities that are associates or joint ventures. The results of operations of associates and joint ventures are not consolidated and, consequently, only the earnings impact of these entities based on the Group's shareholding is incorporated into the Group's results.

Separately Disclosed Items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance. For more information regarding SDIs, see note 7 (*Separately disclosed items*) to the DPW H1 2018 Unaudited Financial Statements and Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements.

Historical Results of Operations

The discussion and analysis of: (i) the six months ended 30 June 2018 compared to the six months ended 30 June 2017 (ii) the year ended 31 December 2017 compared to the year ended 31 December 2016; and (iii) the year ended 31 December 2016 compared to the year ended 31 December 2015, is based on the DPW Financial Statements.

Six Months Ended 30 June 2018 Compared to Six Months Ended 30 June 2017

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

	Six months ended 30 June					
	2017			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Revenue	2,294,453	7,933	2,302,386	2,625,599	-	2,625,599
Cost of sales	(1,120,478)	(7,933)	(1,128,411)	(1,411,079)	-	(1,411,079)
Gross profit	**1,173,975**	**-**	**1,173,975**	**1,214,520**	**-**	**1,214,520**
General and administrative expenses	(330,283)	-	(330,283)	(364,228)	-	(364,228)
Other income	20,278	571	20,849	24,701	-	24,701
Share of profit/(loss) from equity accounted investees (net of tax)	60,196	(11,813)	48,383	87,853	(5,744)	82,109
Results from operating activities	**924,166**	**(11,242)**	**912,924**	**962,846**	**(5,744)**	**957,102**
Finance income	52,057	-	52,057	63,729	65,017	128,746
Finance costs	(217,811)	(51,535)	(269,346)	(292,264)	(10,906)	(303,170)
Net finance costs	**(165,754)**	**(51,535)**	**(217,289)**	**(228,535)**	**54,111**	**(174,424)**
Profit before tax	**758,412**	**(62,777)**	**695,635**	**734,311**	**48,367**	**782,678**
Income tax expense	(76,128)	-	(76,128)	(105,722)	-	(105,722)
Profit for the period	**682,284**	**(62,777)**	**619,507**	**628,589**	**48,367**	**676,956**
Profit attributable to:						
Owners of the Company	606,006	(62,777)	543,229	593,444	48,367	641,811
Non-controlling interests	76,278	-	76,278	35,145	-	35,145

Revenue

Revenue for the six months ended 30 June 2018 was U.S.$2,625.6 million as compared to U.S.$2,302.4 million for the six months ended 30 June 2017, an increase of U.S.$323.2 million, or 14.0 per cent. The six months ended 30 June 2017 included an SDI of U.S.$7.9 million of revenue relating to an increase in construction contract revenue. Revenue Before Separately Disclosed Items for the six months ended 30 June 2018 was U.S.$2,625.6 million as compared to U.S.$2,294.5 million for the six months ended 30 June 2017, an increase of U.S.$331.1 million, or 14.4 per cent. The increase in revenue was mainly driven by a 4 per cent. increase in container volumes and an increase in non-containerized revenue from new businesses.

Terminals that contributed to the Group's revenue as of 30 June 2018 experienced an increase in consolidated container volume over the previous period of 4 per cent.

Revenue by Category

Containerised Stevedoring Revenue

Containerised stevedoring revenue for the six months ended 30 June 2018 was U.S.$984.4 million (representing 36.1 per cent. of the Group's revenue for such period) as compared to U.S.$897.1 million for the six months ended 30 June 2017 (representing 39.1 per cent. of the Group's revenue for such period), an increase of U.S.$87.3 million, or 9.7 per cent. The increase was primarily the result of a 4 per cent. increase in container volumes together with favourable exchange rate impact.

Containerised Other Revenue

Containerised other revenue for the six months ended 30 June 2018 was U.S.$703.2 million (representing 26.8 per cent. of the Group's revenue for such period) as compared to U.S.$695.7 million for the six months ended 30 June 2017 (representing 30.3 per cent. of the Group's revenue for such period), an increase of

U.S.$7.5 million, or 1.1 per cent. This increase was primarily a result of a 4 per cent. increase in container volumes.

Non-containerised Revenue

Non-containerised revenue for the six months ended 30 June 2018 was U.S.$973.9 million (representing 37.1 per cent. of the Group's revenue for such period) as compared to U.S.$701.7 million for the six months ended 30 June 2017 (representing 30.6 per cent. of the Group's revenue for such period), an increase of U.S.$272.2 million, or 38.8 per cent. This increase was primarily due to the acquisition of Drydock World and new business in Maritime.

Revenue by Segment

The following table presents revenue information regarding the Group's three segments for the six months ended 30 June 2017 and 2018.

	Six months ended 30 June					
	2017			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Revenue						
Middle East, Europe and Africa	1,596,528	-	1,596,528	1,844,657	-	1,844,657
Australia and Americas	362,713	-	362,713	430,467	-	430,467
Asia-Pacific and Indian Subcontinent	335,212	(7,933)	343,145	350,475	-	350,475
Revenue	**2,294,453**	(7,933)	**2,302,386**	**2,625,599**	**-**	**2,625,599**

Middle East, Europe and Africa. Revenue for the Middle East, Europe and Africa segment for the six months ended 30 June 2018 was U.S.$1,844.7 million as compared to U.S.$1,596.5 million for the six months ended 30 June 2017, an increase of U.S.$248.2 million, or 15.5 per cent. The increase reflected a 3.1 per cent. increase in container volumes as well as an increase in non-containerized revenue from the acquisition of Drydock World in January 2018 and new business in Maritime. On average, terminals that contributed to revenue for the segment experienced an increase in container volume of 3.1 per cent. over the same period the previous six months. Excluding the new terminals, container volumes increased 6.6 per cent. and Like-For-Like Revenue increased 2.7 per cent., primarily as a result of the acquisition of DMC and Drydocks World, which was partially offset by the Djibouti deconsolidation. As of 31 December 2017, the Group had 38 operating terminals in the segment.

Australia and Americas. Revenue for the Australia and Americas segment for the six months ended 30 June 2018 was U.S.$430.5 million as compared to U.S.$362.7 million for the six months ended 30 June 2017, an increase of U.S.$67.8 million, or 18.7 per cent. The increase in revenue primarily resulted from an 18.2 per cent. increase in container volumes largely due to the Embraport consolidation. As of 31 December 2017, the Group had 14 operating terminals in the segment.

Asia-Pacific and Indian Subcontinent. Revenue for the Asia-Pacific and Indian Subcontinent segment for the six months ended 30 June 2018 was U.S.$350.5 million as compared to U.S.$343.1 million for the six months ended 30 June 2017, an increase of U.S.$7.4 million, or 2.2 per cent. Revenue Before Separately Disclosed Items for the Asia-Pacific and Indian Subcontinent segment for the six months ended 30 June 2018 was U.S.$350.5 million as compared to U.S.$335.2 million for the six months ended 30 June 2017, an increase of U.S.$15.3 million, or 4.6 per cent. The increase in revenue was largely from higher containerised other revenue and a 1 per cent. increase in container volumes. Like-For-Like Revenue increased 4.6 per cent. against a rise in Like-For-Like Container Volume of 2.1 per cent. As of 31 December 2017, the Group had 26 operating terminals in the segment.

Cost of Sales

Cost of sales for the six months ended 30 June 2018 were U.S.$1,411.1 million as compared to U.S.$1,128.4 million for the six months ended 30 June 2017, an increase of U.S.$282.7 million, or 25.1 per cent. The six months ended 30 June 2017 included SDIs of U.S.$7.9 million. See Note 7 (*Separately disclosed items*) to the DPW H1 2018 Statements for more information. Cost of Sales Before Separately Disclosed Items for the six months ended 30 June 2018 were U.S.$1,411.1 million as compared to U.S.$1,120.5 million for the six months ended 30 June 2017, an increase of U.S.$290.6 million, or 25.9 per cent. The increase was principally due to increases in container volumes and the addition of new entities which was partially offset by the Djibouti deconsolidation.

General and Administrative Expenses

General and administrative expenses for the six months ended 30 June 2018 were U.S.$364.2 million as compared to U.S.$330.3 million for the six months ended 30 June 2017, an increase of U.S.$33.9 million, or 10.3 per cent. The increase was primarily due to and the addition of new entities which was partially offset by the Djibouti deconsolidation.

Share of Profit from Equity-accounted Investees

Share of profit from equity-accounted investees for the six months ended 30 June 2018 was U.S.$82.1 million as compared to U.S.$48.4 million for the six months ended 30 June 2017, an increase of U.S.$33.7 million, or 69.6 per cent. The six months ended 30 June 2018 included an SDI loss of U.S.$5.7 million relates to transaction costs written off due to the extinguishment of debt in the Middle East, Europe and Africa region. The six months ended 30 June 2017 included an SDI loss of U.S.$11.8 million relating to the impairment of goodwill in an equity-accounted investee in the Asia Pacific and Indian Subcontinent region. Share of Profit from Equity-Accounted Investees Before Separately Disclosed Items for the six months ended 30 June 2018 was U.S.$87.9 million as compared to U.S.$60.2 million for the six months ended 30 June 2017, an increase of U.S.$27.7 million, or 45.9 per cent. The increase was primarily due to the consolidation of Embraport and a higher share of joint venture profit from the Europe region.

Net Finance Costs

Net finance costs for the six months ended 30 June 2018 were U.S.$174.4 million as compared to U.S.$217.3 million for the six months ended 30 June 2017, a decrease of U.S.$42.9 million, or 19.7 per cent. The six months ended 30 June 2018 and 2017 included SDIs of U.S.$54.1 million and negative U.S.$51.5 million, respectively, which were related to the movements based on the re-measured fair value of the derivative liability on the Group's convertible bonds. Net Finance Costs Before Separately Disclosed Items for the six months ended 30 June 2018 were U.S.$228.5 million as compared to U.S.$165.8 million for the six months ended 30 June 2017, an increase of U.S.$62.8 million, or 37.9 per cent. The increase was primarily as a result of an increase in the balance of the Group's interest bearing loans and borrowings.

Income Tax

Income tax expense for the six months ended 30 June 2018 was U.S.$105.7 million as compared to U.S.$76.1 million for the six months ended 30 June 2017, an increase of U.S.$29.6 million, or 38.9 per cent. The increase was principally due to higher profits before tax.

Profit for the period

Profit for the period for the six months ended 30 June 2018 was U.S.$677.0 million as compared to U.S.$619.5 million for the six months ended 30 June 2017, an increase of U.S.$57.4 million, or 9.3 per cent. The six months ended 30 June 2018 included SDIs representing a gain of U.S.$48.4 million and the six months ended 30 June 2017 included SDIs representing a loss of U.S.$62.8 million (see above for further information regarding such SDIs). Profit Before Separately Disclosed Items for the six months ended 30 June 2018 was U.S.$628.6 million as compared to U.S.$682.3 million for the six months ended 30 June 2017, a decrease of U.S.$53.7 million, or 7.9 per cent.

The following table presents profit information regarding the Group's geographical segments for the six months ended 30 June 2017 and 2018.

	Six months ended 30 June					
	2017			2018		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Middle East, Europe and Africa	742,052	571	742,623	706,336	(5,744)	700,592
Australia and Americas	97,393	-	97,393	108,603	-	108,603
Asia-Pacific and Indian Subcontinent	178,952	(11,813)	167,139	222,980	-	222,980
Head office profit/(loss)	(336,113)	(51,535)	(387,648)	(409,330)	54,111	(355,219)
Profit/(Loss) for the Year	**682,284**	**(62,777)**	**619,507**	**628,589**	**48,367**	**676,956**

Middle East, Europe and Africa. Profit for the Middle East, Europe and Africa segment was U.S.$700.6 million for the six months ended 30 June 2018 as compared to U.S.$742.6 million for the six months ended 30 June 2017, a decrease of U.S.$42.0 million, or 5.7 per cent. Profit for the Year Before Separately Disclosed Items for the Middle East, Europe and Africa segment was U.S.$706.3 million for the six months ended 30 June 2018 as compared to U.S.$742.1 million for the six months ended 30 June 2017, a decrease of U.S.$35.7 million, or 4.8 per cent. The decrease in profit in the Middle East, Europe and Africa segment principally reflected the Djibouti deconsolidation and was partially offset by the acquisition of Drydocks and Dubai Maritime City.

Australia and Americas. Profit for the Australia and Americas segment was U.S.$108.6 million for the six months ended 30 June 2018 as compared to U.S.$97.4 million for the six months ended 30 June 2017, an increase of U.S.$11.2 million, or 11.5 per cent. The increase in profit in the Australia and Americas segment principally reflected the consolidation of Embraport.

Asia-Pacific and Indian Subcontinent. Profit for the Asia-Pacific and Indian Subcontinent segment was U.S.$223.0 million for the six months ended 30 June 2018 as compared to U.S.$167.1 million for the six months ended 30 June 2017, an increase of U.S.$55.8 million, or 33.4 per cent. Profit for the Year Before Separately Disclosed Items for the Asia-Pacific and Indian Subcontinent segment was U.S.$223.0 million for the six months ended 30 June 2018 as compared to U.S.$179.0 million for the six months ended 30 June 2017, an increase of U.S.$44.0 million, or 24.6 per cent. The increase in profit in the Asia-Pacific and Indian Subcontinent segment principally reflected a one-time provisions reversal in Chennai.

Head Office. Loss for the Head Office segment was U.S.$355.2 million for the six months ended 30 June 2018 as compared to a loss of U.S.$387.6 million for the six months ended 30 June 2017, a decrease of U.S.$32.4 million, or 8.4 per cent. Loss for the Year Before Separately Disclosed Items for the Head Office segment was U.S.$409.3 million for the six months ended 30 June 2018 as compared to a loss of U.S.$336.1 million for the six months ended 30 June 2017, an increase of U.S.$73.2 million, or 21.8 per cent. This increase primarily reflected higher interest expense from acquisitions during the first six months of 2018.

Year Ended 31 December 2017 Compared to Year Ended 31 December 2016

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

	Year ended 31 December					
	2016			2017		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Revenue	4,163,325	68,243	4,231,568	4,714,733	14,053	4,728,786
Cost of sales	(2,010,490)	(68,243)	(2,078,733)	(2,359,467)	(14,053)	(2,373,520)
Gross profit	**2,152,835**	**-**	**2,152,835**	**2,355,266**	**-**	**2,355,226**
General and administrative expenses	(628,411)	(776)	(629,187)	(693,878)	(14,699)	(708,577)
Other income	49,301	3,878	53,179	51,844	3,433	55,277
Profit on sale and termination of business	(2,966)	(12,524)	(15,490)	-	(28,234)	(28,234)
Share of profit/(loss) from equity accounted investees (net of tax)	149,435	(2,957)	146,478	123,592	4,172	127,764
Results from operating activities	**1,720,194**	**(12,379)**	**1,707,815**	**1,836,824**	**(35,328)**	**1,801,496**
Finance income	100,247	47,462	147,709	95,540	550	96,090
Finance costs	(438,357)	(139,521)	(577,878)	(425,410)	(98,100)	(523,510)
Net finance costs	**(338,110)**	**(92,059)**	**(430,169)**	**(329,870)**	**(97,550)**	**(427,420)**
Profit before tax	**1,382,084**	**(104,438)**	**1,277,646**	**1,506,954**	**(132,878)**	**1,374,076**
Income tax expense	(122,579)	-	(122,579)	(144,406)	101,076	(43,330)
Profit for the year	**1,259,505**	**(104,438)**	**1,155,067**	**1,362,548**	**(31,802)**	**1,330,746**
Profit attributable to:						
Owners of the Company	1,126,554	(102,300)	1,024,254	1,208,517	(31,802)	1,176,715
Non-controlling interests	132,951	(2,138)	130,813	154,031	-	154,031

Revenue

Revenue for the year ended 31 December 2017 was U.S.$4,728.8 million as compared to U.S.$4,231.6 million for the year ended 31 December 2016, an increase of U.S.$497.2 million, or 11.7 per cent. The year ended 31 December 2017 included an SDI of U.S.$14.0 million of revenue recorded on the construction of a port. In accordance with IFRIC 12, the fair value of revenue from construction services provided by the Company to develop a port in the Asia-Pacific and Indian Subcontinent segment was included as both revenue and cost of sales in the year ended 31 December 2017 and has been treated as an SDI. Revenue Before Separately Disclosed Items for the year ended 31 December 2017 was U.S.$4,714.7 million as compared to U.S.$4,163.3 million for the year ended 31 December 2016, an increase of U.S.$551.4 million, or 13.2 per cent. The increase in revenue was mainly driven by strong containerised stevedoring revenue growth.

As of 31 December 2017, the Group had 78 terminals. Terminals that contributed to the Group's revenue as of 31 December 2017 experienced an increase in consolidated container volume over the previous year of 24.7 per cent., primarily due to consolidation of Pusan (South Korea).

Revenue by Category

The following table presents revenue information regarding various categories of the Group's revenue for the years ended 31 December 2016 and 2017.

	Year ended 31 December	
	2016	2017
	(U.S. dollars in thousands)	
Revenue:		
Containerised stevedoring revenue	1,535,059	1,856,806
Containerised other revenue	1,315,186	1,450,110
Non-containerised revenue	759,516	821,751
Service concession revenue	68,243	14,053
Lease rentals and related services	553,564	586,066
Revenue	4,231,568	4,728,786

Containerised Stevedoring Revenue

Containerised stevedoring revenue for the year ended 31 December 2017 was U.S.$1,856.8 million (representing 39.3 per cent. of the Group's revenue for such period) as compared to U.S.$1,535.1 million for the year ended 31 December 2016 (representing 36.3 per cent. of the Group's revenue for such period), an increase of U.S.$321.7 million, or 21.0 per cent. The increase reflected an increase in an increase in consolidated container volumes as a result of both an increase in capacity and favourable trading environment.

Containerised Other Revenue

Containerised other revenue for the year ended 31 December 2017 was U.S.$1,450.1 million (representing 30.7 per cent. of the Group's revenue for such period) as compared to U.S.$1,315.2 million for the year ended 31 December 2016 (representing 31.1 per cent. of the Group's revenue for such period), an increase of U.S.$134.9 million, or 10.3 per cent. The increase principally reflected the increase in container re-handling and storage revenue, reflecting the increase in containers held at the Group's terminals.

Non-containerised Revenue

Non-containerised revenue for the year ended 31 December 2017 was U.S.$821.8 million (representing 17.4 per cent. of the Group's revenue for such period) as compared to U.S.$759.5 million for the year ended 31 December 2016 (representing 17.9 per cent. of the Group's revenue for such period), an increase of U.S.$62.2 million, or 8.2 per cent. This increase primarily reflected the growth in Jebel Ali's non-containerised volumes.

Revenue by Segment

The following table presents revenue information regarding the Group's three segments for the years ended 31 December 2016 and 2017.

	Year ended 31 December					
	2016			2017		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Revenue						
Middle East, Europe and Africa	3,071,052	-	3,071,052	3,284,363	-	3,284,363
Australia and Americas	659,020	-	659,020	762,151	-	762,151
Asia-Pacific and Indian Subcontinent	433,253	(68,243)	501,496	668,219	(14,053)	682,272
Revenue	**4,163,325**	**(68,243)**	**4,231,568**	**4,714,733**	**(14,053)**	**4,728,786**

Middle East, Europe and Africa. Revenue for the Middle East, Europe and Africa segment for the year ended 31 December 2017 was U.S.$3,284.4 million as compared to U.S.$3,071.1 million for the year ended 31 December 2016, an increase of U.S.$213.3 million, or 6.9 per cent. The increase reflected a 7.6 per cent.

growth in throughput from 2016 to 2017. On average, terminals that contributed to revenue for the segment experienced an increase in container volume of 7.6 per cent. over the same period the previous year. Excluding the new terminals, container volumes increased 6.7 per cent. and Like-For-Like Revenue increased 4.8 per cent., primarily as a result of improved container volumes at the Jebel Ali port as well as the Group's winning the London Gateway container line service. As of 31 December 2017, the Group had 38 operating terminals in the segment.

UAE total containerised revenue for the year ended 31 December 2017 increased against the same period in 2016 by 2.6 per cent., whilst non-containerised revenue decreased by 3.1 per cent. following a decrease in general, break bulk and bulk cargo volumes.

Australia and Americas. Revenue for the Australia and Americas segment for the year ended 31 December 2017 was U.S.$762.1 million as compared to U.S.$659.0 million for the year ended 31 December 2016, an increase of U.S.$103.1 million, or 15.6 per cent. The increase in revenue primarily resulted from stronger volumes in the Americas. As of 31 December 2017, the Group had 14 operating terminals in the segment.

Asia-Pacific and Indian Subcontinent. Revenue for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.$682.3 million as compared to U.S.$501.5 million for the year ended 31 December 2016, an increase of U.S.$180.8 million, or 36.1 per cent. Revenue Before Separately Disclosed Items for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.$668.2 million as compared to U.S.$433.3 million for the year ended 31 December 2016, an increase of U.S.$235.0 million, or 54.2 per cent. The increase in revenue was largely from the PNC consolidation. Like-For-Like Revenue increased 6.1 per cent. against a rise in Like-For-Like Container Volume of 2.4 per cent. As of 31 December 2017, the Group had 26 operating terminals in the segment.

Cost of Sales

Cost of sales for the year ended 31 December 2017 were U.S.$2,373.5 million as compared to U.S.$2,078.7 million for the year ended 31 December 2016, an increase of U.S.$294.8 million, or 14.2 per cent. The years ended 31 December 2017 and 2016 included SDIs of U.S.$14.0 million and U.S.$68.2 million, respectively. See Note 9 (*Separately disclosed items*) to the DPW 2017 Financial Statements for more information. Cost of Sales Before Separately Disclosed Items for the year ended 31 December 2017 were U.S.$2,359.5 million as compared to U.S.$2,010.5 million for the year ended 31 December 2016, an increase of U.S.$349.0 million, or 17.4 per cent. The increase was principally due to a 24.7 per cent. increase in container volumes and the PNC consolidation.

General and Administrative Expenses

General and administrative expenses for the year ended 31 December 2017 were U.S.$708.6 million as compared to U.S.$629.2 million for the year ended 31 December 2016, an increase of U.S.$79.4 million, or 12.6 per cent. The year ended 31 December 2017 included an SDI of U.S.$14.7 million relating to advisory, legal, accounting, valuation, professional consulting, general and administrative costs that were directly related to various acquisitions, the reversal of excess restructuring provision in a subsidiary in the Middle East, Europe and Africa region and an impairment of property, plant and equipment and investment properties relating to certain subsidiaries in the Middle East, Europe and Africa region. The year ended 31 December 2016 included an SDI of U.S.$0.8 million primarily relating to an impairment of property, plant and equipment and investment properties relating to certain subsidiaries in the Middle East, Europe and Africa region. General and Administrative Expenses Before Separately Disclosed Items for the year ended 31 December 2017 were U.S.$693.9 million as compared to U.S.$628.4 million for the year ended 31 December 2016, an increase of U.S.$65.5 million, or 10.4 per cent. The increase was primarily due to the increase in container volumes and the PNC consolidation.

Loss on sale and change in ownership of business

Loss on sale and change in ownership of business for the year ended 31 December 2017 was comprised of an SDI loss of U.S.$28.2 million, which related to the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the "Australia and Americas" region.

Loss on sale and change in ownership of business for the year ended 31 December 2016 was comprised of a loss of U.S.$15.5 million, which included an SDI loss of U.S.$12.5 million related to the loss on sale of

a subsidiary in the "Middle East, Europe and Africa" region and loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the "Asia Pacific and Indian subcontinent" region.

Share of Profit from Equity-accounted Investees

Share of profit from equity-accounted investees for the year ended 31 December 2017 was U.S.$127.8 million as compared to U.S.$146.5 million for the year ended 31 December 2016, a decrease of U.S.$18.7 million, or 12.8 per cent. The year ended 31 December 2017 included an SDI gain of U.S.$4.2 million relates to the release of deferred tax liability of U.S.$16.0 million due to a tax rate change in an equity accounted investee in the Middle East, Europe and Africa region which was offset by an impairment of goodwill of U.S.$11.8 million in an equity-accounted investee in the Asia Pacific and Indian subcontinent region. The year ended 31 December 2016 included an SDI loss of U.S.$3.0 million comprised of non-recurring expenses incurred in the Middle East, Europe and Africa segment. Share of Profit From Equity-Accounted Investees Before Separately Disclosed Items for the year ended 31 December 2017 was U.S.$123.6 million as compared to U.S.$149.4 million for the year ended 31 December 2016, a decrease of U.S.$25.8 million, or 17.3 per cent. The decrease was primarily due to the PNC consolidation and the consolidation of Embraport.

Net Finance Costs

Net finance costs for the year ended 31 December 2017 were U.S.$427.4 million as compared to U.S.$430.2 million for the year ended 31 December 2016, a decrease of U.S.$2.8 million, or 0.6 per cent. The year ended 31 December 2017 included an SDI of U.S.$97.6 million related to a change in the fair value of the convertible bond option due to movement based on re-measured fair value of the embedded derivative liability of the convertible bonds as well as finance costs related to the convertible bond which relate to the accretion of the liability component as at the reporting date to the amount that will be payable on the redemption of the convertible bond. The year ended 31 December 2016 included an SDI of U.S.$92.1 million related to finance costs related to the convertible bond, sukuk redemption costs, and transaction costs related to the restructuring and termination of loans in subsidiaries in the Middle East, Europe and Africa segment. Net Finance Costs Before Separately Disclosed Items for the year ended 31 December 2017 were U.S.$329.9 million as compared to U.S.$338.1 million for the year ended 31 December 2016, a decrease of U.S.$8.2 million, or 2.4 per cent, primarily as a result of a decrease in interest rates partially offset by an increase in overall indebtedness.

Income Tax

Income tax expense for the year ended 31 December 2017 was U.S.$43.3 million as compared to U.S.$122.6 million for the year ended 31 December 2016, a decrease of U.S.$79.3 million, or 64.6 per cent. The year ended 31 December 2017 included an SDI of U.S.$ 101.1 million resulting from the release of a deferred tax liability on account of a tax rate change. Income Tax Before Separately Disclosed Items for the year ended 31 December 2017 was U.S.$144.4 million as compared to U.S.$122.6 million for the year ended 31 December 2016, an increase of U.S.$21.8 million, or 17.8 per cent. The increase was principally due to an increase in profit.

Profit for the Year

Profit after tax for the year ended 31 December 2017 was U.S.$1,330.7 million as compared to U.S.$1,155.1 million for the year ended 31 December 2016, an increase of U.S.$175.6 million, or 15.2 per cent. The year ended 31 December 2017 included SDIs representing a loss of U.S.$31.8 million and the year ended 31 December 2016 included SDIs representing a loss of U.S.$104.4 million (see above for further information regarding such SDIs). Profit for the Year Before Separately Disclosed Items for the year ended 31 December 2017 was U.S.$1,362.5 million as compared to U.S.$1,259.5 million for the year ended December 2016, an increase of U.S.$103.0 million, or 8.2 per cent.

The following table presents profit information regarding the Group's geographical segments for the years ended 31 December 2016 and 2017.

	Year ended 31 December					
	2016			2017		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Middle East, Europe and Africa	1,400,085	(8,171)	1,391,914	1,490,471	10,369	1,500,840
Australia and Americas	215,663	2,076	217,739	197,439	(32,384)	165,055
Asia-Pacific and Indian Subcontinent	249,216	(6,284)	242,932	333,229	(13,313)	319,916
Head office profit/(loss)	(605,459)	(92,059)	(697,518)	(658,591)	3,526	(655,065)
Profit/(Loss) for the Year	**1,259,505**	**(104,438)**	**1,155,067**	**1,362,548**	**(31,802)**	**1,330,746**

Middle East, Europe and Africa. Profit for the Middle East, Europe and Africa segment was U.S.$1,500.8 million for the year ended 31 December 2017 as compared to U.S.$1,391.9 million for the year ended 31 December 2016, an increase of U.S.$108.9 million, or 7.8 per cent. Profit for the Year Before Separately Disclosed Items for the Middle East, Europe and Africa segment was U.S.$1,490.5 million for the year ended 31 December 2017 as compared to U.S.$1,400.1 million for the year ended 31 December 2016, an increase of U.S.$90.4 million, or 6.5 per cent. The increase in profit in the Middle East, Europe and Africa segment principally reflected the increased revenue in this segment as outlined above and a slight increase in the segment's profit from joint ventures.

Australia and Americas. Profit for the Australia and Americas segment was U.S.$165.1 million for the year ended 31 December 2017 as compared to U.S.$217.7 million for the year ended 31 December 2016, a decrease of U.S.$52.6 million, or 24.2 per cent. Profit for the Year Before Separately Disclosed Items for the Australia and Americas segment was U.S.$197.4 million for the year ended 31 December 2017 as compared to U.S.$215.7 million for the year ended 31 December 2016, a decrease of U.S.$18.3 million, or 8.5 per cent. The decrease in profit in the Americas and Australia segment is predominantly due to a lower share of profit from joint ventures, primarily Embraport, as well as higher depreciation expenses.

Asia-Pacific and Indian Subcontinent. Profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.$319.9 million as compared to a profit of U.S.$242.9 million for the year ended 31 December 2016, an increase of U.S.$77.0 million, or 31.7 per cent. Profit for the Year Before Separately Disclosed Items for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2017 was U.S.$333.2 million as compared to a profit of U.S.$249.2 million for the year ended 31 December 2016, an increase of U.S.$84.0 million, or 33.7 per cent. The increase in profit in the Asia-Pacific and Indian Subcontinent segment was primarily a result of the PNC consolidation and higher profit from the Indian subcontinent region.

Head Office. Loss for the Head Office segment for the year ended 31 December 2017 was U.S.$655.1 million as compared to a loss of U.S.$697.5 million for the year ended 31 December 2016, a decrease of U.S.$42.4 million, or 6.1 per cent. Loss for the Year Before Separately Disclosed Items for the Head Office segment for the year ended 31 December 2017 was U.S.$658.6 million as compared to a loss of U.S.$605.5 million for the year ended 31 December 2016, an increase of U.S.$53.1 million, or 8.8 per cent. This increase principally reflected higher corporate overhead and tax expenses.

Year Ended 31 December 2016 Compared to Year Ended 31 December 2015

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

	Year ended 31 December					
	2015			2016		
	Before separately disclosed items	**Separately disclosed items**	**Total**	**Before separately disclosed items**	**Separately disclosed items**	**Total**
	(U.S. dollars in thousands)					
Revenue	3,967,739	75,171	4,042,910	4,163,325	68,243	4,231,568
Cost of sales	(2,009,145)	(75,171)	(2,084,316)	(2,010,490)	(68,243)	(2,078,733)
Gross profit	**1,958,594**	**-**	**1,958,594**	**2,152,835**	**-**	**2,152,835**
General and administrative expenses	(590,284)	(653)	(590,937)	(628,411)	(776)	(629,187)
Other income	26,979	16,867	43,846	49,301	3,878	53,179
Profit on sale and termination of business	-	(610)	(610)	(2,966)	(12,524)	(15,490)
Share of profit/(loss) from equity accounted investees (net of tax)	52,702	-	52,702	149,435	(2,957)	146,478
Results from operating activities	**1,447,991**	**15,604**	**1,463,595**	**1,720,194**	**(12,379)**	**1,707,815**
Finance income	104,969	9,705	114,674	100,247	47,462	147,709
Finance costs	(492,087)	(23,352)	(515,439)	(438,357)	(139,521)	(577,878)
Net finance costs	**(387,118)**	**(13,647)**	**(400,765)**	**(338,110)**	**(92,059)**	**(430,169)**
Profit before tax	**1,060,873**	**1,957**	**1,062,830**	**1,382,084**	**(104,438)**	**1,277,646**
Income tax expense	(90,988)	-	(90,988)	(122,579)	-	(122,579)
Profit for the year	**969,885**	**1,957**	**971,842**	**1,259,505**	**(104,438)**	**1,155,067**
Profit attributable to:						
Owners of the Company	882,576	355	882,931	1,126,554	(102,300)	1,024,254
Non-controlling interests	87,309	1,602	88,911	132,951	(2,138)	130,813

Revenue

Revenue for the year ended 31 December 2016 was U.S.$4,231.6 million as compared to U.S.$4,042.9 million for the year ended 31 December 2015, an increase of U.S.$188.7 million, or 4.7 per cent. The increase in revenue mainly reflected growth in lease rentals and related services and the Group's pricing power. The years ended 31 December 2016 and 2015 included SDIs of U.S.$68.2 million and U.S.$75.2 million, respectively, of revenue relating to service concession revenue. In accordance with IFRIC 12 *Service Concession Arrangements* ("**IFRIC 12**"), the fair value of revenue from construction services provided by the Company to develop a port in the Asia-Pacific and Indian Subcontinent segment was included as both revenue and cost of sales in the years ended 31 December 2016 and 2015 and has been treated as SDI. Revenue Before Separately Disclosed Items for the year ended 31 December 2016 was U.S.$4,163.3 million as compared to U.S.$3,967.7 million for the year ended 31 December 2015, an increase of U.S.$195.6 million or 4.9 per cent. Like-For-Like Revenue grew by 1.3 per cent., which was mainly driven by growth in containerised revenue.

As of 31 December 2016, the Group had 78 terminals. Terminals that contributed to the Group's revenue as of 31 December 2016 experienced an increase in consolidated container volume over the previous year of 0.4 per cent.

Revenue by Category

The following table presents revenue information regarding various categories of the Group's revenue for the years ended 31 December 2015 and 2016.

	Year ended 31 December	
	2015	2016
	(U.S. dollars in thousands)	
Revenue		
Containerised stevedoring revenue	1,506,735	1,535,059
Containerised other revenue	1,239,744	1,315,186
Non-containerised revenue	802,314	759,516
Service concession revenue	75,171	68,243
Lease rentals and related services	418,946	553,564
Revenue	4,042,910	4,231,568

Containerised Stevedoring Revenue

Containerised stevedoring revenue for the year ended 31 December 2016 was U.S.$1,535.1 million (representing 36.9 per cent. of the Group's revenue for such period) as compared to U.S.$1,506.7 million for the year ended 31 December 2015 (representing 38.0 per cent. of the Group's revenue for such period), an increase of U.S.$28.4 million, or 1.9 per cent. The increase primarily reflected growth in container volumes.

Containerised Other Revenue

Containerised other revenue for the year ended 31 December 2016 was U.S.$1,315.2 million (representing 31.6 per cent. of the Group's revenue for such period) as compared to U.S.$1,239.7 million for the year ended 31 December 2015 (representing 31.2 per cent. of the Group's revenue for such period), an increase of U.S.$75.5 million, or 6.1 per cent. The increase principally reflected the increase in container re-handling and storage revenue, reflecting the increase in containers stored at the Group's terminals as well as other containerised revenue.

Non-containerised Revenue

Non-containerised revenue for the year ended 31 December 2016 was U.S.$759.5 million (representing 18.2 per cent. of the Group's revenue for such period) as compared to U.S.$802.3 million for the year ended 31 December 2015 (representing 20.2 per cent. of the Group's revenue for such period), a decrease of U.S.$42.8 million, or 5.3 per cent. The bulk of this decrease reflected a reduction in Jebel Ali's non-containerised volumes.

Lease Rentals and Related Services

Lease Rentals and Related Services for the year ended 31 December 2016 was U.S.$553.6 million (representing 13.3 per cent. of the Group's revenue for such period), which comprised principally of revenue generated the Economic Zones World FZE ("EZW") business in Jebel Ali, which was acquired on 16 March 2015.

Revenue by Segment

The following table presents revenue information regarding the Group's three segments for the years ended 31 December 2015 and 2016.

	Year ended 31 December					
	2015			2016		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Revenue						
Middle East, Europe and Africa	2,911,399	-	2,911,399	3,071,052	-	3,071,052
Australia and Americas	642,137	-	642,137	659,020	-	659,020
Asia-Pacific and Indian Subcontinent	414,203	(75,171)	489,374	433,253	(68,243)	501,496
Revenue	**3,967,739**	**(75,171)**	**4,042,910**	**4,163,325**	**(68,243)**	**4,231,568**

Middle East, Europe and Africa. Revenue for the Middle East, Europe and Africa segment for the year ended 31 December 2016 was U.S.$3,071.0 million as compared to U.S.$2,911.4 million for the year ended 31 December 2015, an increase of U.S.$159.6 million, or 5.5 per cent. The increase principally reflected the ramp up at London Gateway, the full-year impact of Stuttgart and the better performance of Doraleh, Senegal and the EZW acquisition. Like-For-Like Revenue for the year ended 31 December 2016 increased 1.9 per cent. against a decrease in Like-For-Like Container Volume of 1.9 per cent over the same period the previous year, mainly as a result of higher containerised other revenue in Doraleh and Senegal as well as slight growth in non-containerised revenue.

As of 31 December 2016, the Group had 38 operating terminals in the segment. On average, terminals that contributed to revenue for the segment experienced a decrease in container volume of 1.3 per cent. over the same period the previous year.

Australia and Americas. Revenue for the Australia and Americas segment for the year ended 31 December 2016 was U.S.$659.0 million as compared to U.S.$642.1 million for the year ended 31 December 2015, an increase of U.S.$16.9 million, or 2.6 per cent. The increase in revenue primarily resulted from the impact of the Prince Rupert acquisition in August 2015. Like-For-Like Revenue for the year ended 31 December 2016 decreased 6.1 per cent. alongside a decrease in Like-For-Like Container Volume of 6.0 per cent over the same period the previous year. As of 31 December 2016, the Group had 14 operating terminals in the segment.

Asia-Pacific and Indian Subcontinent. Revenue for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2016 was U.S.$501.5 million as compared to U.S.$489.4 million for the year ended 31 December 2015, an increase of U.S.$12.1 million, or 2.5 per cent. Revenue Before Separately Disclosed Items for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2016 was U.S.$433.3 million as compared to U.S.$414.2 million for the year ended 31 December 2015, an increase of U.S.$19.1 million, or 4.6 per cent. The increase in revenue was largely from an increase in container volumes as well as strong growth in containerised other revenue. The increase principally reflected an improvement in containerised revenue per TEU, which grew 9.6 per cent on a Like-For-Like basis. Like-For-Like Revenue for the year ended 31 December 2016 increased 8.3 per cent. alongside an increase in Like-For-Like Container Volume of 1.8 per cent over the same period the previous year, mainly as a result of higher storage revenue in Karachi as well as tariff increases in Mundra and Nhava Sheva. As of 31 December 2016, the Group had 26 operating terminals in the segment.

Cost of Sales

Cost of sales for the year ended 31 December 2016 were U.S.$2,078.7 million as compared to U.S.$2,084.3 million for the year ended 31 December 2015, a decrease of U.S.$5.6 million, or 0.3 per cent. The years ended 31 December 2016 and 2015 included SDIs of U.S.$68.2 million and U.S.$75.2 million, respectively, relating to service concession revenues. See Note 9 (*Separately disclosed items*) to the DPW 2016 Financial

Statements for more information. Cost of Sales Before Separately Disclosed Items for the year ended 31 December 2016 were U.S.$2,010.5 million as compared to U.S.$2,009.1 million for the year ended 31 December 2015, an increase of U.S.$1.4 million, or 0.1 per cent. The increase was principally due to increases in container volumes as well as the PNC consolidation.

General and Administrative Expenses

General and administrative expenses for the year ended 31 December 2016 were U.S.$629.2 million as compared to U.S.$590.9 million for the year ended 31 December 2015, an increase of U.S.$38.2 million, or 6.5 per cent. The years ended 31 December 2016 and 2015 included SDIs of U.S.$0.8 million and U.S.$0.7 million, respectively, relating to an impairment related to a subsidiary in the Middle East, Europe and Africa region. General and Administrative Expenses Before Separately Disclosed Items for the year ended 31 December 2016 were U.S.$628.4 million as compared to U.S.$590.3 million for the year ended 31 December 2015, an increase of U.S.$38.1 million, or 6.5 per cent. The increase was primarily due to the PNC consolidation.

Share of Profit from Equity-accounted Investees

Share of profit from equity-accounted investees for the year ended 31 December 2016 was U.S.$146.5 million as compared to U.S.$52.7 million for the year ended 31 December 2015, an increase of U.S.$93.8 million, or 177.9 per cent. The year ended 31 December 2016 included an SDI loss of U.S.$3.0 million representing non-recurring expenses incurred in the Middle East, Europe and Africa region. Share of Profit From Equity-Accounted Investees Before Separately Disclosed Items for the year ended 31 December 2016 was U.S.$149.4 million as compared to U.S.$52.7 million for the year ended 31 December 2015, an increase of U.S.$96.7 million, or 183.5 per cent. The increase was primarily due to Embraport which experienced a favourable currency movement as compared to 2015 as well as due to higher profit from the Group's joint ventures in the Asia Pacific and Europe regions.

Net Finance Costs

Net finance costs for the year ended 31 December 2016 were U.S.$430.2 million as compared to U.S.$400.8 million for the year ended 31 December 2015, an increase of U.S.$29.4 million, or 7.3 per cent. The year ended 31 December 2016 included an SDI of U.S.$92.1 million related the Group's convertible bond. Net Finance Costs Before Separately Disclosed Items for the year ended 31 December 2015 included an SDI of U.S.$13.6 million primarily related to the Group's convertible bond. Excluding such SDIs, net finance costs for the year ended 31 December 2016 were U.S.$338.1 million as compared to U.S.$387.1 million for the year ended 31 December 2015, a decrease of U.S.$49.0 million, or 12.7 per cent, primarily as a result of lower foreign exchange losses in 2016 when compared with 2015 and lower interest expense in Karachi, Doraleh, Argentina and EZW.

Income Tax

Income tax expense for the year ended 31 December 2016 was U.S.$122.6 million as compared to U.S.$91.0 million for the year ended 31 December 2015, an increase of U.S.$31.6 million, or 34.7 per cent. The increase was principally due to an increase in profit.

Profit for the Year

Profit after tax for the year ended 31 December 2016 was U.S.$1,155.1 million as compared to U.S.$971.8 million for the year ended 31 December 2015, an increase of U.S.$183.2 million, or 18.8 per cent. The year ended 31 December 2016 included SDIs representing a loss of U.S.$104.4 million and the year ended 31 December 2015 included SDIs representing a profit of U.S.$2.0 million (see above for further information regarding such SDIs). Profit for the Year Before Separately Disclosed Items for the year ended 31 December 2016 was U.S.$1,259.5 million as compared to U.S.$969.9 million for the year ended December 2015, an increase of U.S.$289.6 million, or 29.9 per cent.

The following table presents profit information regarding the Group's geographical segments for the years ended 31 December 2015 and 2016.

	Year ended 31 December					
	2015			2016		
	Before separately disclosed items	Separately disclosed items	Total	Before separately disclosed items	Separately disclosed items	Total
	(U.S. dollars in thousands)					
Profit after tax						
Middle East, Europe and Africa	1,276,278	15,604	1,291,882	1,400,085	(8,171)	1,391,914
Australia and Americas	120,936	-	120,936	215,663	2,076	217,739
Asia-Pacific and Indian Subcontinent	212,540	-	212,540	249,216	(6,284)	242,932
Head office profit/(loss)	(639,869)	(13,647)	(653,516)	(605,459)	(92,059)	(697,518)
Profit/(loss) for the year	**969,885**	**1,957**	**971,842**	**1,259,505**	**(104,438)**	**1,155,067**

Middle East, Europe and Africa. Profit for the Middle East, Europe and Africa segment was U.S.$1,391.9 million for the year ended 31 December 2016 as compared to U.S.$1,291.9 million for the year ended 31 December 2015, an increase of U.S.$100.0 million, or 7.7 per cent. Profit/(loss) for the Year Before Separately Disclosed Items for the Middle East, Europe and Africa segment was U.S.$1,400.1 million for the year ended 31 December 2016 as compared to U.S.$1,276.3 million for the year ended 31 December 2015, an increase of U.S.$123.8 million, or 9.7 per cent. The increase in profit in the Middle East, Europe and Africa segment principally reflected the increased revenue in this segment as outlined above.

Australia and Americas. Profit for the Australia and Americas segment was U.S.$217.7 million for the year ended 31 December 2016 as compared to U.S.$120.9 million for the year ended 31 December 2015, an increase of U.S.$96.8 million, or 80.0 per cent. Profit Before Separately Disclosed Items for the Australia and Americas segment was U.S.$215.7 million for the year ended 31 December 2016 as compared to U.S.$120.9 million for the year ended 31 December 2015, an increase of U.S.$94.7 million, or 78.3 per cent. The increase in profit in the Americas and Australia segment principally reflected higher foreign exchange losses in Embraport in 2015.

Asia-Pacific and Indian Subcontinent. Profit for the Asia-Pacific and Indian Subcontinent segment for the year ended 31 December 2016 was U.S.$242.9 million as compared to a profit of U.S.$212.5 million for the year ended 31 December 2015, an increase of U.S.$30.4 million, or 14.3 per cent. Profit Before Separately Disclosed Items for the Asia-Pacific and Indian Subcontinent segment was U.S.$249.2 million for the year ended 31 December 2016 as compared to U.S.$212.5 million for the year ended 31 December 2015, an increase of U.S.$36.7 million, or 17.3 per cent. This increase in profit in the Asia-Pacific and Indian Subcontinent segment principally reflected higher storage revenue in Karachi as well as tariff increases in Mundra and Nhava Sheva.

Head Office. Loss for the Head Office segment for the year ended 31 December 2016 was U.S.$697.5 million as compared to a loss of U.S.$653.5 million for the year ended 31 December 2015, an increase of U.S.$44.0 million, or 6.7 per cent. Loss Before Separately Disclosed Items for the Head Office segment for the year ended 31 December 2016 was U.S.$605.5 million as compared to a loss of U.S.$639.9 million for the year ended 31 December 2015, a decrease of U.S.$34.4 million, or 5.4 per cent. This decrease principally reflected the reversal of the prior year's corporate provision.

Liquidity and Capital Resources

The Group expects to meet its ongoing capital requirements, including in respect of its new developments and major expansion projects, through net cash, operating returns, as well as its committed revolver credit facility of U.S.$2.0 billion, debt financing from banks or capital markets or the issuance of equity to the extent necessary. Where available, the Group intends to finance terminal development and expansion projects through non-recourse debt of the relevant terminal operating company. Further, many of the Group's expansion projects are not committed so it can slow capacity expansion if volume increases change. See "*Risk Factors – Risks Related to the Certificates – Since the Company is a holding company and substantially all of its operations are conducted through its subsidiaries, unconsolidated joint ventures and associates, its ability to make payments under the Transaction Documents, depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities" and "Risk Factors – Risks relating to the Group – The Group's businesses require substantial capital investment, and the Group may*

not have sufficient capital to make, or may be restricted by covenants in its financing agreements from making, future capital expenditures and other investments as it deems necessary or desirable".

Cash Flows

The following table sets forth certain information about the consolidated cash flows of the Company for the periods indicated.

	Year ended 31 December			Six months ended 30 June	
	2015	**2016**	**2017**	**2017**	**2018**
	(U.S. dollars in thousands)				
Consolidated Cash Flow Data:					
Net cash from operating activities	1,780,747	1,844,537	2,207,873	881,987	869,952
Net cash used in investing activities	(4,024,572)	(1,258,877)	(585,985)	30,182	(1,007,755)
Net cash (used in)/from financing activities	(11,785)	(701,274)	(1,481,385)	(608,571)	189,535
Net increase/(decrease) in cash and cash equivalents	(2,255,610)	(115,614)	140,503	303,598	51,732
Effect of exchange rate fluctuation on cashflow	(30,868)	(21,590)	43,785	27,810	(23,248)
Cash and cash equivalents at 1 January	3,723,073	1,436,595	1,299,391	1,299,391	1,483,679
Cash and cash equivalents at period end	**1,436,595**	**1,299,391**	**1,483,679**	1,630,799	**1,512,163**

Net cash from operating activities

Net cash from operating activities for the six months ended 30 June 2018 was U.S.$870.0 million as compared to U.S.$882.0 million for the six months ended 30 June 2017, a decrease of U.S.$12.0 million, or 1.4 per cent.

Net cash from operating activities for the year ended 31 December 2017 was U.S.$2,207.9 million as compared to U.S.$1,844.5 million for the year ended 31 December 2016, an increase of U.S.$363.4 million, or 19.7 per cent. The increase was primarily due to an increase in revenue.

Net cash from operating activities for the year ended 31 December 2016 was U.S.$1,844.5 million as compared to U.S.$1,780.7 million for the year ended 31 December 2015, an increase of U.S.$63.8 million, or 3.6 per cent.

Net cash from/(used in) investing activities

Net cash used in investing activities for the six months ended 30 June 2018 was U.S.$1,007.8 million consisting primarily of new acquisitions and expansion in the UAE, Ecuador and London Gateway.

Net cash used in investing activities for the year ended 31 December 2017 was U.S.$586.0 million consisting primarily of London Gateway (UK), Berbera (Somaliland), Prince Rupert (Canada) and Jebel Ali (UAE).

Net cash used in investing activities for the year ended 31 December 2016 was U.S.$1,258.9 million consisting primarily of Jebel Ali (UAE), Prince Rupert (Canada), Mumbai (India) and Yarimca (Turkey).

Net cash used in investing activities for the year ended 31 December 2015 was U.S.$4,024.6 million relating principally to the EZW and DP World Prince Rupert (Canada) acquisitions as well as capital expenditures at existing operations.

Net cash (used in)/from financing activities

Net cash from financing activities for the six months ended 30 June 2018 was U.S.$189.5 million. This amount was primarily the result of the drawdown of loans and borrowings, interest paid and dividends paid.

Net cash from financing activities for the year ended 31 December 2017 was U.S.$1,481.4 million. This amount was primarily the result of debt repayments, redemption of the 2017 Sukuk, interest paid and a dividend paid.

Net cash from financing activities for the year ended 31 December 2016 was U.S.$701.3 million. This amount was primarily the result of debt repayments, partial redemption of the 2017 Sukuk and interest paid.

Net cash used in financing activities for the year ended 31 December 2015 was U.S.$11.8 million. This amount was primarily the result of issuance of a bond, debt repayments, interest paid and dividends paid during the period.

Capital Expenditures

The following discussion of the Group's capital expenditures relates to all consolidated terminals. Capital expenditures include the Group's investments in plant and equipment relating to its business but do not include corporate acquisitions, such as the EZW and DP World Prince Rupert (Canada) acquisitions.

For the years ended 31 December 2017, 2016 and 2015, the Group had capital expenditures of U.S.$1,089.7 million, U.S.$1,298.1 million and U.S.$1,389.1 million, respectively.

Total capital expenditure for the year ended 31 December 2017 was U.S.$ 1,089.7 million, of which 86.9 per cent. was spent on the expansion of new capacity in existing terminals and 2.8 per cent. was spent on the development of new terminals. Globally, the Group added approximately 3.6 million TEU of new gross capacity to take total capacity to 88 million TEU. This consisted primarily in capital expenditures in new capacity in Jebel Ali port (UAE), Jebel Ali Free Zone (UAE), London Gateway (UK), Prince Rupert (Canada) and Berbera (Somaliland) amongst others. Maintenance capital expenditure stood at U.S.$113 million.

The capital expenditure in 2017 was below the Group's guidance of U.S.$1,200 million as it maintained its disciplined approach to deploying capital. The Group expects 2018 capital expenditure to be up to U.S.$1,400 million as the Group plans on adding further capacity in UAE, Pusan (South Korea), and Maputo (Mozambique).

Total capital expenditure for the year ended 31 December 2016 was U.S.$1,298.1 million, of which 83.6 per cent. was spent on the expansion of new capacity in existing terminals and 3.3 per cent. was spent on the development of new terminals. The Group completed work on Terminal 4 at Jebel Ali and added additional capacity, which brought Jebel Ali to 18 million TEU by the end of 2016. Capital expenditure in Middle East, Europe and Africa was focused on Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (UK) and Yarimca (Turkey). Further, the Group had capital expenditure of U.S.$81 million in Asia Pacific and Indian Subcontinent, mainly focused on capacity expansion in Mumbai (India). Lastly, in Australia and Americas the Group invested U.S.$156 million capital expenditure in its terminals across this region during the year, mainly focused in Prince Rupert (Canada).

Total capital expenditure for the year ended 31 December 2015 was U.S.$1,389.1 million, of which 56.8 per cent. was spent on the expansion of new capacity in existing terminals and 29.8 per cent. was spent on the development of new terminals. In 2015, the Group added approximately 3.5 million TEU of new gross capacity and 2.2 million TEU of consolidated capacity to take its total gross and consolidated capacity to 79.6 million and 40.1 million TEU, respectively. The Group's fully automated terminal in Rotterdam World Gateway (The Netherlands) opened in 2015, which accounted for 0.3 million TEU of this additional capacity. In addition, projects in Mumbai (India) and Yarimca (Turkey) became operational in 2016, and each contributed 0.8 million TEU of additional capacity. Construction of the third berth at DP World London Gateway (U.K.) started in 2015 and the third berth is expected to be operational in the second half of 2016.

In the developed markets the Group has invested in DP World London Gateway (U.K.), which offers a state-of-the art facility to meet the future demands of the industry. DP World London Gateway provides an efficient link between deep-sea shipping and London, the largest consumer market in the U.K., and the Group is seeing an increasing number of shipping lines calling at the Group's facility. In 2015, the Group acquired DP World Prince Rupert (Canada), which adds capacity to the Group in a fast growing trade lane and functions as a key gateway port for trans-pacific trade, offering the fastest access for vessels travelling between Asia and North America.

Alongside investing for the sustainable growth of its business, the Group also continually reviews its portfolio, disposing of or monetising assets where it makes strategic sense to do so.

The Group expects to finance its future commitments for capital expenditures for capacity increases or expansion projects, including in respect of the Group's 8 new developments and major expansion projects, through cash from operations, as well as debt financing or equity to the extent necessary. Where available, the Group intends to finance terminal development through non-recourse debt at the relevant terminal operating company level. The Group intends to finance expansion projects through cash from operations and additional funding, if required. In addition, the Group may elect or be required to make additional capital expenditures related to its concessions in the future and, as a result, the Group's future capital expenditures may be significantly higher than the amounts indicated under "*– Liquidity and Capital Resources – Contractual Obligations*" above. The Group believes that its operating cash flows and borrowing capacity, taken together, provide adequate resources to fund capital expenditures relating to the Group's ongoing operations and future investments associated with the expansion of its business for the foreseeable future.

Indebtedness

Indebtedness of the Company outstanding as of 31 December 2017 was U.S.$7,739.0 million (see Note 29 (*Interest bearing loans and borrowings*) of the DPW 2017 Financial Statements for more information), and was comprised principally of:

Syndicated Loan Facility

On 30 June 2014, the Company entered into agreements (the "**Syndicated Facilities Documentation**") documenting unsecured syndicated conventional and murabaha term and revolving loan facilities (the "**Syndicated Facilities**").

The Syndicated Facilities comprise U.S.$2,000,000,000 multicurrency facilities made up of: (i) a U.S.$1,390,000,000 conventional revolving credit facility with a final maturity date of 30 June 2023 which includes a margin stepdown if certain emission levels are met; and (ii) a U.S.$610,000,000 Islamic revolving murabaha facility with a final maturity date of 30 June 2019 (the "**Murabaha Facility**"). The Syndicated Facilities are permitted to be used for the general corporate purposes of the Company and its subsidiaries. Interest/profit on the Syndicated Facilities is payable based on a specified margin over either EURIBOR or LIBOR. As at 31 December 2017, U.S.$2,000,000,000 was available to be drawn under the Syndicated Facilities.

Repayment and Voluntary Prepayments. All outstanding borrowed amounts under the conventional facility and the Murabaha Facility must be repaid on the applicable final maturity date. The Syndicated Facilities Documentation provides for voluntary prepayments of outstanding borrowed amounts and voluntary cancellations of unutilised commitments on customary terms. Amounts prepaid under either the conventional facility or the Murabaha Facility may be reborrowed. The Syndicated Facilities Documentation also contains mandatory prepayment provisions which the Company believes are usual and customary for facilities of this type.

Change of Control. The Syndicated Facilities Documentation contains a mandatory prepayment change of control provision whereby an individual lender/murabaha participant can call for repayment of its share of outstanding borrowings if the Government ceases to own, either directly or indirectly, at least 50 per cent. of the issued share capital of the Company or otherwise ceases to control, either directly or indirectly, the Company.

Undertakings and Covenants. The Syndicated Facilities Documentation contains affirmative and negative undertakings which the Company believes are usual and customary for facilities of this type. In addition, the Syndicated Facilities Documentation contains a total net debt to consolidated total net debt plus equity financial covenant, where equity refers to the amount of equity on the balance sheet of the Company.

Events of Default. The Syndicated Facilities Documentation contains certain customary events of default.

U.S. $500,000,000 3.250 per cent. Notes Due 2020

On 18 May 2015, the Company issued senior notes due 2020 with a principal amount of U.S.$500,000,000 (the "**2020 Senior Notes**") under the Programme. The 2020 Senior Notes mature on 18 May 2020 and are listed on the London Stock Exchange and Nasdaq Dubai.

Ranking. The 2020 Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future senior subordinated debt.

Repayment and Redemption. Upon the occurrence of a change of control of the Company, each holder of the 2020 Senior Notes has the right to require the Company to repurchase such holder's 2020 Senior Notes at a purchase price in cash equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. Subject to certain limited exceptions, the 2020 Senior Notes may not be redeemed at the Company's option prior to maturity. Unless previously redeemed or purchased and cancelled, the Senior Notes must be redeemed at par on the maturity date.

Change of Control. The Programme is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Group's issued share capital.

Covenants. The Programme contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Notes offered hereunder.

Events of default. The 2020 Senior Notes are subject to certain customary events of default that, if any of them occurs, would permit the principal of and accrued interest on the 2020 Senior Notes to be declared due and payable.

Convertible Bonds Due 2024

On 19 June 2014, the Company issued senior unsecured convertible bonds due 2024 with a principal amount of U.S.$1,000,000,000 (the "**Convertible Bonds**") convertible into 36.85 million ordinary shares of the Company. The Convertible Bonds are currently listed on the Frankfurt Stock Exchange and bear interest at an annual rate of 1.75 per cent. The Convertible Bonds include an investor put option which can be exercised at par in June 2018 (year 4) and in June 2021 (year 7). There is also an issuer call option which can be exercised from July 2017 onwards (year 3), subject to a 130 per cent. trigger on the conversion price of U.S.$27.14.

Ranking. The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Company save, in the event of a winding up, for such obligations that may be preferred by provisions of law that are mandatory and of general application.

Change of Control. Upon the occurrence of a change of control, each holder of the Convertible Bond has the right to require the Company to either: (i) redeem its Convertible Bond at par plus accrued interest; or (ii) convert the Convertible Bonds into ordinary shares of the Company. A change of control shall occur if the Government (a) ceases to hold (directly or indirectly) at least 50 per cent. of the Company's issued share capital, or otherwise ceases to control (directly or indirectly) the Company (for instance, by way of control of the board of directors), or (b) owns, directly or indirectly, more than 85 per cent. of the Company.

Restrictive Covenants. The Convertible Bonds have the benefit of a negative pledge which is usual and customary for debt securities of this type. Subject to certain exceptions in respect of project finance indebtedness and securitisation indebtedness, none of ordinary shares of the Company or any of its subsidiaries is permitted to grant security over capital markets securities, unless at the same time it grants the same security to the Convertible Bonds.

The negative pledge does not apply to permitted security, which includes, for instance, secured debt securities of a target entity **provided that** such entity is merged into or consolidated into the Company or any of its subsidiaries, or security over property or assets subsequently acquired by a member of the Group as long as the security was not created in contemplation of the acquisition.

Events of Default. The Convertible Bonds are subject to certain customary events of default, and upon the occurrence of an event of default, the Convertible Bonds are redeemable at par plus accrued interest.

U.S.$1,200,000,000 Trust Certificates (Sukuk Al-Musharaka) Due 2023

On 29 May 2016, DP World Crescent Limited, a DIFC special purpose vehicle ("**Crescent Sukuk**"), issued U.S.$1,200,000,000 face amount of Trust Certificates due 2023 (the "**2023 Certificates**") under its U.S.$3,000,000,000 Trust Certificate Issuance Programme. Each holder of the 2023 Certificates is entitled to periodic distribution amounts in an amount equal to 3.91 per cent. per annum on the aggregate principal amount of the 2023 Certificates held by such holder. To the extent that the amount of profit generated through the investment plan is less than the amount necessary to make such periodic distribution amounts, JAFZ (as Musharaka under the 2023 Certificates) is required to provide Shari'a compliant liquidity financing to ensure that sufficient funds are available to pay such periodic distribution amounts. To the extent that the amount of profit generated through the investment plan is greater than the amount necessary to make such periodic distribution amounts, JAFZ is entitled to retain such excess amount for its own account by way of an incentive fee for acting as Musharaka.

Ranking. The 2023 Certificates are senior unsecured obligations of JAFZ and rank equally in right of payment to all of its existing and future senior indebtedness and senior in right of payment to all of its existing and future senior subordinated debt.

Redemption. Upon the occurrence of a change of control of JAFZ, each holder of the 2023 Certificates has the right to require Crescent Sukuk to redeem any or all of such holder's 2023 Certificates at a purchase price in cash equal to 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date and an amount equal to the sum of any outstanding amounts repayable in respect of the liquidity facility and any service agency liability amounts. Subject to certain limited exceptions, the 2023 Certificates may not be redeemed at Crescent Sukuk's option prior to maturity. Unless previously redeemed or purchased and cancelled, the 2023 Certificates must be redeemed at par on the scheduled redemption date.

Change of Control. The Crescent Sukuk is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of JAFZ's issued share capital.

Covenants. The Crescent Sukuk contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Notes offered hereunder.

Dissolution Event. The 2023 Certificates are subject to certain customary dissolution events that, if any of them occurs, would permit the holders of at least 20 per cent. in aggregate principal amount of 2023 Certificates then outstanding to require the trust to be dissolved and all 2023 Certificates redeemed for an amount equal to the 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date.

U.S.$650,000,000 Trust Certificates (Sukuk Al-Musharaka) Due 2019

On 19 June 2012, JAFZ Sukuk (2019) Limited, a DIFC special purpose vehicle ("**JAFZ Sukuk**"), issued U.S.$650,000,000 face amount of Trust Certificates due 2019 (the "**2019 Certificates**"). The Group assumed this indebtedness in its acquisition of EZW in March 2015. The 2019 Certificates mature on 19 June 2019 and are listed on the Irish Stock Exchange and on Nasdaq Dubai. The 2019 Certificates evidence an undivided beneficial ownership interest in certain assets held in trust. The proceeds from the 2019 Certificates were invested in JAFZ's business activities in accordance with an agreed investment plan. Each holder of the 2019 Certificates is entitled to periodic distribution amounts in an amount equal to 7.00 per cent. per annum on the aggregate principal amount of 2019 Certificates held by such holder. To the extent that the amount of profit generated through the investment plan is less than the amount necessary to make such periodic distribution amounts, JAFZ (as Musharaka under the 2019 Certificates) is required to provide Shari'a compliant liquidity financing to ensure that sufficient funds are available to pay such periodic distribution amounts. To the extent that the amount of profit generated through the investment plan is greater than the amount necessary to make such periodic distribution amounts, JAFZ is entitled to retain such excess amount for its own account by way of an incentive fee for acting as Musharaka.

Ranking. The 2019 Certificates are senior unsecured obligations of JAFZ and rank equally in right of payment to all of its existing and future senior indebtedness and senior in right of payment to all of its existing and future senior subordinated debt.

Redemption. Upon the occurrence of a change of control of JAFZ, each holder of the 2019 Certificates has the right to require JAFZ Sukuk to redeem any or all of such holder's 2019 Certificates at a purchase price

in cash equal to 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date and an amount equal to the sum of any outstanding amounts repayable in respect of the liquidity facility and any service agency liability amounts. Subject to certain limited exceptions, the 2019 Certificates may not be redeemed at JAFZ Sukuk's option prior to maturity. Unless previously redeemed or purchased and cancelled, the 2019 Certificates must be redeemed at par on the scheduled redemption date.

Change of Control. The JAFZ Sukuk is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of JAFZ's issued share capital.

Covenants. The JAFZ Sukuk contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Notes offered hereunder.

Dissolution Event. The 2019 Certificates are subject to certain customary dissolution events that, if any of them occurs, would permit the holders of at least 20 per cent. in aggregate principal amount of 2019 Certificates then outstanding to require the trust to be dissolved and all 2019 Certificates redeemed for an amount equal to the 100 per cent. of the aggregate principal amount thereof, plus accrued and unpaid periodic distribution amounts, if any, to the redemption date.

U.S.$1,750,000,000 6.85 per cent. Notes Due 2037

On 2 July 2007, the Company issued U.S.$1,750,000,000 aggregate principal amount of Notes due 2037 bearing interest of 6.85 per cent. per annum (the "**2007 Senior Notes**") under the Programme. The 2007 Senior Notes mature on 2 July 2037 and are listed on the London Stock Exchange and Nasdaq Dubai.

Ranking. The 2007 Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company's existing and future senior indebtedness and senior in right of payment to all of the Company's existing and future senior subordinated debt.

Repayment and Redemption. Upon the occurrence of a change of control of the Company, each holder of the 2007 Senior Notes has the right to require the Company to repurchase such holder's 2007 Senior Notes at a purchase price in cash equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. Subject to certain limited exceptions, the 2007 Senior Notes may not be redeemed at the Company's option prior to maturity. Unless previously redeemed or purchased and cancelled, the Senior Notes must be redeemed at par on the maturity date.

Change of Control. The Programme is subject to a change of control covenant whereby the Government must continue to own, directly or indirectly, at least 50 per cent. of the Group's issued share capital.

Covenants. The Programme contains affirmative and negative undertakings that the Group believes are usual and customary for debt securities of this type and which are similar to those relating to the Notes offered hereunder.

Events of default. The 2007 Senior Notes are subject to certain customary events of default that, if any of them occurs, would permit the principal of and accrued interest on the 2007 Senior Notes to be declared due and payable.

Contractual Obligations

The following table presents the Company's contractual obligations as of 31 December 2017.

	Payments due by period				
	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
	(U.S. dollars in thousands)				
Non derivative financial liabilities					
Issued bonds	(230,552)	(857,756)	(1,014,968)	(4,800,048)	(6,903,324)
Convertible bonds	(17,500)	(17,500)	(52,500)	(1,026,250)	(1,113,750)
Bank loans	(400,133)	(198,386)	(645,307)	(2,733,764)	(3,977,590)
Loans from non-controlling shareholders	(151,134)	–	–	–	(151,134)
Finance lease liabilities	(11,437)	(7,344)	(15,441)	(7,572)	(41,794)
Trade and other payables	(1,589,903)	(26,387)	(30,119)	(64,739)	(1,711,148)
Financial guarantees and letters of credit	–	–	–	–	(152,315)
Derivative financial liabilities					
Interest rate swaps used for hedging	(26,180)	(25,528)	(60,886)	(11,708)	(124,302)
Embedded derivative option	–	–	–	–	–
Total	(2,426,839)	(1,132,901)	(1,819,221)	(8,644,081)	(14,175,357)

In addition, the Group has operating lease obligations that mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. There are also leases of plant, equipment and vehicles. In respect of terminal operating leases, contingent rent is payable based on revenues / profits earned in the future period. The majority of leases contain renewable options for additional periods at rental rates based on negotiations or prevailing market rates. As of 31 December 2017, the Group had operating lease obligations totalling U.S.$8,876.0 million, of which U.S.$326.2 million were less than one year, U.S.$1,273.3 million were between one to five years and U.S.$7,276.5 million were more than five years.

As of 31 December 2017, the Group had net pension liabilities of U.S.$194.9 million. The Group has agreed with the pension trustee board of its various pension schemes to make contributions of U.S.$24.6 million in 2018. The future payment schedule of the pension liabilities will be determined at the end of each year for the following year based on the returns from the pension scheme assets and the resulting deficit commitments.

Off-Balance Sheet Arrangements

As of 30 June 2018, the Group does not have any off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on its financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/floating interest rate and bank deposits. The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

As of 31 December 2017, U.S.$5,410.9 million of the Group's financial liabilities carried interest at fixed rates, not taking into account the effect of interest rate swaps. As of 31 December 2017, U.S.$2,328.1 million of the Group's financial liabilities carried interest at floating rates before taking into account interest rate swaps. As of 31 December 2017, after taking into account the effect of interest rate swaps, 91 per cent. of the Group's total loans and borrowings carried fixed interest rates. As of 31 December 2017, a 1 per cent.

increase or decrease in the interest associated with variable interest bearing loans and borrowings would have resulted in a change in the Group's interest expense of U.S.$0.1 million in the profit/loss account.

Credit Risk

The Group seeks to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the Group's other financial assets, which comprise cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risk with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Liquidity Risk

The Group has cash balances and undrawn committed facilities to provide liquidity as required. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase. As of 31 December 2017, committed undrawn facilities totalled U.S.$2,055.7 million. See "*Indebtedness—Syndicated Loan Facility*" above for a description of the Syndicated Loan Facility.

Currency Risk

The Company's functional currency is UAE dirhams and its presentation currency is the U.S. dollar. The functional and reporting currency of the Group's subsidiaries, affiliates and associates varies depending on their geographic location. Accordingly, the Group is exposed to risks related to the translation of assets and liabilities denominated in currencies other than, or not pegged to, the U.S. dollar.

As of 31 December 2017, approximately 64.4 per cent. of the Group's net operating assets were denominated in foreign currencies (i.e., other than the functional currency of the Company, UAE dirhams). The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated and hedges such as foreign exchange forward contracts and cross-currency swaps.

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

The Group operates in some locations where the local currency is fixed to the Group's presentation currency of U.S. dollar further reducing the risk of currency movements.

For additional discussion of the impact of foreign currency transactions and translations on the Group's results of operations, see Note 26 (*Financial Risk Management*) to the DPW 2017 Financial Statements.

Critical Accounting Policies and Estimates

The preparation of the Group's financial statements in conformity with IFRS requires the Group to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Those estimates and judgments are based on historical experience, available information, future expectations and other factors and assumptions that the Group believes are reasonable under the circumstances. The Group reviews its estimates and judgments on an ongoing basis and revises them when necessary. Actual results may differ from the original or revised estimates. A description of the Group's

most critical policies, which the Group believes involve a significant degree of judgment or complexity or are areas where assumptions and estimates are significant to the preparation of its financial statements is set forth in Note 2(a) (*Use of estimates and judgements*) of the DPW 2017 Financial Statements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over it in making financial and operating decisions, or *vice versa*, or where the Group and the party are subject to common control or significant influence, i.e. part of the same parent group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, PFZW, Dubai World and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. The terms and conditions of the related party transactions were made on an arm's length basis. Dubai World operates a shared services unit ("**SSU**") which recharges the proportionate costs of services provided to the Group. SSU also processes the payroll for the Company and certain subsidiaries and recharges the respective payroll costs.

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

	Year ended 31 December 2017		
	Equity-accounted investees	**Other related parties**	**Total**
	(U.S. dollars in thousands)		
Expenses charged:			
Concession fee	-	49,517	49,517
Shared services	-	736	736
Other services[1]	-	19,923	19,923
Revenue earned:			
Management fee income[2]	19,366	30,659	50,025
Interest income	28,368	-	28,368
Liabilities settled and recharged:	-	-	-

(1) Other services includes mainly marine services fee, property management fee and IT services.

(2) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

	Year ended 31 December 2016		
	Equity-accounted investees	**Other related parties**	**Total**
	(U.S. dollars in thousands)		
Expenses charged:			
Concession fee	-	47,292	47,292
Shared services	-	931	931
Other services[1]	-	18,864	18,864
Revenue earned:			
Management fee income[2]	25,855	27,540	53,395
Interest income	24,276	-	24,276
Liabilities settled and recharged:	-	-	-

(1) Other services includes mainly marine services fee, property management fee and IT services.

(2) Management fee income relates to management fee charged to various joint venture associates in accordance with the management fee agreements with these entities.

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

	Year ended 31 December			
	2017	**2016**	**2017**	**2016**
	Due from related parties		**Due to related parties**	
	(U.S. dollars in thousands)			
Dubai World	2,217	2,220	219	361
PFZW	902	18,972	5	194
Equity-accounted investees	347,289	336,722	3,107	2,168
Other related parties	13,001	13,454	8,911	7,181
	363,409	**371,368**	**12,242**	**9,904**

Guarantees issued on behalf of equity-accounted investees amount to U.S.$25.8 million (2016: U.S.$25.1 million).

DESCRIPTION OF THE COMPANY

Overview

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions. The Group organises its business into three divisions: Port and Terminals; Parks, Logistics and Economic Zones ("PLEZ") and Maritime Services.

The Ports and Terminals division aims to meet the needs of dynamic global supply chains, as the Group develops and operates trade-enabling, strategically located, and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals. The Ports and Terminals division is the Group's largest division and represented over 60% of the Group's revenues for the six months ended 30 June 2018.

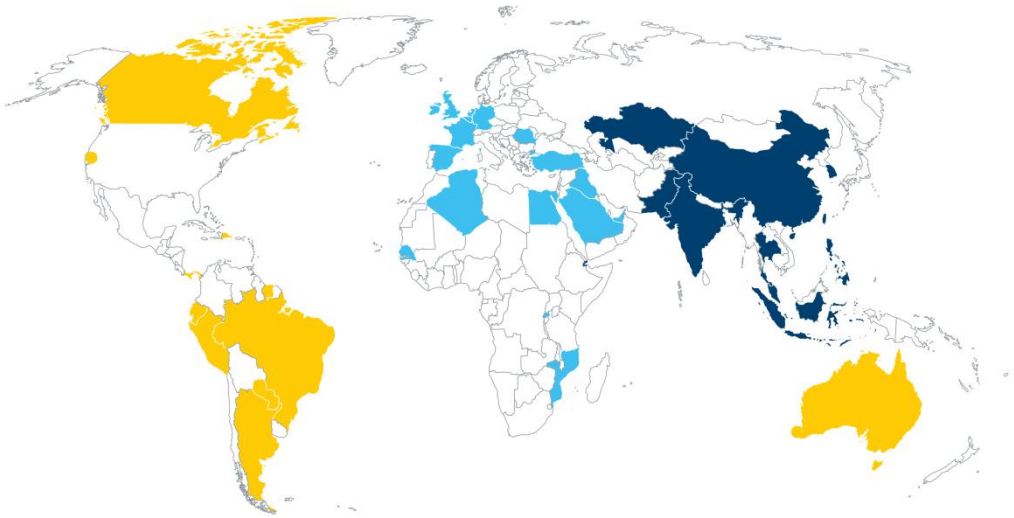
The PLEZ division aims to provide end-to-end customer experience, by delivering integrated solutions across the containerised value chain, including industrial parks, economic zones, and logistics services.

The Maritime Services division aims to complement the Group's global trade services, by providing maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services. The Group's Maritime Services division was expanded through the acquisition of Spanish Maritime services operator Remolques y Servicios Maritimos, S.L. ("**Reyser**") in 2017, which was complemented with the acquisition of Drydocks World and Dubai Maritime City in 2018, further expanding the Group's services across the supply chain in Dubai.

As at 31 December 2017, the Group managed 78 operating marine and inland terminals supported by over 50 related businesses in over 40 countries across six continents with a significant presence in both high-growth and mature markets. The Group aims to be essential to the future of global trade, ensuring everything it does has a long-lasting positive impact on economies and societies. As at 31 December 2017, the Group's portfolio had a gross capacity of 88.2 million TEU and for the year ended 31 December generated gross

throughput of 70.1 million TEU, revenue of U.S.$4,728.8 million, profit for the year of U.S.$1,330.8 million and an Adjusted EBITDA of U.S.$2,469.0 million.

The following map sets out the countries in which the Group has terminals:



For financial reporting, the Group has the following three geographical segments:

- ***Middle East, Europe and Africa – 19 countries and 38 terminals***
- ***Australia and Americas – 12 countries and 14 terminals***
- ***Asia-Pacific and Indian Subcontinent – 11 countries and 26 terminals***

The following table compares the gross throughput for the six months ended 30 June 2018 to the six months ended 30 June 2017:

Reporting segment	**Six months ended 30 June 2017**	**Six months ended 30 June 2018**	**% Growth**
		(TEU in '000)	
Middle East, Europe and Africa	14,255	14,967	4.5%
Australia and Americas	4,190	4,408	5.0%
Asia-Pacific and Indian Subcontinent	15,551	16,244	5.2%
Total Group Gross Throughput	**33,997**	**35,620**	**4.8%**

The Group's principal executive offices are located at JAFZA 17, Jebel Ali Free Zone, Dubai, UAE. The Group's registered office is PO Box 17000, Dubai, UAE and its telephone number is +971 4 881 1110. The Group's website address is www.dpworld.com. The information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

History

The Company was incorporated in the DIFC on 9 August 2006 for the purpose of becoming the holding company for the ports-related commercial activities of Dubai World. On 1 January 2007, DP World FZE and Thunder FZE, which is the holding company for P&O, were transferred to the Company from Dubai Ports Authority, an affiliate of the Company. Prior to the transfer of DP World FZE and Thunder FZE, the Company did not have any operations. As a result of the transfer, the Company, together with its operating subsidiaries, conducts all of the ports-related commercial activities of Dubai World. Dubai Ports Authority

continues to conduct all of the ports-related regulatory activities of the Government. Such regulatory activities have not been and will not be transferred to the Company.

As described below, as a result of the winning of new concessions around the world and the Group's acquisitions of CSX World Terminals ("**CSX WT**"), P&O and the EZW Group, the Group's business became focused principally on container terminal operations located primarily in the UAE to a truly global container terminal business. Since then the Group's acquisitions have further expanded its operations to become an enabler of global trade and an integral part of the supply chain.

1972 – 1998: Local port operator

- 1972. Development of Port Rashid (Dubai, UAE)
- 1979. Opening of Jebel Ali Port (Dubai, UAE)
- 1991. Port Rashid and Jebel Ali Port operations combined creating Dubai Ports Authority (DPA)

1999 – 2004: Regional port operator

- 1999. Dubai Ports International FZE (DPI) formed
- 2000. Concessions won in Jeddah (Saudi Arabia) and Doraleh (Djibouti)
- 2002. Concession won in Visakhapatnam (India)
- 2003. Concession won in Constanta (Romania)
- 2004. Concession won in Cochin (India)

2005 – 2012: Global port operator

- 2005. CSX World Terminals acquired
- 2006. The Peninsular & Oriental Steam Navigation Company (P&O) acquired
- 2006/7. Global network and market position increased in Asia, India, Australia, the Americas, Europe and Africa
- 2007. DP World listed on NASDAQ Dubai

2013 – 2018: Becoming a global trade enabler

- 2013. DP World London Gateway port commences operations.
- 2015. Acquired of Economic Zones World FZE (EZW), the owner of JAFZ.
- 2016. 50-year concession for the development of a greenfield multi-purpose port project at Posorja, (Ecuador).
- 2016. Acquired an additional 23.94 per cent. stake in Pusan Newport Company Limited (PNC) in South Korea from Samsung Corporation & Subsidiaries, increases DP World's holding in PNC to 66.03 per cent.
- 2016. Created investment platform with CDPQ totalling US$3.7 billion to invest in ports and terminals globally (excluding the UAE) across the life cycle of the asset, with a focus on investment grade countries.
- 2017. Completed the acquisition of an additional 66.67per cent. stake in Empresa Brasileira de Terminais Portuários (Embraport) in Brazil which increases DP World's shareholding to 100 per cent.
- 2018. Acquired DMC and Drydocks (UAE).

- 2018. Created investment platform with NIIF of up to US$ 3bn to invest in ports, transportation and logistics sector in India.
- 2018. Joint acquisition of logistics business Continental Warehousing Corporation (India) with NIIF.
- 2018. Acquisition of logistics business Cosmos Agencia Marítima (Peru).
- 2018. 30-year concession for greenfield multi-purpose port in Banana (Democratic Republic of the Congo).
- 2018. 100 per cent. acquisition of Unifeeder Group, the largest container feeder and growing shortsea network operator in Europe (expected to complete in the fourth quarter of 2018 following regulatory approvals for €660 million).

Listing of Shares

On 26 November 2007, the entire issued share capital of the Company was admitted to the Official List of Securities of the Nasdaq Dubai Stock Exchange ("**Nasdaq Dubai**").

Shareholders

The following table sets forth the beneficial owners of, and their respective interests in, the ordinary shares of the Company as at the date of this Base Prospectus:

	As at 30 June 2018	
Shareholder	**Number of shares**	**Issued share capital (%)**
PFZW[1]	667,735,000	80.450
Public shareholders	162,218,203	19.544
Directors and senior managers	46,797	0.006
Total	**830,000,000**	**100**

[1] PFZW is a free zone establishment formed and registered under the laws promulgated by JAFZA. PFZW is controlled by Dubai World, which is a holding company owned by the Government.

Each of the ordinary shares held by PFZW has the same voting rights attached to it as one of the ordinary shares held by any other holder.

Other than PFZW, the Group is not aware of any shareholder that, directly or indirectly, jointly or severally, owns or could exercise control over the Company.

Competitive Strengths

The Group is a leading enabler of global trade and an integral part of the supply chain. The Group operates multiple yet related businesses spanning marine and inland terminals, maritime services, logistics and ancillary services and technology-driven trade solutions. The Group organises its business into three divisions: Port and Terminals; Parks, Logistics and Economic Zones ("**PLEZ**") and Maritime Services. The Group believes its network of 78 terminals across six continents, with new developments underway in Asia, Africa and the Americas, provides it with complementary strengths, which together position it as a market leader in the global container terminal industry. Additionally, recent acquisitions have complemented its Ports and Terminals business by providing complementary services in its PLEZ and Maritime Service divisions. In particular, the Group believes that its business is characterised by the following key competitive strengths:

Stable and long-term cash flow

The Group believes that its portfolio benefits from a focus on O&D throughput. O&D throughput is cargo that has to either go to, or be collected from, a particular terminal because of its proximity to the point of consumption or distribution. Because O&D throughput is usually handled most cost-effectively by one port, normally closest to the point of consumption or production, O&D throughput is less likely to be lost to competitors and less price sensitive than transhipment throughput. In addition, the Group operates its business through long-term concessions (with an average concession life of around 36 years), enabling

better returns as the Group's assets mature. In addition, JAFZ benefits from stable and recurrent revenue from diverse sources, as a result of which JAFZ benefits from low volatility of operating income (see "*Description of the Company – Free Zone Business*").

Growth rates

In 2017 approximately 75 per cent. of gross throughput in the Group's portfolio of terminals comes from countries that are considered to be Emerging or Frontier Markets, which include the Middle East and Africa, South America, South Asia and the Far East (as such terms are defined by the MSCI Frontier and Emerging Market indices). These economies are generally seen to be higher growth areas, growing by approximately 5 per cent. annually over the next 2 years (*source*: IMF World Economic Outlook, April 2018). The Group's focus on faster growing emerging markets coupled with more resilient O&D cargo enables the Group to grow volumes across its portfolio.

Moreover, the Group has extensive experience in developing new capacity around the globe, including constructing new terminals from both greenfield and brownfield sites, as a result of winning new concessions for operational terminals and through the expansion of terminals within its own portfolio. In addition to the Group's existing portfolio increasing incremental capacity in line with customer demand, it currently has 8 new developments and major expansion projects. These new development and major expansion projects give the Group flexibility to increase its existing gross capacity to approximately 100 million TEU by 2020, subject to market demand. Of this, approximately 55 million TEU will be consolidated.

High barriers to entry

The Group's major terminals enjoy leading positions in their respective geographic markets. Further, at these terminals, there are limited opportunities for competition from other port operators, other ports or other terminals within the same ports due to high barriers to entry. Some of these barriers include the limited number of port sites, the limited number of concessions available, government controls and high terminal construction costs. In particular, with the completion of the EZW Acquisition, the Group believes its ability to offer an "integrated port management" model at the Jebel Ali port by combining container handling facilities with economic free zones and infrastructure developments is a key differentiating factor relative to competition. The efficiencies promoted by Jebel Ali port's integrated logistics offering include two to three days road transit to anywhere in the GCC, which is considered a short transit time in the air cargo industry, and the ability to transport cargo to airport within 45 minutes of discharge from the Jebel Ali port.

In addition, the Group's long-term concession agreements also provide high barriers to entry and support long-term relationships with port authorities, shipping lines and joint venture partners. This means that there are few substitutes for the Group's services and the Group's business benefits from long-term GDP growth trends.

Global network, managed locally

The Group's terminals are managed locally and are supported operationally by the advantages of the Group's global network. With 78 terminals across six continents, new developments underway in Asia, Africa and the Americas and approximately 9.2 per cent. of global market share of container port throughput on a gross throughput basis as at 31 December 2017 (source: Drewry's Global Container Terminal Operators Annual Review and Forecast 2018), the Group believes that it has the most geographically diversified portfolio of terminals in the industry. The Group's asset base includes a diverse mixture of both established and newer terminals and a number of greenfield and brownfield projects that it is in the process of developing. The Group believes that this combination of development sites and fully operating facilities is key to facilitating its future growth strategies and ensuring that it is well positioned to meet its customers' requirements.

Operational excellence

The Group seeks to improve its operational efficiency and increase the capacity of its existing facilities by investing in advanced handling equipment. The Group is one of the innovators in the container terminal industry and has been successful in developing and enhancing container terminal capacity and efficiency in the regions in which it operates based on the needs and attributes of particular terminals while maintaining stringent safety standards. In 2017, the Group's terminals, in aggregate, handled 70.1 million TEU in gross volumes and had a high utilisation rate of 79.5 per cent. of its gross capacity, which was

above the industry average for the same period. In light of the Group's increasing focus on automation (see "*Corporate Strategy – Strategic priorities*"), the Group believes that further improvements in its productivity and asset utilisation are possible over the coming years.

In 2017, the frequency of injuries per million hours worked, or lost time injury frequency rates (LTIFR), fell by 8.1 per cent. compared to 2016. During the same period, gross moves per hour (i.e., number of containers moved over the quay from and to a ship divided by the sum of hours in a period, for all cranes, between first lift and last lift) remained flat at 27.

Experienced and international management team

The Group's global business is run out of its head office in Dubai by the Company's Executive Committee (as set out under "*Management – Senior Management*"), who have significant industry experience. In addition, the Group's local operations are divided across three geographic areas, each managed by a senior executive, who has significant experience in the container terminal industry and extensive local and regional knowledge at the local level. Each senior executive is supported by a highly experienced team of local container terminal managers.

Recognised brand

The Group is a recognised brand for delivering excellent customer service, with a commitment to good corporate governance and corporate responsibility. The Group's international achievements were recognised, in 2018, with the "Leading Cruise Port – Middle East" award for the Mina Rashid port for the eleventh consecutive at the World Travel Awards and, in 2017, with the "Supply Chain Hub of the Middle East" award at the Middle East Logistics Awards for the Group's operations in the UAE region. In 2017 the Group won the "Dubai Quality Award" in recognition of its sustained business excellence and best practices and the Group also received the "Best Seaport – Middle East" award for its flagship Jebel Ali port for the 24th consecutive year at the Asian Freight and Supply Chain Awards and the "Port of the Year" award for the Jebel Ali port for the eighth consecutive year at the Supply Chain and Transport Awards. In 2016 the Group won the "Best Company for Investor Relations in the Middle East" award at the Annual IR Conference and Awards for the third consecutive year. In 2015, the Group won the "Finance Team of the Year" and the "M&A Deal of the Year" at the CFO Middle East Awards, the "Finance Team of the Year" and the "CFO of the Year" at the MENA CFO Awards, the "Outstanding Achievement Award" at the Supply Chain and Transport Awards, four awards (including the "Leading Corporate for Investor Relations in the Middle East") at the Middle East Investor Relations Society Awards and the "Dubai Human Development Award" by the Dubai Department of Economic Development at the Business Excellence Awards.

Corporate Strategy

The Group's strategy is to lead the future of world trade. Its vision is to maximise shareholder value through leveraging its portfolio of world-class infrastructure assets, strengthen global supply chains and generate sustainable economic growth. The Group's three main strategic objectives are: (i) Drive profitable and sustainable growth through a world-class portfolio of assets and services, (ii) Develop new revenue streams through acquiring new customer segments and service portfolio, and (iii) Maintain strategic advantage through investing in digital and innovative opportunities.

The Group seeks to deliver on its strategic objectives through the key business lines:

• *Ports and Terminals* −To meet the needs of dynamic global supply chains, the Group seeks to develop and operate trade-enabling, strategically located and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals.

• *Parks, Logistics and Economic Zones* − To provide end-to-end customer experience, the Group aims to deliver integrated solutions across the containerised value chain, including industrial parks, economic zones, and logistics services.

• *Maritime Services* − To complement its global trade services, the Group seeks to provide maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services.

The Group seeks to lead its business in following its strategy through the following:

• *Customer Relationship and Operational Excellence* — The Group's customers are a central focus and to ensure they remain completely satisfied with its global portfolio, the Group continually strives to improve and enhance its services; this operational excellence provides industry-leading processes and systems to benefit all its customers.

• *People, Culture and Safety* — The DP World Institute runs training and development programmes globally for employees and industry professionals across the supply chain. The Group has taken steps to seek to further embed a culture that nourishes diversity and innovation and the Group is fully committed to zero harm to people and creating a safety culture throughout.

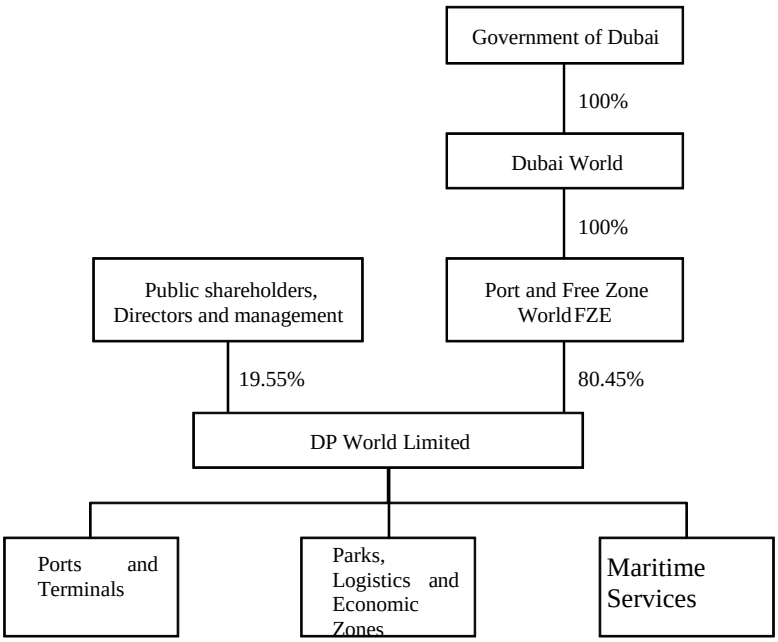
• *Community and Environment* — The Group has made a major long-term investment, through the "Our World, Our Future" programme, to drive best practice and foster innovation in sustainability around the world. It has commitments and action plans to protect our environment and take steps towards building a vibrant, secure and resilient society.

• *Finance, Governance and Risk* — The Group looks to adopt the highest standards of professionalism and ethical behaviour throughout the Group. As a global organisation, management believes the corporate governance policies followed by the Group are compatible with international best practice. The Group's approach to understanding, measuring and managing risk and returns from our investments helps to maintain its status as an industry leader.

• *Technology and Innovation* — The Group invests in technology and innovation to provide its customers the best experience, build differentiated capabilities, and optimise its operations. It focuses on applying cutting edge technologies that will transform performance such as big data and analytics, robotics, and artificial intelligence.

Organisational, Reporting and Operational Structure

Dubai World, through its shareholding of the Company's majority shareholder, PFZW, beneficially owns approximately 80.45 per cent. of the Company's issued and outstanding share capital (see "*Description of the Company – Shareholders*"). Dubai World itself is wholly-owned by the Government. The following chart illustrates the Group's organisational structure and the three business divisions for its principal business activities:



Business Divisions

The following tables list the Group's operating businesses as of 30 June 2018 (the Company operates more than one terminal in certain businesses):

Significant Subsidiaries - Ports

Legal Name	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	Argentina	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	Brazil	Container terminal operations
DP World (Canada) Inc.	Canada	Container terminal operations
DP World Prince Rupert Inc.	Canada	Container terminal operations
DP World Saint John, Inc.	Canada	Container terminal operations
DP World Limassol Limited	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	Egypt	Container terminal operations
DPWorld Posorja S.A.	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	India	Container terminal operations
India Gateway Terminal Private Ltd	India	Container terminal operations
Mundra International Container Terminal Private Limited	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	India	Container terminal operations
DP World Middle East Limited	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	Pakistan	Container terminal operations
DP World Callao S.R.L.	Peru	Container terminal operations
Doraleh Container Terminal S.A.*	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	Romania	Container terminal operations
DP World Dakar SA	Senegal	Container terminal operations
DP World Berbera	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	South Korea	Container terminal operations
DP World Tarragona SA	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	Turkey	Container terminal operations
DP World UAE Region FZE	United Arab Emirates	Container terminal operations
London Gateway Port Limited	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	Vietnam	Container terminal operations

* This entity has been deconsolidated from the financial statements due to the dispute between the Group and the Djibouti government. For more information, see "*Description of DP World—Legal Proceedings*".

Significant Associates & Joint Ventures – Ports

Legal Name	Country of incorporation	Principal activities
Djazair Port World Spa	Algeria	Container terminal operations
DP World DjenDjen Spa	Algeria	Container terminal operations
DP World Australia (Holding) Pty Ltd	Australia	Container terminal operations
Antwerp Gateway N.V	Belgium	Container terminal operations
Caucedo Investments Inc.	British Virgin Islands	Container terminal operations
Eurofos SARL	France	Container terminal operations
Generale de Manutention Portuaire S.A	France	Container terminal operations
Goodman DP World Hong Kong Limited	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	India	Container terminal operations
PT Terminal Petikemas Surabaya	Indonesia	Container terminal operations
Rotterdam World Gateway B.V.	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminals Co., Ltd	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	People's Republic of China	Container terminal operations
Asian Terminals Inc	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	Thailand	Container terminal operations

Significant other non-port business

Legal Name	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	Australia	Maritime services
DP World Antwerp Terminals N.V.	Belgium	Ancillary container services
DP World Germersheim GmbH and Co. KG	Germany	Inland container terminal operations
DP World Germany B.V.	Netherlands	Inland container terminal operations
Container Rail Road Services Pvt Limited	India	Container rail freight operations
Empresa de Dragagem do Porto de Maputo, SA	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	Mozambique	Port management and cargo handling
DP World Peru S.R.L.	Peru	Terminal related activities
Cosmos Agencia Maritima S.A.C.	Peru	Integrated logistics services
Port Secure FZCO*	Republic of Djibouti	Port security services
Remolcadores de Puerto y Altura, S.A.	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	Spain	Maritime services
Dubai International Djibouti FZE	United Arab Emirates	Port management and operation

Dubai Trade FZE	United Arab Emirates	Trade facilitation through integrated electronic services
P&O Maritime FZE	United Arab Emirates	Maritime services
World Security FZE	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
Maritime World LLC	United Arab Emirates	Management, operation and development of industrial zone
Drydocks World LLC	United Arab Emirates	Maritime services
LG Park Freehold Limited	United Kingdom	Management and operation of industrial parks

* This entity has been deconsolidated from the financial statements due to the dispute between the Group and the Djibouti government. For more information, see "*Description of DP World—Legal Proceedings*".

Ports and Terminals

Overview

The Ports and Terminals division aims to meet the needs of dynamic global supply chains, as the Group develops and operates trade-enabling, strategically located, and state of the art infrastructure and services, including marine terminals, inland terminals, and cruise terminals. The Group believes that its portfolio represents a well-diversified business in terms of geographic spread, political risk, currency fluctuation and level of economic development, with operations divided into the following three geographical segments: (i) Middle East, Europe and Africa; (ii) Asia-Pacific and Indian Subcontinent; and (iii) Australia and Americas.

Core services

The Group's core ports services are comprised of container cargo handling, which accounts for the significant majority of the Group's revenue from operations and net profit, as well as general cargo handling and Ro-Ro services.

Container cargo handling

The core services for containerised handling consist of lifting containers on and off of vessels, storing containers in the relevant terminal and facilitating the delivery and receipt of containers. The two main categories of throughput are O&D, which is also often referred to as import and export, and transhipment. O&D throughput differs from transhipment throughput primarily because O&D throughput has to go to, or be collected from, a particular terminal because of its proximity to the point of consumption or distribution. This makes O&D throughput more stable and the Group has more control over setting the price for O&D throughput compared with transhipment where the price is driven by the customer and global competition. O&D throughput also provides the Group with opportunities to earn additional revenue by charging for delivery or receipt of the container from the shipper or consignee, as well as by providing ancillary services, such as storage and container cleaning. For the year ended 31 December 2017, the Group estimates that approximately 70 per cent. of its gross throughput was O&D throughput.

General cargo handling and Ro-Ro services

In addition to container cargo handling services, some of the Group's ports offer general cargo handling and Ro-Ro services at some of their terminals. The Group believes that by offering superior service and handling facilities, it is able to attract general cargo vessels carrying a wide variety of non-containerised goods. The Group's Ro-Ro facilities are designed to accommodate vessels that carry wheeled cargo, such

as automobiles. The defining feature of Ro-Ro vessels is a built-in ramp, which allows cargo to be efficiently "rolled on" and "rolled off" the vessel when in port.

Customers

The Group's customers comprise over 150 carriers and cargo interests, including all of the top 13 global container shipping lines (*source*: Alphaliner and internal Company data), as well as general cargo and car carriers. The Group also performs logistics activities whereby it deals directly with both transport companies and the ultimate owners of the relevant cargo, such as manufacturers, traders and importers. The Group has continued to invest in its operations to improve its service to its customers with a number of the Group's terminals benefitting from new cranes and yard equipment.

Contracts in the container terminal industry are characterised by relatively long terms, usually in the range of one to three years, and typically, although not exclusively, require cause to allow early termination. However, in certain regions, a limited number of contracts may have relatively short notice periods in respect of termination, often only of one year, and allow for termination without cause.

Business development

New opportunities are identified by multiple sources throughout the organisation and through the many different channels yielded by the Group's extensive network, including discussions with its customers and with government representatives and authorities. The Group has a clearly defined strategy for its business development activity that allows it to efficiently short-list and pursue opportunities that will likely add the greatest potential value to its business. The Group evaluates new business opportunities based both on the initial investment it will be required to make and the potential future expected growth opportunity associated with the asset. The Group's preference when looking at new opportunities is to achieve an appropriate balance between established and developing sites, a predominance of O&D cargo and locations in the faster growing emerging markets.

Concessions

The Group's terminal operations are substantially conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 20 and 50 years. Based on the Group's experience, incumbent operators are typically granted renewal of operating concessions leases, often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transitions. The Group commonly starts negotiations regarding the renewal of concession agreements with approximately five to ten years remaining on the term and often obtains renewals of or extensions on concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. The Group is currently negotiating the renewal of the concession agreement relating to the DP World Fremantle terminal in Australia which is due to expire within the next 17 months from the date of this Base Prospectus. The Group's portfolio has an average concession life of approximately 36 years.

The Group generally seeks to structure its concession agreements to have payment terms with a fixed and a variable element. The Group believes that these payment terms help align the concessionaire's and the Group's interests to maximise throughput since the variable element of the fee payable to the concessionaire is calculated on throughput through the relevant port. The concessionaire is therefore incentivised to provide a good land side service so that the level of throughput, and their corresponding fee, is increased.

Portfolio

Middle East, Europe and Africa Region

(a) *UAE*

Overview. The UAE is an important trading hub for the Middle East, African and Indian Ocean rim countries. The Group has been operating in the UAE since 1972, initially at Port Rashid (Dubai) and subsequently at DP World Jebel Ali (Dubai) and Hamriya Port (Dubai). DP World Jebel Ali is the Group's flagship facility and is currently undergoing a major expansion. DP World Jebel Ali can accommodate the required draft of any container vessel in existence or on order and deploys the largest quayside cranes currently in operation in the world, capable of lifting two forty-

foot containers or four twenty-foot containers at a time. The ongoing expansion works are expected to conclude by mid-2019 and will increase DP World Jebel Ali's capacity to over 22 million TEU, making it one of the largest terminals in the world.

Competitive position. The Group believes that it holds the strongest market position as a terminal operator compared with any other operator in the UAE and Middle East due to the high volumes of O&D cargo having to use DP World Jebel Ali (*source*: Global Container Terminal Operators Annual Review and Forecast 2018 by Drewry Shipping Consultants Ltd.). The Group's container operations at DP World Jebel Ali are strengthened by being adjacent to the Free Zone, which is home to over 7,000 companies from over 130 countries and generates significant volumes of captive container traffic for the Group. The EZW Acquisition has therefore allowed the Group to enhance its port and logistics offering to its customers in Dubai by combining container handling facilities with economic free zones and infrastructure developments. The efficiencies promoted by Jebel Ali port's integrated logistics offering include two to three days road transit to anywhere in the GCC, which is considered a short transit time in the air cargo industry, and the ability to transport cargo to airport within 45 minutes of discharge from the Jebel Ali port.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, Ro-Ro, reefers (being refrigerated shipping containers for transporting perishables), tanker facilities and container repair, commercial trucking, sea-air cargo, logistics and/or other terminal services. The UAE region has historically contributed the majority of the total Group non-containerised revenue. This primarily consists of general and bulk cargo in the UAE region.

(b) *Middle East (excluding UAE) and Africa*

Overview. The Group has been present in Jeddah (the Kingdom of Saudi Arabia) since it won the contract to manage Jeddah Islamic port in 1999. In the third quarter of 2007, through its acquisition of Siyanco DPA, the Group acquired a 100 per cent. ownership interest in Jeddah South Container Terminal, which the Group had previously operated pursuant to a management contract and is focused on attracting long-term O&D customers not only for the local Jeddah market, but also for the Riyadh market once the Saudi Arabian government completes the proposed rail-land bridge.

In 2008, through the acquisition of the Sokhna Port Development Company, the Group acquired a 90 per cent. ownership interest in DP World Sokhna (formerly Sokhna Port) and subsequently increased its ownership interest to 100 per cent. in 2013. DP World Sokhna is the closest container port to Cairo and is located within the 90 square kilometre North West Suez Economic Zone, the first of its kind in Egypt. In October 2010, an agreement was signed between DP World Sokhna and the Red Sea Ports Authority which allowed for an additional terminal to be constructed at the Sokhna port and extended the concession to 35 years after completion of the construction of a new terminal.

The Group's presence in Africa began in 1995 when P&O obtained the concession to operate the container terminal in Maputo port in Mozambique now re-branded DP World Maputo. In 2007, the Group was awarded the concession to operate the existing container terminal in the Port of Dakar, Senegal and the development of the new terminal at Port du Futur.

The Group is also present in Djibouti through operations at DP World Doraleh and Djibouti Dry Port and has been engaged in a multi-year dispute with the Djibouti government regarding its operations in the country. For further information, see "*Description of DP World—Legal Proceedings*".

In January 2016, the Group was granted a 25-year concession to develop and operate an inland container depot in Kigali (Rwanda). In September 2016, the Group won a 30-year concession with an automatic 10-year extension for the management and development of a multi-purpose port project at Berbera, Republic of Somaliland which will open a new point of access to the Red Sea. In March 2018, the Group won a 30-year concession with an option of a further 20-year extension for the management and development of a greenfield multi-purpose port project at Banana, Democratic Republic of the Congo (DRC) which will be the first deep-sea port in the country.

Competitive position. The Group currently faces intra-port competition at Jeddah Islamic port from the North Terminal in Jeddah and from the Red Sea Gateway Terminal (RSGT), which was developed on existing land within the port adjoining the North Terminal. This leads to competition and imbalances in supply and demand. King Abdullah port, 135 kilometres north of Jeddah, also competes for Saudi Arabian-bound cargo as well as regional transhipment. The Group faces inter-port competition for regional transhipment throughput from Salalah and the Mediterranean hub ports for mainline relay business.

Since Africa is an emerging region, competitor presence is limited relative to other regions globally. The Group holds strong positions in its operating locations in Africa. Dakar, Djibouti, Maputo and Sokhna have no intra-port competition and limited regional competition. The Group's key regional competitors in Africa are APM Terminals and Bollore Africa Logistics.

Other activities. In addition to the Group's container terminal business, its terminal at Jeddah offers reefer facilities. Sokhna offers container business, break bulk and general cargo, passenger vessels and liquid terminal facilities.

(c) *Europe*

Overview. The Group's operations in Europe are well established, with facilities in Western and Eastern Europe. Most of the terminals offer deep water access and are strategically located to reach the major markets of the United Kingdom and Continental Europe.

The Group's operations in Europe include terminals covering markets from North Europe to the Mediterranean and the Black Sea. As well as investing in its existing facilities to improve service and increase capacity, the Group also continues to explore new opportunities in this region and commenced operations at DP World London Gateway on the River Thames in United Kingdom in November 2015. The Group is also present at Rotterdam World Gateway (The Netherlands), which is the first container terminal on the new Maasvlakte 2 reclamation development in Rotterdam, which commenced operations in 2015, and DP World Yarimca (Turkey).

In November 2015, the Southampton concession agreement was extended until 2047. The Group also acquired the remaining stake in DP World Southampton, making the Group the sole owner of this business.

Competitive position. Western Europe is a well-established market characterised by high stability of throughput with moderate growth. Competition between ports across Western Europe is well developed, and the Group's key global competitors Hutchison Port Holdings, APM Terminals and PSA International are well established there. Hamburger Hafen und Logistik AG is one of the significant local operators there. While Brexit is expected to occur in 2019, most of London Gateway's throughput is from countries outside of Europe.

The Eastern European market is less developed but has potential for growth given its strategic location. DP World Constanta is a large and modern facility on the Black Sea and acts as a hub for other Black Sea ports in Ukraine, Bulgaria and Turkey. While Constanta port is currently the only deep-sea port with direct access to the Danube inland waterway (which handles container barge traffic to the former Yugoslavia), surrounding countries are developing modern, deep-water container terminals, which may compete with DP World Constanta for transhipment traffic or reduce the need for transhipment at Constanta port.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, Ro-Ro services, container freight station, stuffing and unstuffing warehousing and reefer facilities and logistics, empty depot, custom documentation and/or other terminal services. The Group also operates a fleet of Rhine River barges that connect DP World Germersheim with the deep-water ports of Rotterdam and Antwerp and receives daily shuttle trains at the terminal with containers from Rotterdam.

Australia and Americas Region

(a) *Australia*

Overview. The Group operates container terminals in four state capital cities of Australia (Brisbane, Sydney, Melbourne and Fremantle (serving Perth)) and can trace the origins of its operations in Australia to the formation of P&O in the 19th century. In addition, all of the Group's terminal operations in Australia benefit from excellent rail links between the terminals and the relevant surrounding hinterland.

Competitive Position. Historically, the major Australian ports of Sydney, Melbourne, Brisbane and Fremantle have each developed dual container terminal operator structures to ensure that competition exists within each port, and the Group is one of only two companies that currently operate container terminals in Australia. The Group's main competitor is the Asciano Group's Patrick Stevedores division, which is present in every Australian port in which the Group operates. However, in April 2007, the Port of Brisbane Corporate ("**POBC**") announced the introduction of the third operator with Hutchison Port Holdings being awarded the lease for Berths 11 and 12, which became operational in 2012 and 2014, respectively. In addition, Hutchison Port Holdings has opened a terminal in Sydney while International Container Terminal Services Inc. has opened a terminal in Melbourne.

Other activities. As part of the P&O Acquisition, the Group acquired P&O Maritime Services based in Melbourne (Australia). Through its ownership, operation and management of a fleet of specialised vessels, P&O Maritime Services provides shipping, cargo, port, charter and agency services to a diverse range of government and industrial customers in Australia, as well as Argentina, Equatorial Guinea, Ireland, Mozambique, Paraguay, Spain, UAE and United Kingdom

A significant majority of the revenue of P&O Maritime Services is derived from its major clients, including the Australian Government Antarctic Division, Glencore plc and Siderar.

(b) *Americas*

Overview. P&O entered the South American market in 1994 when it was awarded the concession to operate Terminals Rio de la Plata (Argentina). In addition, CSX WT had developed operations at Caucedo (Dominican Republic) in 2004 and P&O acquired operations in Vancouver (Canada) in 2003. The Group's operations in the Americas were further strengthened by the commencement of operations in DP World Callao (Peru) in 2010, Embraport (Brazil) in 2013 and Saint John (Canada) in 2017. The Group also has a majority stake in the largest terminal operator in the Suriname port (which is the most modern facility in the Guyana-French Guiana range) and operates a terminal in Nanaimo on Vancouver Island (Canada). In 2015, the Group also acquired DP World Prince Rupert (Canada) for U.S.$451.2 million. DP World Prince Rupert has the capacity to handle 1,350,000 TEU annually, following the completion of the recent terminal expansion. The next phase of the terminal expansion has been unveiled, which will make Prince Rupert the second largest port in Canada, with a capacity of 1,800,000 TEU upon completion in 2022. DP World Prince Rupert's concession currently runs to 2034 but is expected to be extended to 2056 upon completion of its expansion. In June 2016, the Group won a 50-year concession for the development of a greenfield multi-purpose port project at Posorja, Ecuador, 65 kilometres from the country's main business city of Guayaquil. In November 2017, the Group acquired the remaining 66.67 per cent. ownership stake in Embraport which increased DP World's shareholding to 100 per cent. and the terminal has been rebranded to DP World Santos. DP World Santos is the largest Brazilian private multi-modal port terminal and operates in the Port of Santos.

Competitive position. The Americas geographical area remains highly fragmented, with many independent companies operating single terminals in key markets and government owned entities maintaining a significant presence. Given the strategic position of the Group's facilities as regional gateway ports, these facilities have market leading positions in their respective selected markets in Latin America where the Group has an operating presence in three of the top ten container ports in Latin America and is the third largest operator in South America (*source*: Global Container Terminal Operators Annual Review and Forecast 2017 by Drewry Shipping Consultants Ltd.). DP World Prince Rupert (Canada) offers the shortest sailing distance for the key Shanghai to West Coast route with at least 459 fewer nautical miles compared to its closest U.S. competitor, which

equates to a saving of approximately six days. DP World Prince Rupert is also able to evacuate the containers onto rail within two days on average, which is at least twice as fast as its U.S. competitors. The port has a close relationship with the Canadian National Railways, which is well-connected to major cities and is able to reach Chicago within 5 days, providing a saving of at least nine days, which is a compelling proposition for cargo owners.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, reefer, on-dock rail and cruise and ferry passenger facilities and/or other terminal services. In Vancouver (Canada), the Group's general stevedoring operation principally encompasses Ro-Ro automobiles and bulk grain. Terminales Rio de la Plata is the exclusive cruise terminal operator in Buenos Aires, which is a major seasonal cruise destination.

Asia-Pacific and Indian Subcontinent Region

(a) *Asia-Pacific*

Overview. The Group's origins in the Asia-Pacific date back to 1973, when Sea-Land Service, Inc. ("**Sea-Land**"), which was acquired by CSX Corporation in 1986, developed CT3 (Hong Kong). It subsequently developed additional significant operations in China (including Hong Kong), as well as a greenfield project in Pusan (South Korea), which commenced operations in 2006. Since the early 1990s, P&O gradually acquired or built facilities in China (including Hong Kong), Indonesia, the Philippines, Thailand and Vietnam. The Group currently has a strong presence in key manufacturing heartlands of China. For instance, the Group operates the Qingdao Qianwan Container Terminal (China), which serves the hinterland of the Shandong province in China and offers convenient and economical access for the Huangdao district in the Shandong province as well as the western hinterland. The Group also has interests in the fast-growing economies of South-East Asia. The Group's Asia-Pacific operations are managed from Hong Kong, with sub-regional offices in Shanghai, which focuses on north and central China, and Manila, which focuses on South-East Asia. All of the Group's Asia-Pacific operations are joint ventures and associates.

Competitive position. The Group has a significant presence in the Asia-Pacific market, with a strong presence in the key gateway ports in China (namely Qingdao Qianwan Container Terminal (China), Tianjin Orient Container Terminal (China), CT3 (Hong Kong) and Yantai International Container Terminals (China)) and in many strategic locations across the region (including Thailand, Indonesia, the Philippines, Vietnam and South Korea). The Group also owns a logistics facility in Yantian and Hong Kong (ATL). The Group opened the Saigon Premier Container Terminal (now DP World Saigon) in Vietnam in October 2009. The Group's key global competitors in the region include Hutchison Port Holdings, PSA International and Cosco Group.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, ferry, Ro-Ro, reefer and container freight station facilities and container repair and/or other terminal services. The Group also operates a break bulk cargo terminal in the Philippines.

(b) *Indian Subcontinent*

Overview. The Group has been present in the Indian Subcontinent since 1997 when P&O obtained the concession to operate Qasim International Container Terminal (now DP World Karachi) in Bin Qasim (Pakistan) and participated in the first Indian port privatisation at Nhava Sheva International Container Terminal (now DP World Nhava Sheva) in the Jawaharlal Nehru Port Trust (Navi Mumbai). Since then, the Group has expanded its presence in the region significantly. The Group's terminals are well-positioned to service customers in the hinterlands of India and Pakistan.

Competitive Position. The Group is a market leader in India (*source*: Global Container Terminal Operators Annual Review and Forecast 2018 by Drewry Shipping Consultants Ltd.). It faces intra-port and regional competition from other global operators. The Group's strong position, combined with a high proportion of O&D traffic and market growth potential, makes the Indian Subcontinent an extremely important part of the Group's global portfolio.

Other activities. In addition to container cargo handling, certain of the Group's facilities in the region offer general and bulk cargo handling, container storage, internal terminal transport, reefer and container freight station facilities, lashing, stuffing and de-stuffing and/or other terminal services and container rail road logistics.

Parks, Logistics and Economic Zones Business

Overview

On 16 March 2015, the Company acquired the EZW Group from PFZW which resulted in the formation of the leading integrated port and free zone in the Middle East region. The EZW Acquisition allowed the Group to enhance its port and logistics offering to its customers in Dubai by strengthening the integration between the Company's flagship Jebel Ali port in Dubai and EZW's primary business unit, JAFZ, and optimising investment levels in both locations. The EZW Acquisition also protected the Jebel Ali port against the risk of potential third-party ownership of JAFZ, as well as continued the Group's track record of investment in Dubai, as a regional hub, to strengthen its leadership in the high-growth Middle East region.

Through the EZW Acquisition in 2015 the Group became a provider of industrial and logistics infrastructure. Over the years this has evolved into the Group's parks, logistics and economic zones ("**PLEZ**") business. PLEZ aims to own, develop and operate a network of industrial, logistics parks & special economic zones in strategic locations globally. This provides the Group with a differentiated Port/PLEZ development capability in its bid to expand its network. This also allows the Group to aim to deliver an integrated logistics solution to its customers, bringing it closer to major stakeholders and end users. Further, it creates production and distribution platforms which can contribute in generating additional volume via the Group's terminals. The Group's current portfolio includes 17 parks, logistics and economic zones which are either operational, under development or in pipeline.

JAFZ

Overview

JAFZ was established as a free zone on 5 March 2006 pursuant to Law No. 9 of 1992 of the Emirate of Dubai, with a mandate to realise the maximum commercial value from operational and commercial activities within the Free Zone (with JAFZA retaining the regulatory function in relation to the Free Zone).

The Free Zone is one of the largest operating free zones in the GCC and offers a number of incentives to foreign companies to establish operations in the Free Zone including, *inter alia*, 100 per cent. foreign ownership of establishments organised in the Free Zone and zero corporate and income tax rates for a minimum period of fifty years from the date of commencement of business by a company in the Free Zone. The Free Zone consists of an area adjoining the main road running through the Emirate of Dubai (Sheikh Zayed Road). The Free Zone is connected to a dedicated logistics corridor (the Dubai (Sea-Air) Logistics Corridor) connecting the Jebel Ali port, the Free Zone and the Al Maktoum International Airport for streamlined and efficient movement of cargo. The satellite image below illustrates the area comprising JAFZ and its juxtaposition to the Jebel Ali port, Sheikh Zayed Road and the Al Maktoum International Airport (see also "*Description of the Company – Ports Businesses – Portfolio – Middle East, Europe and Africa Region – UAE*"):

Business activities

Since its establishment, JAFZ, as the legal entity that can grant leases to customers in the Free Zone under Dubai law, has focused on realising the maximum commercial value from operational and commercial activities in the Free Zone.

- 86 per cent. of JAFZ's total revenue in the Free Zone was derived from leasing activities, 6.8 per cent. from commercial services and 7.2 per cent. from administration services as at 31 December 2017;

- approximately 89 per cent. of land, 80 per cent. of warehouses, 80 per cent. of low and mid rise offices (LOBs), 65 per cent. of high rise offices (JAFZA1) and 89 per cent. of onsite residential accommodation were occupied as of 30 June 2018;

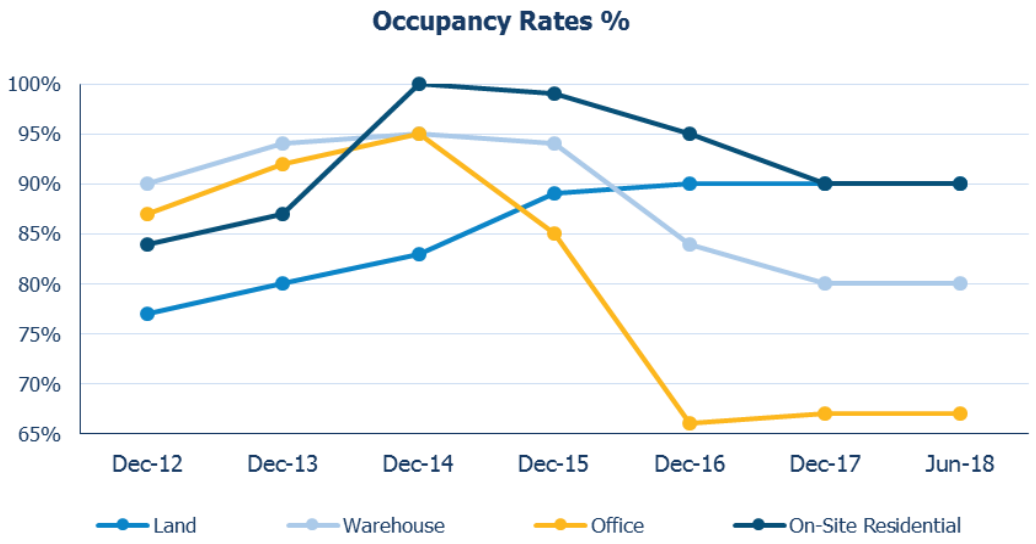
- the Free Zone comprised approximately 57 square kilometres and hosted over 7,500 companies and over 100 "Fortune 500" companies;

JAFZ's business activities in the Free Zone comprise leasing activities, commercial services and administration services (each as described further below):

- *Leasing activities*

  Companies operating within the Free Zone are able to lease undeveloped parcels of land and develop such sites for their own use. In addition, JAFZ has developed its own warehouses, offices and onsite residential accommodation which are leased to third parties. JAFZ's leasing activities therefore include the provision and renewal of leases in relation to the land, warehouses, offices and onsite residential accommodation.

The following table provides occupancy rates for JAFZ's warehouses, offices, land and on-site residential accommodation.



- *Commercial services*

  In order to operate in the Free Zone, a prospective tenant requires a license issued by JAFZ on behalf of JAFZA. Commercial services provided by JAFZ include the registration of companies and granting trading licenses (both general and specific), industrial licenses, logistics licenses, service licenses and national industrial licenses, as appropriate.

- *Administration services*

  Administration services provided by JAFZ to companies operating in the Free Zone include assisting tenants in the Free Zone in interfacing with various government authorities, ministries and departments of the UAE government including, *inter alia*, immigration and other visa services (such as assisting tenants with regularisation of work visas or work permits), assistance in obtaining health cards and driving licenses.

Other PLEZ business operations

The Group also has free zone next to its London Gateway port. The free zone began operation in 2013 and comprises approximately 859,000 square metres. The Group has several other projections planned in the near to medium term which may require significant capital expenditure outlays, although none of these are planned to be comparable in size to JAFZ. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures*."

Maritime Services

Overview

The Maritime Services division aims to complement the Group's global trade services, by providing maritime solutions through a wide portfolio of specialist vessels, river barging, chartering and port services. To leverage its experience, the Group is developing world-class marinas to create a lifestyle destination for yachting enthusiasts.

As part of the P&O Acquisition, the Group acquired P&O Maritime Services Pty Ltd ("P&O Maritime Services"), which is based in Melbourne (Australia). Through its ownership, operation and management of a fleet of specialised vessels, P&O Maritime Services provides offshore oil and gas support, Antarctic logistics, bulk commodity river barging, harbour marine services and chartering to a diverse range of

government and industrial customers in Australia, Argentina, Equatorial Guinea, Ireland, Mozambique, Paraguay, Spain, UAE and United Kingdom.

A significant majority of the revenue of P&O Maritime Services is derived from contracts with its major clients, including Australian Antarctic Division, Glencore, the Group's UAE region operations, EGLNG, Centre for Environment, Fisheries and Aquaculture Science United Kingdom, Marine Institute Ireland, Siderar and Noble.

The Group's Maritime Services division was further complimented by the acquisition of Spanish Maritime services operator Remolques y Servicios Maritimos, S.L. ("**Reyser**") in 2017, which was complemented with the acquisition of Drydocks World and Dubai Maritime City in 2018, further expanding the Group's services across the supply chain in Dubai.

Security and Business Resilience

The Group is committed to improving the safety and security of its people along with its other assets and cargo, and the Group's security strategy is based on investing in security management systems that comply with global standards. The Board and the management of the Group are committed to creating a safe culture throughout the Group and regularly monitor the implementation of its safety and security strategy which includes employee training, regular audits and management objectives in relation to the safety of employees. The Group has implemented specific review processes, policies, guidance documents and operational procedures in this regard. The Group has also established a security auditing program which is conducted across its entire portfolio of terminals.

Further, the Group regularly undertakes benchmarking exercises to test its security preparedness against global standards and industry best practice. The Group underpins its strategic security objectives by embracing and investing in the independently audited supply chain security management ISO 28000:2007 standard across its portfolio. As of the date of this Base Prospectus, 39 of the Group's terminals are ISO 28000:2007 certified and the Group aims to have all its terminals certified in a phased manner. The Group is a member of the EU Customs Security Program-Authorised Economic Operator initiative (AEO) and the U.S. government Customs-Trade Partnership Against Terrorism (C-TPAT). The Group also collaborates with the U.S. Department of Energy in respect of the Megaports initiative by assisting with the development of technical tool packs. In addition, the Group was the first international port operator to be invited as a member of, and is an active participant in, the U.S. Container Security Initiative (CSI), which places U.S. Customs officers at sensitive terminals around the world.

Safety and Environment

The Group considers safety and environment ("**S&E**") to be of fundamental importance in every aspect of its global operations. The Group understands and takes very seriously the S&E responsibilities that it has to employees, customers, contractors, visitors, government agencies and communities.

The Group has dedicated S&E resources throughout the world that provide expert advice for management in exercising the Group's corporate obligations in this critical area. Management, staff and employees are guided by the Group's corporate S&E policy, which has been authorised by the Chief Executive Officer. Each business unit is required to implement local health, safety and environmental legislation as a minimum in accordance with the jurisdiction in which it operates. Where the Group's corporate S&E policy is more stringent than such local requirements, the relevant business unit is also required to comply with the Group's policy.

The Group is fully committed to robust environmental management in its terminals and development projects while playing a proactive role in tackling the challenges of climate change through initiatives such as reduction in resource consumption and continual improvement in energy efficiency. The Group has invested heavily in lower-carbon plant and equipment and is embracing renewable energy technologies in its terminals. In 2010, the Group was the first international marine and inland trade services provider to disclose its carbon emissions as part of the Carbon Disclosure Project ("**CDP**") and since then has made significant progress in its CDP climate reporting score, from 70C in 2013 to "leadership" score of A- in 2015, 2016 and 2017, placing the Group above average for the transportation industry and within the 22% highest scoring companies responding to CDP. The Group also signed up to the Copenhagen Communiqué on climate change and was a contributing stakeholder in the World Economic Forum's Decarbonisation of the Supply Chain project.

The Group aims high in its target-setting and achieved a 6 per cent. reduction in energy per total terminal move and a 4 per cent. reduction in carbon dioxide equivalent emissions per modified TEU, each as compared to the 2013 baseline. From 2013 to 2017, the Group significantly reduced its energy per total terminal move and its carbon dioxide equivalent emissions per modified TEU by 8 per cent. and 4 per cent., respectively. In 2018, the Group continued with its long-term targets, which focused on carbon emissions and, more specifically, the energy sources used to generate these emissions.

The Board receives a safety and environment report at each Board meeting to monitor the Group's performance against key performance metrics. The Company's management also plays a role in leading by example by actively promoting safety onsite to create a safer working environment.

Information Technology and Operating Systems

The Group's information technology ("**IT**") strategy is designed to enable local IT groups at its terminals to meet their requirements with little dependency on a company-wide IT infrastructure, although the Group provides some centralised IT services (such as hosting and network services) to varying degrees at a regional level, plus central solutions like email and Finance / HC at the corporate level. While the Group's central IT department plays a vital role in strategic planning, governance and standardisation of IT across the Group's portfolio and, in the case of new terminal operations, provides guidance, consulting and reviews, it is not involved in the day-to-day IT operations of the Group's terminals. The Group believes that this strategy reduces the risk of central failure as any failure within one of the Group's business units affects only that business unit rather than the entire Group. The Group also believes that this strategy provides its local IT groups with the flexibility to design IT solutions that best fit the needs of a particular terminal. When designing such solutions, the Group encourages its local IT groups to use a central solution or a solution within the Group that matches its unique business processes or to purchase readily available off-the-shelf software wherever possible.

Each of the Group's terminals, based on the nature of that terminal's business, is configured to keep its systems operational, including with respect to business processes and procedures, under abnormal conditions. Although IT systems are essential to the functioning of the Group's terminals, proper backup procedures have been devised to support their operations in case of a rare unexpected system downtime. The Group has defined IT component topologies and recovery time objectives for each business process, which prescribe the appropriate level of IT infrastructure depending on the importance of the relevant business process. For instance, a business process, such as container movement operations at a large terminal, that is categorised as "mission critical" would be allocated an IT infrastructure consisting of a clustered server environment with significant resilience, extensive focus on backup and IT disaster recovery plans, with the aim of providing for 99.99 per cent. availability.

Insurance

The Group's operations are subject to normal hazards of operational and geographic risks, including accidents, fire and weather-related perils. Globally, the Group maintains various types of insurance policies to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. The Group may also, on occasion, purchase specific insurance for individual terminals on an "as needs" basis (for instance, the Group reviews the need for political and environmental risk insurance on a terminal by terminal basis). The purchase of these policies is coordinated by an internal insurance department, with applicable limits, coverage, scope and deductibles that the Group, with the advice of its insurance advisers, believes are reasonable and prudent after all means of controlling or preventing the risk have been considered. The Group does not fully insure against certain risks to the extent that such risks may not be fully insurable or related coverage is unavailable at what the Group considers to be appropriate price levels. See "*Risk Factors – Risks relating to the Group – The Group may not maintain sufficient insurance coverage for the risks associated with the operation of its business*".

Legal Proceedings

Apart from the legal proceedings highlighted below, there are, and have been, no other governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Group is aware) during the twelve months preceding the date of this Base Prospectus that may have, or have had, significant effects on the Group's financial position or profitability:

- The Group's wholly-owned subsidiary Chennai Container Terminal Ltd ("**CCTL**") has received claims from the Chennai Port Trust ("**CPT**") for an amount of U.S.$18.7 million in respect of CCTL's alleged failure to fulfil its obligations in respect of non-transhipment containers for a period of four years from 1 December 2003. CCTL subsequently paid U.S.$10.0 million under dispute in 2008. CCTL had also initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on 26 November 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by the Madras High Court on 8 January 2014 and, accordingly, a provision was recognised in the DPW Financial Statements against the above receivable. CCTL lodged an appeal before the Division Bench of Madras High Court along with a stay petition on 31 January 2014. CCTL's appeal was taken up for hearing and admitted on 3 February 2014. CPT also made a statement before the Division Bench of Madras High Court that no further action would be taken by CPT against CCTL. As at the date of this Base Prospectus, the matter is pending for final hearing and disposal before the Division Bench of Madras High Court. Based on the strong merits of the case and on the advice received from legal counsel, the Group believes that CCTL's appeal will be upheld by the Division Bench of Madras High Court. As of 30 June 2018, the status quo was unchanged and the appeal was still pending.

- On 8 July 2014 the Group was notified that the Republic of Djibouti ("**Djibouti**") had initiated arbitration proceedings before the London Court of International Arbitration ("**LCIA**") against the Group, alleging fraud and illegal payments and seeking rescission of all contracts between the Group and the Djibouti. On 20 February 2017 the LCIA dismissed all such claims in their entirety and ordered that Djibouti pay all of the Group's legal costs. Subsequently, on 8 November 2017, Djibouti adopted a new, retrospective law stating that Djibouti may renegotiate all agreements in the infrastructure sector which are contrary to the highest interests of the nation and, should any such renegotiations fail, that Djibouti may unilaterally terminate such agreements. On 22 February 2018, pursuant to a presidential decree, Djibouti seized physical control of Doraleh Container Terminal S.A. from the Group. As a result, the Group has commenced arbitration proceedings before the LCIA to defend its rights and seeks a declaration that the contracts are valid and legally binding on Djibouti. On 20 July 2018 a hearing took place before the LCIA at which the Group requested that the LCIA declare the actions of Djibouti unlawful and confirm the validity of the concession agreement. In an arbitral award the LCIA confirmed on 31 July 2018 that the 2006 concession agreement remains valid and binding notwithstanding the laws and decrees Djibouti has adopted.

MANAGEMENT

Board of Directors

As at the date of this Base Prospectus, the Company's board of directors (the "**Board**") is comprised of the eight members (each, a "**Director**") listed below:

Name	Position(s)	Date of appointment to the Board[1]
Sultan Ahmed Bin Sulayem	Director, Group Chairman and Chief Executive Officer	30 May 2007
Deepak Parekh[2]	Senior Independent Non-Executive Director	22 March 2011
Robert Woods[2]	Director	1 January 2014
Mark Russell[2]	Director	11 August 2014
Abdulla Mohamed Saeed Alghobash[2]	Director	28 April 2016
Nadya Abdulla Mohamed Kamali Almarzooqi[2]	Director	28 April 2016
Mohamed Saif Ghanem Saif Alsuwaidi[2]	Director	28 April 2016
Yuvraj Narayan	Director and Group Chief Financial Officer	9 August 2006

(1) In accordance with the Company's articles of association, all Directors offer themselves annually for re-appointment at the Company's annual general meeting.
(2) Denotes an Independent Non-Executive Director.

Brief biographies of each of the Directors are set out below:

His Excellency Sultan Ahmed Bin Sulayem became Chairman of the Company on 30 May 2007 and was appointed as the Group Chairman and Chief Executive Officer on 8 February 2016. He is a leading UAE and international businessman who spearheaded the rapid expansion of Dubai's infrastructure, including ports and free zones, contributing significantly to the growth trajectory of the UAE. Mr Bin Sulayem was previously Chairman of Dubai World and in this role oversaw businesses in industries as diverse as real estate development, hospitality, tourism, retail, e-commerce, commodities, transportation and logistics. He previously served as Chairman of PFZW and remains as the representative of the Company's majority shareholder on the Board. Highlights of his career, spanning three decades, comprise the Company's international expansion, including the U.S.$6.85 billion acquisition of P&O, establishing and leading Nakheel P.J.S.C. (a real estate and tourism property development firm that created many iconic Dubai projects including The Palm, the world's largest man-made islands), establishing and leading Istithmar World P.J.S.C. (a major global private equity investment house) and pioneering the Dubai Multi Commodities Centre. Mr Bin Sulayem holds a Bachelor of Science in Economics from Temple University, United States of America. A citizen of the United Arab Emirates, he is 62 years old.

Deepak Parekh was appointed as an Independent Non-Executive Director of the Company on 22 March 2011 and was appointed as Senior Independent Non-Executive Director on 1 July 2015. He is the Non-Executive Chairman of HDFC Ltd, GlaxoSmithkline Pharmaceuticals Ltd, Siemens India and BAE Systems India (Services) Private Limited. He is also a director of The Indian Hotels Co Ltd and Vedanta Resources PLC. He has been a member of numerous Indian government appointed advisory committees and task forces on matters ranging from infrastructure reform to capital markets and financial services. In 2006, he was awarded the Padma Bhushan. His other awards include 'Bundesverdienstkreuz' (Germany's Cross of the Order of Merit, one of the highest distinctions of the Federal Republic of Germany) in 2014 and "Knight in the Order of the Legion of Honour" (one of the highest distinctions of the French Republic) in 2010. He was the first international recipient of the Outstanding Achievement Award from the Institute of Chartered Accountants in England and Wales in 2010. A citizen of the Republic of India, he is 73 years old.

Robert Woods was appointed as an Independent Non-Executive Director of the Company on 1 January 2014. He is the Chairman of P&O Ferries and DP World Southampton. He was formerly the Chief Executive of The Peninsular and Oriental Steam Navigation Company and a Non-Executive Director of Cathay Pacific, Tilbury Container Services Limited and John Swire & Sons. In 2012, he was appointed President of the Chartered Institute of Shipbrokers. He is an Honorary Captain of the Royal Naval Reserve. A British citizen, he is 71 years old.

Mark Russell was appointed as an Independent Non-Executive Director of the Company on 11 August 2014. He is Chief Executive of the UK Government Investments and is a Non-Executive Director of London and Continental Railways Limited. He was formerly a partner in the corporate finance departments of

KPMG in London and Frankfurt, held senior positions at PwC Corporate Finance, Robert Fleming, Lazard Brothers and A.T. Kearney and was a Non-Executive Director of Eurostar International Limited. A British citizen, he is 58 years old.

Abdulla Mohamed Saeed Alghobash was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. He is a senior banker with over 30 years' experience and is a board member of the Dubai International Financial Centre (DIFC) Higher Board. Prior to this, Mr. Ghobash served as board member of Etisalat, Borse Dubai, Nasdaq Dubai, Emirates Institute for Banking and Financial Studies, UAE Banks Federation and Emaar. He holds a BSc from UAE University, Executive Management Program from Wharton Business School and a banking diploma from Citibank NA in Athens, Greece. A citizen of the United Arab Emirates, he is 61 years old.

Nadya Abdulla Mohamed Kamali Almarzooqi was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. She has over 25 years' experience in information technology, IT governance, compliance and risk management. She is currently the Chairperson and Managing Director of Dutech, a leading ICT company, this is in addition to her role as CEO of Customs World, a Port Customs and Free Zone Corporation (PCFC) entity. She holds an MBA from American University of Sharjah and a BSc from College of Engineering from Michigan State University. A citizen of the United Arab Emirates, she is 48 years old.

Mohamed Saif Ghanem Saif Alsuwaidi was appointed as an Independent Non-Executive Director of the Company on 28 April 2016. He is Director General of Abu Dhabi Fund for Development, Chairman of Al Ain Farms for Livestock Production and Vice Chairman of the Arab Bank for Investment and Foreign Trade. He also serves as a board member of First Abu Dhabi Bank, Raysut Cement (SAOG), UAE Red Crescent, Center of Food Security of Abu Dhabi, Al Jazira Sport & Cultural Club and Aghtia Group. He holds a BSc in Business Administration from California Baptist University. A citizen of the United Arab Emirates, he is 49 years old.

Yuvraj Narayan has served as Group Chief Financial Officer of the Group since 2005 and as a Director of the Company since 9 August 2006. He joined DP World FZE in 2004. He is a Non-Executive Director of HDFC International Life and Re Company Limited. He previously served as Non-Executive Director of Istithmar World P.J.S.C. and as ANZ Group's Head of Corporate and Project Finance for South Asia before becoming Chief Financial Officer of Salalah Port Services in Oman. He was formerly a Non-Executive Director of IDFC Securities Limited. He is a qualified Chartered Accountant and has a wealth of experience in the ports and international banking sectors. A citizen of the Republic of India, he is 61 years old.

For information related to the compensation of the Directors see "*Compensation*".

The business address for each of the Directors is c/o DP World Limited, P.O. Box 17000, Dubai, UAE.

His Excellency Sultan Ahmed Bin Sulayem is a representative of PFZW (being the Company's majority shareholder) on the Board, which may give rise to potential conflicts of interest with their duties to the Company (see "*Risk Factors – Risks relating to the Group – The Company's ultimate majority shareholder, Dubai World, and the Government have the ability to exert significant influence over the Group and their interests may conflict with the interests of the Group or the Certificateholders*").

Except as stated above, there are no actual or potential conflicts of interest as at the date of this Base Prospectus between the duties owed by the Directors to the Company and their private interests or other duties.

Senior Management

In addition to the executive management appointed to the Board (being the Group Chief Executive Officer and the Group Chief Financial Officer), the day-to-day management of the Company's business is led by its Senior Management who, together with the Group Chief Executive Officer and the Group Chief Financial Officer, comprise the Company's Executive Committee:

Name	Position(s)
Sultan Ahmed Bin Sulayem[1]	Group Chairman and Chief Executive Officer
Yuvraj Narayan[1]	Group Chief Financial Officer
Mohammed Al Muallem	Chief Executive Officer and Managing Director – UAE
Rashid Abdulla	Chief Executive Officer and Managing Director – Europe & Russia
Tiemen Meester	Chief Executive Officer and Manager Director – Americas

(1) Please refer to "– *Board of Directors*" above for biographical details.

Brief biographies of each of the Company's Executive Committee (other than His Excellency Sultan Ahmed Bin Sulayem and Yuvraj Narayan, whose biographies are set out above) are set out below:

Mohammed Al Muallem is Chief Executive Officer and Managing Director – UAE Region. Mohammed began his current position when DPA and DPI Terminals merged to form DP World in September 2005. Mr Al Muallem joined Port Rashid in 1983 as a trainee and progressed through various positions including Planning Engineer and Assistant Port Engineer Manager. In 1991 he was appointed Senior Technical Manager when Dubai Ports Authority was created through the merger of Port Rashid and Jebel Ali Port. Other positions included Deputy Technical Director, Technical Director, Chief Technical Director and in 2003 Executive Director, Technical and Technology. Mr Al Muallem was appointed Chairman of the Executive Merging Team of Dubai Ports Authority, Dubai Customs and the Free Zone in 2000 and in May 2004 became Executive Coordinator for the Terminal 2 development at Jebel Ali Port. Mr Al Muallem holds a Bachelor of Science in Industrial Engineering degree from the University of Portland, Oregon, USA and has completed extensive training in the UK at the University of Manchester, Cranfield College and British Airways.

Rashid Abdulla is Chief Executive Officer and Managing Director – Europe & Russia having previously held the position of Senior Vice President Global Operations at DP World Head Office. He joined the company as a graduate trainee in 1995 and rose rapidly through the ranks. His first international assignment was in 2004, working as Terminal Manager at DP World Constanta in Romania. Upon his return to Dubai in 2007, he was promoted to Director of Jebel Ali's brand new Terminal 2 and later was appointed as Director of Container Terminal 1. Rashid graduated from UAE University in 1995 with a Bachelor's degree in Geography. He earned a Diploma in Maritime and Port Management from the National University of Singapore in 2002.

Tiemen Meester is Chief Executive Officer and Managing Director – Americas Region since January 2017. He is educated as merchant navy officer and sailed for five years on merchant ships before joining Sea-Land in 1992. After tenures in Russia and Pakistan, Tiemen joined AP Moller Maersk after it acquired Sea -land, as regional manager for Eastern Europe in 2000, based in Moscow. Subsequently he was appointed in 2004 CEO for Salalah Port, a JV between AP Terminals and the government of Oman. In 2007 he moved to the Netherlands to join APM Terminals' executive team and has held positions as CCO, global head of HR and from 20011-2016 as SVP responsible for implementing mergers, acquisitions and new projects. Tiemen holds a bachelor's degree in engineering and has completed extensive executive training at Harvard Business School, Cornell University and IMD.

Each of the Senior Managers can be contacted at the Group's registered office at c/o DP World Limited, P.O. Box 17000, Dubai, UAE.

There are no actual or potential conflicts of interest between the duties owed by the Senior Managers to the Company and their private interests or other duties.

Compensation

For the year ended 31 December 2017, the aggregate total remuneration the Group paid (including contingent or deferred compensation) to the Directors and Senior Managers listed above was U.S.$8.1 million.

The Chairman (Sultan Ahmed Bin Sulayem) was not remunerated by the Company. The remuneration of the Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. For the year ended 31 December 2017, the Independent Non-Executive Directors received a fee, set out as follows, which included remuneration for their services in being a member of, or chairing, a Board Committee (see "*Corporate Governance*" below):

Name	Non-Executive Director Fee
Deepak Parekh	U.S.$240,490
Robert Woods	U.S.$176,419
Mark Russell	U.S.$151,282
Abdulla Mohamed Saeed Alghobash	U.S.$152,975
Nadya Abdulla Mohamed Kamali Almarzooqi	U.S.$196,270
Mohamed Saif Ghanem Saif Alsuwaidi	U.S.$182,127

The Directors, other than the Group Chief Executive Officer and Group Chief Financial Officer, are not under service contracts with the Group with respect to their roles as Directors, and the Group does not have contractual obligations to provide benefits to the Directors upon termination of their directorships.

The Executive Directors' remuneration structure follows the market practice in the UAE and all payments are made tax free reflecting the UAE's status. Each of the Executive Directors is employed pursuant to a service agreement.

Sultan Ahmed Bin Sulayem

Sultan Ahmed Bin Sulayem was granted a performance delivery plan award of 75 per cent. (out of a maximum of 75 per cent.) for performance linked to the 2016 financial year and a long-term incentive plan award of 100 per cent. (out of a maximum of 100 per cent.) for performance linked to the 2014-2016 cycle. His total remuneration for the year ended 31 December 2017 (which includes his base salary and these other benefits) was $4,785,335.

Yuvraj Narayan

Yuvraj Narayan was granted a performance delivery plan award of 75 per cent. (out of a maximum of 75 per cent.) for performance linked to the 2016 financial year and a long-term incentive plan award of 100 per cent. (out of a maximum of 100 per cent.) for performance linked to the 2014-2016 cycle. His total remuneration for the year ended 31 December 2017 (which includes his base salary and these other benefits) was $2,262,215.

The Chairman and Group Chief Executive Officer participate in the government pension scheme in accordance with the UAE labour law. The Group Chief Financial Officer would be entitled to end of service benefits on termination of employment in accordance with the UAE labour law.

Short-Term Bonus and Long-Term Incentive Plans

The Company has adopted a short-term and a long-term incentive plan for its Executive Directors and management. The performance delivery plan for the 2017 financial year (award to be paid in 2018) and 2016 financial year (award paid in 2017) is worth a maximum of 75 per cent. of annual base salary. It is made up of two components: (i) a financial component worth 70 per cent. of the overall award value; and (ii) a personal component worth 30 per cent. of the overall award value.

The financial component is based on performance assessed against a budgeted profit after tax measure. Payout on the financial component is triggered if the Company achieves 95 per cent. of its target. Maximum payout on the financial component will occur if the Company achieves 105 per cent. of its target. The payout for performance between the 95 per cent. and 105 per cent. of target is on a straight-line basis. The personal component is based on performance assessed against specific, measurable, achievable, relevant and timebound (SMART) objectives. The objectives are particular to each individual role and can include financial based objectives and more qualitative ones.

The Company's long-term incentive plan is based on a three-year performance cycle and is a cash based plan. For the 2015-2017 (award to be paid in 2018), 2016-2018 (award to be paid in 2019) and 2017-2019 (award to be paid in 2020) performance cycles, the long-term incentive plan is based on the performance over three years and will be assessed against two budgeted measures, with 70 per cent. of the award linked to a return on capital employed measure[2] and 30 per cent. linked to an earnings per share measure. Each of these performance cycles is worth a maximum of 100 per cent. of average annual base salary for the

[2] Return on capital employed is EBIT (earnings before interest and tax) before SDIs as a percentage of total assets less current liabilities.

Executive Directors and the Chief Operating Officer and a maximum of 75 per cent. of average annual base salary for the other managers.

Directors' Interests

As at 31 December 2017, the Directors' shareholdings (ordinary shares) in the Company were as follows:

Name	Position(s)	Shareholding
Yuvraj Narayan	Director and Group Chief Financial Officer	13,864
Mohammed Al Muallem	Chief Executive Officer and Managing Director, UAE Region	4,712
Robert Woods	Director	2,700

Corporate Governance

For the year ended 31 December 2017, the Company complied with the regulatory obligations of the DIFC Markets Law 2012 (the "**Markets Law**") and the various rules made by the Dubai Financial Services Authority thereunder (together with the Markets Law, the " **Nasdaq Dubai Rules**"), other than paragraph 20 of Appendix 4 to the Nasdaq Dubai Rules in that the Chairman did not meet the independence criteria laid out in paragraph 31 of Appendix 4 to the Nasdaq Dubai Rules at the time of his appointment. The Chairman, Sultan Ahmed Bin Sulayem, was Chairman of Dubai World and PFZW at the time that the Company was admitted to listing in Dubai and remains one of PFZW's representatives on the Board.

As at the date of this Base Prospectus, the Board is comprised of eight members, consisting of two Executive Directors and six Non-Executive Directors. Of these, Deepak Parekh, Robert Woods, Mark Russell, Abdulla Mohamed Saeed Alghobash, Nadya Abdulla Mohamed Kamali Almarzooqi and Mohamed Saif Ghanem Saif Alsuwaidi are independent.

The Chairman, in conjunction with the Senior Independent Director, is responsible for leadership and effective management of the Board in all aspects of its role and its governance. The Chairman chairs the Board meetings ensuring, with the support of the Senior Independent Director, that the agendas are forward looking and that relevant business is brought to the Board for consideration in accordance with the schedule of matters reserved to the Board and that each Director has the opportunity to consider the matters brought to the meeting and to contribute accordingly. The Group Chief Executive Officer, as leader of the Group's executive team, retains responsibility for the leadership and day-to-day management of the Group and the execution of its strategy as approved by the Board.

The Board's principal committees include the Audit Committee, the Nominations and Governance Committee and the Remuneration Committee, with formally delegated duties and responsibilities and written terms of references. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises. The Executive Committee has primary responsibility for the day-to-day management of the Group's operations and strategic policy implementation (such policies being established and approved by the Board). The Executive Committee is comprised of the Company's Senior Managers together with the Group Chief Executive Officer and the Group Chief Financial Officer.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting and external and internal audits and controls. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

External and internal auditors are invited to attend the Audit Committee meetings, along with any other Director or member of staff considered necessary by the Audit Committee to complete its work. The Audit Committee meets with external auditors and internal auditors without Executive Directors or members of staff present at least once a year, and additionally as it considers appropriate.

The Audit Committee's remit includes the following:

- making recommendations to the Board on the appointment and remuneration of the external auditor and reviewing and monitoring the external auditors' performance, expertise, independence and objectivity along with the effectiveness of the audit process and its scope;

- reviewing and monitoring the integrity of the Group's financial statements and the significant reporting judgements contained in them;
- monitoring the appropriateness of accounting policies and practices;
- reviewing the adequacy and effectiveness of financial reporting and internal control policies and procedures and risk management systems;
- reviewing and monitoring the activities and effectiveness of the internal audit function;
- reviewing the effectiveness of the Group's whistleblowing policies; and
- monitoring risks and compliance procedures across the Group.

As at 30 June 2018, the membership of the Company's Audit Committee was comprised of three members, all of whom are Independent Non-Executive Directors (namely Deepak Parekh, Mark Russell and Mohamed Al Suwaidi). The Audit Committee is chaired by Mark Russell whom the Board considers has appropriate financial expertise to fulfil this role.

The Audit Committee meets formally at least four times a year and otherwise as required.

Nominations and Governance Committee

The Nominations and Governance Committee assists the Board in discharging its responsibilities relating to the size and composition of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors as the need may arise. The Nominations and Governance Committee is responsible for evaluating the balance of skills, knowledge, experience and diversity on the Board and, in particular:

- recommending individuals to be considered for election at the next annual general meeting of the Company or to fill vacancies; and
- preparing a description of the role and capabilities required for a particular appointment.

As at 30 June 2018, the Company's Nominations and Governance Committee was composed of four members, three of whom are Independent Non-Executive Directors (namely Nadya Abdulla Mohamed Kamali Almarzooqi, Robert Woods and Abdulla Mohamed Saeed Alghobash) and one of whom is an Executive Director (namely His Excellency Sultan Ahmed Bin Sulayem). The Nominations and Governance Committee is chaired by Nadya Abdulla Mohamed Kamali Almarzooqi.

The Nominations and Governance Committee meets formally at least twice a year and otherwise as required.

Remuneration Committee

The Remuneration Committee determines and agrees with the Board the framework and broad policy for the remuneration of the Group Chief Executive Officer and Group Chief Financial Officer and other members of the Company's senior management. The policy of the committee is to review remuneration based on independent assessment and market practice. The remuneration of Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. No executive is involved in any decisions as to their own remuneration. The Remuneration Committee:

- reviews and provides the Board with a recommendation for a suitable remuneration framework for the Company;
- monitors the level and structure of remuneration for the Company's senior management and recommends adjustments where appropriate;
- keeps under review its own performance, constitution and terms of reference; and
- considers other matters as referred to it by the Board.

As at 30 June 2018, the membership of the Company's Remuneration Committee was comprised of four members, all of whom are Independent Non-Executive Directors (namely Deepak Parekh, Robert Woods, Mark Russell and Mohamed Saif Ghanem Saif Alsuwaidi). The Remuneration Committee is chaired by Deepak Parekh.

The Remuneration Committee meets formally at least twice a year and otherwise as required.

Employees

As of 31 December 2017, the Group had a team of more than 38,000 people (including those employed by consolidated subsidiaries and joint ventures). The Group's employees are engaged under a variety of employment arrangements, including, pursuant to individual employment contracts, collective bargaining agreements and through third-party sourcing. A significant majority of the Group's employees operate pursuant to collective bargaining agreements that typically cover employees in the relevant countries. The Group believes that the material terms of its collective bargaining agreements and other terms of employment are customary for the countries and industries in which the Group operates.

PORTS OPERATION INDUSTRY OVERVIEW

Unless otherwise indicated, the information set forth below has been sourced to the Drewry Shipping Consultants Ltd. Global Container Terminal Operators Annual Review and Forecast 2018 or Drewry Shipping Consultants Ltd. Container Forecaster Q2, 2018.

Overview

Global seaborne trade consists of three main segments: general cargo, which is carried by conventional shipping vessels; liquid cargo, which is carried by specialised vessels such as tankers; and containerised cargo, which is carried by container vessels.

Containerisation of cargo increases the efficiency of its transportation by standardising the container used for both seaborne and overland transportation of cargo. This facilitates the integrated multi-modal transportation of cargo by sea, rail and road. Containerisation also allows for the efficient storage of goods on ships or on land, provides protection against damage to goods in transit, increases the security of the cargo during transport and enables faster loading and unloading of cargo.

First introduced in the 1950s, container shipping has expanded rapidly since that time to emerge as the dominant method for the international transportation of a broad spectrum of industrial and consumer goods, including agricultural products, raw materials and semi-manufactured and finished consumer goods. The container terminal industry has grown in line with the container shipping industry, which in turn has benefited in particular from the globalisation of world trade. Global throughput reached 189.0 million TEU in the first quarter of 2018, up from 178.2 million TEU in the first quarter of 2017, an increase of 6.1 per cent.

Industry Trends

All port and terminal operators are experiencing a number of industry trends, some of which have wide ramifications. The most important of these trends are:

Deployment of ultra-large containerships

Over the years, there has been a step-change in the size of container ships. In addition, container ships' capacity has not increased in proportion to their increased length. For instance, the length of the 19,200 TEU *MSC Oscar* is less than twice that of a first-generation 1,400 TEU ship, yet its TEU capacity is nearly 14 times greater. This in turn has resulted in increased operating costs for ports and terminals since bigger ships take longer to offload but are less frequent and make fewer port calls which means greater peaks and troughs shipside and landside. This results in inefficient use of terminal capacity and creates challenges in terms of dock labour requirements and terminal automation requirements.

Further, ports and terminals have had to increase their capital expenditure as well in order to cater to larger ships. For instance, terminals have increased berth depth (from 14 metres in 2004 to 17 metres in 2014), increased gantry crane outreach (from 17 boxes wide in 2004 to 23 boxes wide in 2014) and increased required target productivity (from approximately 75 boxes per hour in 2004 to 150 boxes per hour in 2014). Bigger ships are also leading to a greater segmentation of terminal capacity, with very few berths and terminals being able to handle fully-loaded ultra large container vessels. This process is also leading to more rapid obsolescence of terminal capacity.

Expansion of shipping line alliances

Given the requirement to fill bigger container ships with cargo, shipping lines are forming alliances and sharing ships. Carrier alliances are growing in size and scope, which gives them a greater geographical reach and results in a greater concentration of volumes in fewer players (such as the merger of China Shipping Container Lines and Cosco Group and the acquisition of Neptune Orient Lines by CMA CGM). This may lead to more complicated negotiation of terminal contracts with alliance members wanting to benefit from "bulk" rates. Further, given the possibility of alliances calling at more than one terminal in the same port, there is also increasing pressure on terminal owners and operators for terminal consolidation in order to avoid fragmentation of terminal capacity.

Growth of inland container terminals and multi-modal hubs

Inland container terminals and multi-modal hubs that are efficiently managed have witnessed strong growth over recent years. An inland port can speed the flow of cargo between ships and major land transportation networks, creating a more central distribution point. Inland terminals can improve the movement of imports and exports, moving time-consuming container sorting and processing inland, away from congested seaports. This can be an inexpensive method of adding capacity as many seaports face capacity constraint on the landside. Multi-modal hubs, where goods can be efficiently transported by either sea, rail, road or air are attractive to cargo owners as they can reduce transportation time.

Financial pressures on shipping lines

Due to shipping lines operating under heavy debt, there is increasing pressure on terminal operators to lower the terminal handling price. In addition, there are increasing opportunities for the acquisition of terminal assets by other carriers (or their terminal arms) and for stevedores and financial investors to fill the void for carriers unable to invest in critical terminal capacity.

Cooperation among global and international terminal operators on the rise

There has been an increasing instance of global and international terminal operators entering into joint ventures or strategic alliances with each other (such as APM Terminals and Terminal Investment Limited, APM Terminals and China Shipping Terminal Development, International Container Terminal Services Inc. and PSA International, and International Container Terminal Services Inc. and CMA CGM). As a result, not only is the competition landscape becoming more complex, but the shipping line alliances are less able to take advantage of their bargaining position.

Rapidly emerging international terminal operators and owners

The industry is currently characterised by long-established operators (such as Hutchison Port Holdings, APM Terminals, PSA International and the Group) as well as new entrants into the international markets. For instance, China Merchants Ports has been very active over the past years in pursuing greenfield developments and making acquisitions outside its home base in China such as its acquisition in mid-2013 of a 49 per cent. stake in CMA CGM's Terminal Link and acquisition of a 90 per cent. stake in Brazilian port TCP Participacoes in 2017. As a result, competition for available assets and opportunities (including acquisitions or new concessions) has increased in the last few years.

Financial investor churn

Ownership of terminals by financial investors is experiencing churn as the lifespan of their investments runs its course and they make exits (for instance, Goldman Sachs sold its stake in SSA Marine in early 2014). At the same time, other companies such as Brookfield Asset Management and Macquarie are making investments in the port sector. This process is creating merger and acquisition opportunities in the industry.

Terminal automation gathering pace

The use of automated equipment, especially yard automation, is becoming much more common, even in low labour cost locations. Other forms of automation, such as remote-controlled gantry cranes, are also becoming viable options. As a result, terminal operators need to keep abreast of fast moving technological developments and consider transitioning to automation.

Containerisation/Global Throughput

The rate of containerisation has slowed over the past 30 years because almost all tradable goods that are capable of being transported along the deep-sea trade routes in containers are now transported in this way and, in recent years, the rate of containerisation has increasingly reflected the containerisation of new products, such as paper and other types of cargo that were traditionally considered break bulk, which advances in technology have enabled. However, despite the near-completion of the process of containerisation, trade routes to and from particular countries and geographical regions, notably Latin America, the Indian Subcontinent and Africa, continue to offer scope for significant growth in container volumes.

Adverse global economic trends led to container throughput at the world's ports falling for the first time ever, from 525 million TEU in 2008 to 473 million TEU in 2009, a drop of almost 10 per cent. Most global container terminal operators experienced reduced volumes across their networks during 2009 before volumes started increasing in 2010. However, according to current forecasts in Drewry's Container Forecaster for Q2 2018, estimated annual growth in global container port throughput continued to record a healthy level in the first three months of 2018, registering 6.1 per cent. There have now been three consecutive quarters where the 12-month rolling growth rate has been in excess of 6 per cent. Drewry currently estimates global container port throughput growth of 6.5% in 2018 and over 5 per cent. annual growth between 2019 – 2022.

Regional Variations in Demand

There are significant regional variations in container traffic. The following table gives a forecast of container activity by region:

	2016	2017	2018	2019	2020	2021	2022
				(TEU's in '000)			
Asia	**379,337**	**402,159**	**429,072**	**457,322**	**482,485**	**511,463**	**541,312**
% change on previous year	3.1%	6.0%	6.7%	6.6%	5.5%	6.0%	5.8%
share of world total	54.0%	53.9%	54.1%	54.5%	54.6%	54.8%	55.0%
Europe	**122,085**	**129,014**	**137,570**	**142,901**	**148,038**	**154,410**	**160,956**
% change on previous year	3.3%	5.7%	6.6%	3.9%	3.6%	4.3%	4.2%
share of world total	17.4%	17.3%	17.3%	17.0%	16.8%	16.6%	16.4%
North America	**59,126**	**63,494**	**65,236**	**68,238**	**70,426**	**73,159**	**76,230**
% change on previous year	1.3%	7.4%	2.7%	4.6%	3.2%	3.9%	4.2%
share of world total	8.4%	8.5%	8.2%	8.1%	8.0%	7.8%	7.7%
Latin America	**42,345**	**44,995**	**48,658**	**51,829**	**55,145**	**58,557**	**61,975**
% change on previous year	-1.1%	6.3%	8.1%	6.5%	6.4%	6.2%	5.8%
share of world total	6.0%	6.0%	6.1%	6.2%	6.2%	6.3%	6.3%
Middle East	**38,729**	**40,067**	**41,178**	**44,202**	**46,755**	**49,356**	**51,828**
% change on previous year	0.0%	3.5%	2.8%	7.3%	5.8%	5.6%	5.0%
share of world total	5.5%	5.4%	5.2%	5.3%	5.3%	5.3%	5.3%
South Asia	**24,410**	**27,110**	**30,119**	**32,473**	**35,758**	**38,678**	**41,694**
% change on previous year	10.7%	11.1%	11.1%	7.8%	10.1%	8.2%	7.8%
share of world total	3.5%	3.6%	3.8%	3.9%	4.0%	4.1%	4.2%
Africa	**24,695**	**26,051**	**28,636**	**28,939**	**30,155**	**32,079**	**33,975**
% change on previous year	-1.5%	5.5%	9.9%	1.1%	4.2%	6.4%	5.9%
share of world total	3.5%	3.5%	3.6%	3.4%	3.4%	3.4%	3.5%
Oceania	**11,833**	**12,576**	**13,370**	**13,891**	**14,406**	**15,031**	**15,698**
% change on previous year	2.1%	6.3%	6.3%	3.9%	3.7%	4.3%	4.4%
share of world total	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%
World	**702,559**	**745,466**	**793,838**	**839,795**	**883,168**	**932,732**	**983,668**
% change on previous year	2.6%	6.1%	6.5%	5.8%	5.2%	5.6%	5.5%

Source: Drewry Maritime Research

O&D versus Transhipment

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

O&D

O&D throughput is often preferred by container terminal operators for the following reasons:

- terminal operators typically earn more revenue per quay crane lift from O&D throughput than from transhipment throughput;

- terminal operators earn additional revenue by charging for delivery or reception of the container from the shipper or consignee;

- terminal operators have the opportunity to generate additional revenue from ancillary services, such as container freight stations and container cleaning; and

- whereas shipping lines can relatively easily transfer transhipment throughput to other ports in the same region, O&D throughput is usually most cost-effectively handled by one port, preferably close to the point of consumption, which makes O&D throughput less likely to be lost to competitors and less price sensitive than transhipment throughput.

Hub-and-Spoke (Gateway)

As the latest generation of container ships on order have nominal capacities in excess of 18,000 TEU and are too wide and too deep to call at many ports in the world, shipping lines may instead seek to, or be required to, rationalise the number of port calls they make. This trend is expected to result in shipping lines favouring larger, centrally placed ports in a region leading to the creation of hub-and-spoke or gateway terminals. To compete effectively under this model, container terminal operators will need to be able to handle larger vessels, and some operators already have the necessary infrastructure in place or are constructing new facilities with this factor in mind. The hub-and-spoke model also implies an increased level of throughput carried by feeder lines between hub ports and final destinations, which places demands on smaller ports to develop the facilities necessary to handle containers at dedicated container berths.

Transhipment

Despite the advantages of O&D throughput, there are numerous large container terminals around the world for which transhipment accounts for a very high percentage of total throughput. Current examples include Singapore, Tanjuung Pelepas (Malaysia), Gioia Tauro (Italy), Salalah (Oman), Algeciras (Spain), Balboa (Panama), Freeport (Bahamas) and Marsaxlokk (Malta). Many of these terminals are operated by, or involve an equity stake holding by, a major shipping line, which benefits from the transhipment capacity and provides the terminal with a reliable level of volume. However, shipping lines often prefer not to tranship containers, where possible, as they are not always able to pass on the full costs associated with transhipment to their customers.

Leading Container Terminal Operators

The container terminal industry is characterised by a small number of large operators. The ten largest terminal operators by throughput collectively accounted for 517.4 million TEU, or 69.3 per cent., of global gross throughput as of 31 December 2017. Global terminal operators compete increasingly based on the size and diversification of their terminal portfolios, which enable them to offer global networks to their liner customers, who are themselves consolidating and becoming increasingly large. Consequently, new container terminal market participants face significant barriers to entry.

The following table provides a breakdown of terminal operators by gross throughput and market share for the years ended 31 December 2017 and 2016:

	Gross throughput		Market share of gross throughput			
	2017	**2016**	**2017**	**2016**	**Growth/ Decline**	
	(TEU in millions)		*(per cent.)*		*(TEU in millions)*	*(per cent.)*
Cosco[1]	91.3	85.5	12.2	12.2	5.8	6.7
Hutchison Ports[2]	82.3	79.1	11.0	11.3	3.2	4.0
APM Terminals	76.3	71.4	10.2	10.2	4.9	6.9
PSA International	73.9	67.3	9.9	9.6	6.6	9.8
DP World	68.7	62.4	9.2	8.9	6.4	10.2
Terminal Investment Limited[3]	44.0	37.7	5.9	5.4	6.3	16.8
China Merchants Ports	31.0	28.5	4.2	4.1	2.5	8.9
CMA CGM[4]	24.8	16.6	3.3	2.4	8.2	49.4
Eurogate	13.8	14.0	1.9	2.0	(0.2)	(1.6)
SSA Marine	11.3	10.6	1.5	1.5	0.7	6.6
Ten largest global terminal operators	517.4	473.1	69.3	67.6	44.3	9.4
Remaining global terminal operators	73.3	60.2	9.9	8.3	13.1	21.8
Global operators total	**590.7**	**533.3**	**79.2**	**75.9**	**57.4**	**10.80**

Note: Unless stated otherwise figures include total annual throughput for all terminals in which more than 10% shareholding held as at 31 December 2016 or 31 December 2017. Figures do not include stevedoring operations at common user terminals and also exclude barge/river terminals. Due to method of calculation there is some degree of variation between Drewry's figures and some terminal operators' publicly announced results. Some figures are estimated.

(1) Cosco figure does not include OOCL as acquisition not finalised during 2017.
(2) Hutchison figure includes HPH Trust volumes.
(3) TIL figure does not include MSC/affiliated companies.
(4) CMA CGM includes APL terminals.

Source: Drewry Maritime Research

Drewry divides global terminal operators into three broad categories:

- ***Global stevedores*** – these are companies whose primary business is port operations and that view terminals as profit centres;
- ***Global carriers*** – these are companies whose main business is container shipping, but which have investments in container terminals to support this core activity and that often run terminals as cost centres; and
- ***Global hybrids*** – these are companies where the main activity, or that of the parent group, is container shipping, but which have established separate terminal operating business units that handle a significant amount of third party business, as well as in-house traffic.

Of the top ten largest terminal operators by gross throughput, Drewry considers seven to be global stevedores (comprised of Hutchison Port Holdings, PSA International, the Group, Terminal Investment Limited, China Merchants Ports, Eurogate and SSA Marine) and three to be global hybrids (comprised of Cosco, APM Terminals and CMA CGM).

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Trustee and the Issuing and Paying Agent (as defined in the Conditions).

Master Purchase of Services Agreement, as supplemented by the relevant Supplemental Purchase of Services Agreement

The amended and restated Master Purchase of Services Agreement will be entered into on 5 September 2018 between the Trustee (as purchaser) and the Company (as seller, in such capacity the "**Seller**"). The Trustee and the Seller will subsequently enter into a Supplemental Purchase of Services Agreement on the Issue Date of each Series of Certificates (together, the "**Purchase of Services Agreement**"). The Master Purchase of Services Agreement and each Supplemental Purchase of Services Agreement will be governed by English law.

Pursuant to the relevant Purchase of Services Agreement, on the Issue Date of each Series of Certificates, the Seller will sell to the Trustee and the Trustee will purchase from the Seller: (i) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Allotted Throughput Services**") which will be made available to the Trustee with effect from the first day of each period identified in the schedule to the relevant Supplemental Purchase of Services Agreement until the last day of each such period (each such period a "**Distribution Period**"); (ii) certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Additional Throughput Services**") which will be made available to the Trustee with effect from the first day of the last Distribution Period identified in the schedule to the relevant Supplemental Purchase of Services Agreement until the last day of such Distribution Period; and (iii) if applicable to a Series, certain Throughput Services (including all rights, interests, benefits and entitlements, present and future, in, to and under such Throughput Services) (the "**Further Throughput Services**") which will be made available to the Trustee with effect from the first day of each further period occurring after the relevant Scheduled Dissolution Date (each such further period being a "**Further Period**") identified in the schedule to the relevant Supplemental Purchase of Services Agreement until the last day of such Further Period, in each case, out of the Company's available capacity and from the relevant ports of the Company (the "**Relevant Ports**") identified in the relevant Supplemental Purchase of Services Agreement, in consideration for payment of a purchase price equal to the proceeds of issuance of the relevant Series of Certificates.

Further Throughput Services will only be required for a Series where the operating capacity of DP World in respect of Throughput Services from the Relevant Ports in the final period ending on the Scheduled Dissolution Date of a Series is not sufficient to cover the number of TEUs that would be required to be sold in that period in order to redeem all of the Certificates of that Series in whole (together with any accrued Periodic Distribution Amounts).

Service Agency Agreement

The amended and restated Service Agency Agreement will be entered into on 5 September 2018 between the Trustee (as principal) and the Company (as service agent, in such capacity, the "**Service Agent**"). The Service Agent and the Trustee shall enter into a services plan (each a "**Services Plan**") on the Issue Date of each Series. The Service Agency Agreement will be governed by English law.

Under the terms of the Service Agency Agreement the Trustee will, in relation to each Series of Certificates, appoint the Company as its Service Agent to provide certain services (the "**Services**") from the Issue Date of that Series to the date on which the Certificates of that Series have been redeemed in full (the "**Services Period**"). In particular, in respect of each Series, the Service Agent undertakes to provide, or procure the provision of, amongst other services more particularly specified in the Service Agency Agreement, the following Services:

(a) it shall, exclusively for and on behalf of the Trustee, in respect of each Distribution Period of a Series, sell the relevant Allotted Throughput Services for container handling services delivered during the same Distribution Period in the number specified for the relevant Distribution Period in the relevant Services Plan at a price at least equal to the applicable minimum sale price (in respect of each TEU)

specified in the relevant Services Plan (the "**Minimum Sale Price**"), which shall be calculated by applying the relevant Profit Rate to the acquisition cost per TEU (as specified in the relevant Supplemental Purchase of Services Agreement);

(b) if the Service Agent:

(i) fails to sell all of the Allotted Throughput Services in respect of a Distribution Period; and/or

(ii) sells all or a portion of the Allotted Throughput Services for less than the relevant Minimum Sale Price in respect of a Distribution Period,

it shall notify the Trustee in writing in accordance with the Service Agency Agreement, in each case by no later than the date falling five (5) Business Days prior to the end of the Distribution Period to which such Allotted Throughput Services relate specifying:

(A) in the case of paragraph (i) above, the number of Allotted Throughput Services that were not sold during the relevant Distribution Period (such unsold Allotted Throughput Services being the "**Surplus Allotted Throughput Services**"); and/or

(B) in the case of paragraph (ii) above, the Sales Shortfall determined in the manner described below,

and in connection therewith the Service Agent undertakes that it will not, following a notification in accordance with this paragraph (b), sell any further Allotted Throughput Services in respect of the Distribution Period to which such notification relates; and

(c) it shall monitor, and keep an internal record of, the aggregate Allotted Throughput Services held by the Trustee or by the Company on its behalf in respect of a Series that have not been sold to end customers pursuant to the provisions of the Service Agency Agreement or to the Company pursuant to the other Transaction Documents (the "**Outstanding Throughput Services**") and all amounts credited to the relevant Collection Account and Reserve Account (each as defined below), in each case from time to time.

The Service Agent agrees, in relation to each Series, that if in respect of any Distribution Period under that Series any Allotted Throughput Services are sold for less than the relevant Minimum Sale Price, (the difference between (a) the sum of: (i) the aggregate amounts received by the Service Agent (in any capacity) in whatever currency in respect of or otherwise in connection with the sale of the relevant Allotted Throughput Services (the "**Sales Proceeds**"); and (ii) the amounts standing to the credit of the Collection Account (if any); and (b) the aggregate of the Minimum Sale Price for such Allotted Throughput Services being referred to as the "**Sales Shortfall**"), the Service Agent will pay to the Trustee out of the Reserve Account (or, if the amounts standing to the credit of the Reserve Account are not sufficient after re-crediting any amounts previously deducted as required pursuant to the terms of the Service Agency Agreement, the Service Agent will pay to the Trustee by way of indemnity on an after tax basis) the Sales Shortfall and shall ensure that an amount in cash equal to such Sales Shortfall is paid into the Transaction Account by no later than the immediately following Distribution Determination Date (as defined in the Service Agency Agreement) (or, if earlier, by no later than the Business Day immediately preceding the Dissolution Date or Partial Dissolution Date) to ensure that the Trustee receives on each Distribution Determination Date the Required Amount (as defined below) payable by it in accordance with the Conditions on the immediately following Periodic Distribution Date (or, as the case may be, all such amounts as are required to be paid on the Dissolution Date or Partial Dissolution Date in respect of such Certificates).

In relation to each Series, the Service Agent will on the relevant Issue Date create and thereafter maintain two ledger accounts as internal records (such accounts being referred to as the "**Collection Account**" and the "**Reserve Account**") each of which shall be denominated in the Specified Currency of the relevant Series and shall maintain and operate each such account for the relevant Services Period. An amount equal to all Sales Proceeds in relation to each Series will be recorded in the relevant Collection Account as and when received.

The Service Agent will procure the application of the amounts standing to the credit of the Collection Account of each Series on each Distribution Determination Date in respect of that Series and on the Business Day immediately preceding each Dissolution Date in the following order of priority:

(a) *first*:

(i) in respect of such Distribution Determination Date, in payment into the Transaction Account (as defined in the Service Agency Agreement of the Required Amount payable on the immediately following Periodic Distribution Date; or

(ii) in respect of a Dissolution Date, an amount equal to any shortfall between the amounts standing to the credit of the Transaction Account on the Business Day immediately preceding such Dissolution Date and the amount required to redeem the Certificates of the relevant Series in full,

or, in each case, such lesser amount as is then standing to the credit of the Collection Account; and

(b) *second*, for credit to the Reserve Account.

For these purposes, "**Required Amount**" means, in relation to each Series, and each Periodic Distribution Date under that Series:

(a) in relation to a Periodic Distribution Date which is not also the Scheduled Dissolution Date of that Series, an amount equal to the Periodic Distribution Amounts payable by the Trustee in respect of the relevant Certificates on the Periodic Distribution Date; and

(b) in relation to a Periodic Distribution Date which is also the Scheduled Dissolution Date of that Series, an amount equal to the Final Dissolution Amount payable by the Trustee in respect of the relevant Certificates on the relevant Scheduled Dissolution Date,

in each case, less such amount as is standing to the credit of the Transaction Account and available for the purposes of making a payment to Certificateholders on the relevant Periodic Distribution Date or the Scheduled Dissolution Date, as the case may be.

Amounts standing to the credit of the Reserve Account of each Series shall be applied by the Service Agent as follows:

(a) if on a Distribution Determination Date relating to that Series (after (i) payment of an amount equal to the amounts standing to the credit of the Collection Account into the Transaction Account in accordance with the paragraph above and (ii) taking into account any other payments made or to be made into the Transaction Account pursuant to any other Transaction Document) there is a shortfall between (a) the amounts standing to the credit of the Transaction Account and (b) the Periodic Distribution Amounts or Final Dissolution Amount, as applicable payable on the immediately following Periodic Distribution Date (each a "**Shortfall**")), by paying into the Transaction Account on that Distribution Determination Date an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Reserve Account, after the re-credit to the Reserve Account of all amounts (if any) that were previously deducted by and used for the account of the Service Agent in accordance with the Service Agency Agreement);

(b) the Service Agent will be entitled to deduct amounts standing to the credit of the Reserve Account at any time during the relevant Services Period and use such amounts for its own account, provided that it shall re-credit all such amounts to the Reserve Account if so required to fund a Shortfall in accordance with paragraph (a) above or a Sales Shortfall; and

(c) following payment in full of all amounts due and payable under the Certificates of a Series on the relevant Dissolution Date, the Service Agent shall be entitled to retain (i) any amounts deducted pursuant to paragraph (b) above (and not re-credited to the relevant Reserve Account as contemplated by paragraph (b) above) and (ii) any amounts that remain standing to the credit of the relevant Reserve Account on such date for its own account as a final incentive fee for acting as Service Agent in relation to the relevant Series (each an "**Incentive Payment**").

If, in relation to a Series:

(a) the Trustee or the Delegate has delivered an Exercise Notice pursuant to clause 3.1.1 of the Purchase Undertaking;

(b) the Trustee has delivered an Exercise Notice pursuant to clause 3.1.2 of the Purchase Undertaking;

(c) the Trustee has delivered an Exercise Notice pursuant to clause 3.1.5 of the Purchase Undertaking; or

(d) the Trustee has delivered an Exercise Notice pursuant to clause 3.1.6 of the Purchase Undertaking,

the Company shall, to the extent that the relevant Throughput Services are available, purchase such Throughput Services in accordance with the Purchase Undertaking and:

(i) on the Dissolution Event Redemption Date (in the case of paragraph (a) above) or the relevant Distribution Determination Date (in the case of paragraph (b) above) or the Scheduled Dissolution Date (in the case of paragraph (c) above) or the Payment Default Redemption Date (in the case of paragraph (d) above), immediately credit the relevant Exercise Price, Sale Exercise Price, Further Exercise Price or Payment Default Exercise Price (each as defined below), as the case may be, to the relevant Collection Account; and

(ii) immediately following the credit referred to in paragraph (i) above being made to the Collection Account:

(A) (in the case of paragraph (a) above), debit an amount equal to the Relevant Amount from the Collection Account and pay a cash sum equal to the Relevant Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) for the purposes of redemption of the outstanding Certificates in full in accordance with the Conditions on the Dissolution Event Redemption Date;

(B) (in the case of paragraph (b) above), debit an amount equal to the Required Amount from the Collection Account and pay a cash sum equal to the Required Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of this Agreement) for the purposes of paying all amounts due and payable to Certificateholders in accordance with the Conditions on the relevant Periodic Distribution Date or, as the case may be, the Scheduled Dissolution Date;

(C) (in the case of paragraph (c) above), debit an amount equal to the Required Amount from the Collection Account and pay a cash sum equal to the Required Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of this Agreement) for the purposes of redemption of the outstanding Certificates in full in accordance with the Conditions on the relevant Scheduled Dissolution Date; or

(D) (in the case of paragraph (d) above), as required, debit an amount equal to the Payment Default Amount (as defined below) from the Collection Account and pay a cash sum equal to the Payment Default Amount into the Transaction Account (in the Specified Currency by wire transfer for same day value) (to the extent not already paid in accordance with the terms of this Agreement) for the purposes of paying all amounts due and payable to Certificateholders in accordance with the Conditions.

For these purposes:

"**Relevant Amount**" means, in relation to each Series, in relation to an exercise of the Trustee's right pursuant to clause 3.1.1 of the Purchase Undertaking, an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the relevant Certificates; and

(b) an amount equal to the product of (a) above, the Profit Rate and the Day Count Fraction (for the purposes of which the Day Count Fraction will be applied to the period from and including the Periodic Distribution Date preceding the date of the Exercise Notice on which the Periodic Distribution Amount due on the Certificates was paid in full to but excluding the date on which all amounts required to redeem the Certificates in full are actually transferred to the Transaction Account in full);

less such amount as is standing to the credit of the Transaction Account and available for the purposes of making a payment to Certificateholders on the Dissolution Event Redemption Date.

"**Payment Default Amount**" means, in relation to each Series, in relation to an exercise of the Trustee's right pursuant to clause 3.1.6 of the Purchase Undertaking, an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the relevant Certificates; and

(b) an amount equal to the product of (a) above, the Profit Rate and the Day Count Fraction (for the purposes of which the Day Count Fraction will be applied to the period from and including the Periodic Distribution Date preceding the date of the Exercise Notice on which the Periodic Distribution Amount due on the Certificates was paid in full to but excluding the date on which all amounts required to redeem the Certificates in full are actually transferred to the Transaction Account in full);

less such amount as is standing to the credit of the Transaction Account and available for the purposes of making a payment to Certificateholders on the date on which the Payment Default Amount is to be credited to the Transaction Account in accordance with the Service Agency Agreement.

The Service Agent and the Trustee have agreed in the Service Agency Agreement that the Additional Throughput Services and, if applicable, the Further Throughput Services of any Series shall not be permitted to be sold by the Service Agent and shall only be available for sale by the Trustee to the Company pursuant to, and in accordance with, the Purchase Undertaking. Following redemption of the Certificates of a Series in whole but not in part on the Scheduled Dissolution Date (or, if earlier, any Change of Control Full Put Date, Tax Redemption Date, Optional Dissolution Call Date, Optional Dissolution Put Date, Dissolution Event Redemption Date or any date on which all of the Certificates of that Series are cancelled in accordance with the Conditions), in each case as provided in the Conditions, to the extent that the Additional Throughput Services relating to that Series have not been sold to the Company pursuant to a Purchase Undertaking Sale Agreement (as defined herein) such Additional Throughput Services shall be immediately transferred to the Service Agent by the Trustee (without the need for any further formality) as a performance incentive in kind.

All payments by the Service Agent to the Trustee shall be made net of Taxes (as defined in the Service Agency Agreement), where the withholding or deduction of the Taxes is required by law. In such event, and/or if additional amounts are payable by the Trustee in respect of the Certificates in accordance with Condition 11 (*Taxation*), the Service Agent will pay such Taxes and/or amounts equal to such additional amounts by payment to the Transaction Account in the Specified Currency by wire transfer for same day value so that the full amount which otherwise would have been due and payable to the Trustee, and/or which otherwise would have been due and payable under the Certificates, is received by the Trustee.

Purchase Undertaking

The Company will enter into an amended and restated purchase undertaking (the "**Purchase Undertaking**") on 5 September 2018 in favour of the Trustee and the Delegate, which will be governed by English law.

Under the terms of the Purchase Undertaking, in relation to each Series, the Company irrevocably undertakes to purchase from the Trustee:

(a) all of the Outstanding Throughput Services, the Additional Throughput Services and, if applicable, the Further Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the Dissolution Event Redemption Date in respect of the relevant Series, in each case, at the relevant Exercise Price;

(b) the relevant Surplus Allotted Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on any Distribution Determination Date, at the relevant Sale Exercise Price;

(c) the relevant Change of Control Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Change of Control Put Option Date (where the Change of Control Put Option has been exercised in respect of some (but not all) of the Certificates of the relevant Series) or, as applicable, the relevant Change of Control Full Put Date (where the Change of Control Put Option has been exercised in respect of all of the Certificates of the relevant Series), in each case at the relevant Change of Control Exercise Price;

(d) the relevant Optional Dissolution (Put Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the Optional Dissolution Partial Put Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Series) or, as applicable, the Optional Dissolution Put Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of all of the Certificates of the relevant Series), in each case, at the relevant Optional Dissolution (Put Option) Exercise Price; and

(e) the Further Throughput Services (if any) (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Scheduled Dissolution Date at the relevant Further Exercise Price; and

(f) the Additional Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Payment Default Redemption Date (as defined in the Purchase Undertaking) at the relevant Payment Default Exercise Price,

in each case, by the Trustee delivering an Exercise Notice to the Company in accordance with the terms of the Purchase Undertaking. Following payment of the relevant amounts in accordance with the terms of the Purchase Undertaking, the Company and the Trustee shall enter into a sale agreement in the form scheduled to the Purchase Undertaking (a "**Purchase Undertaking Sale Agreement**").

All payments by the Company under the Purchase Undertaking and any Purchase Undertaking Sale Agreement must be made free and clear of, and without any deduction or withholding for, any Taxes (as defined in the Purchase Undertaking) unless required by law and without set-off or counterclaim of any kind and, if there is any such deduction or withholding, the Company undertakes that it shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made and accordingly the Company undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed thereunder.

For the purposes of this section:

"**Change of Control Exercise Price**" means, in relation to each Series and the exercise of a Change of Control Put Option under that Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Change of Control Put Option plus all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Change of Control Throughput Services**" means, in relation to each Series and the exercise of a Change of Control Put Option under that Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Change of Control Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Exercise Notice.

"**Exercise Price**" means, in relation to each Series, an amount in the Specified Currency of that Series equal to the product of (a) the aggregate of the Outstanding Throughput Services, Additional Throughput Services and, if applicable to a Series, Further Throughput Services (in each case measured in TEUs) (determined as at the Dissolution Event Redemption Date) and (b) the Minimum Sale Price for that Series.

"**Further Exercise Price**" means, in relation to each Series and any Further Throughput Services thereunder, an amount in the Specified Currency of that Series equal to the product of (a) the relevant Further Throughput Services and (b) the Minimum Sale Price for that Series.

"**Optional Dissolution (Put Option) Exercise Price**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Put Option) under that Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional Dissolution Right (Put Option) plus all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Optional Dissolution (Put Option) Throughput Services**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Put Option) under that Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in

TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Put Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Exercise Notice.

"**Payment Default Exercise Price**" means, in relation to each Series, an amount in the Specified Currency of that Series equal to the product of (a) the relevant Additional Throughput Services (measured in TEUs) and (b) the Minimum Sale Price for that Series.

"**Sale Exercise Price**" means, in relation to each Series and any Surplus Allotted Throughput Services thereunder, an amount in the Specified Currency of that Series equal to the product of (a) the relevant Surplus Allotted Throughput Services and (b) the Minimum Sale Price for that Series.

Sale Undertaking

The Trustee will enter into an amended and restated sale undertaking (the "**Sale Undertaking**") on 5 September 2018 in favour of the Company, which will be governed by English law.

Under the terms of the Sale Undertaking, in relation to each Series, the Trustee irrevocably undertakes to sell or transfer (as applicable) to the Company:

(a) the Outstanding Throughput Services and, if applicable, the Further Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Tax Redemption Date at the relevant Exercise Price;

(b) the Optional Dissolution (Call Option) Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on the relevant Optional Dissolution Partial Call Date (where the Optional Dissolution Right (Call Option) has been exercised in respect of some (but not all) of the Certificates of the relevant Series) or, as applicable, the relevant Optional Dissolution Call Date (where the Optional Dissolution Right (Put Option) has been exercised in respect of all of the Certificates of the relevant Series), in each case, at the Optional Dissolution (Call Option) Exercise Price; and

(c) the Cancellation Throughput Services (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) on any Cancellation Date, in consideration for cancellation of any Certificates of a Series that have been purchased by the Company or any of its Subsidiaries (the "**Cancellation Certificates**"),

in each case, by the Company delivering an Exercise Notice to the Trustee in accordance with the terms of the Sale Undertaking. Following payment of the relevant amounts in accordance with the terms of the Sale Undertaking (in respect of paragraphs (a) and (b) above), the Company and the Trustee shall enter into a sale agreement in the form scheduled to the Sale Undertaking (a "**Sale Undertaking Sale Agreement**"). The transfer of the Cancellation Throughput Services (in respect of paragraph (c) above) (together with all of the Trustee's rights, interests, benefits and entitlements, present and future, in, to and under them) to the Company shall occur by the entry into of a transfer agreement between the Company and the Trustee.

For the purposes of this section:

"**Cancellation Throughput Services**" means, in relation to each Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing (a) the aggregate face amount of the relevant Cancellation Certificates plus all due but unpaid Periodic Distribution Amounts relating to such Cancellation Certificates by (b) the Minimum Sale Price (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service).

"**Exercise Price**" means, in relation to each Series, an amount in the Specified Currency of that Series equal to the sum of (i) the aggregate outstanding face amount of the Certificates of that Series and (ii) all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Optional Dissolution (Call Option) Exercise Price**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Call Option) under that Series, an amount in the Specified Currency equal to the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional

Dissolution Right (Call Option) plus all due but unpaid Periodic Distribution Amounts relating to such Certificates.

"**Optional Dissolution (Call Option) Throughput Services**" means, in relation to each Series and the exercise of a Optional Dissolution Right (Put Option) under that Series, such number of Outstanding Throughput Services and, if applicable to a Series, Further Throughput Services (in each case, measured in TEUs) as is determined on a *pro rata* basis by dividing the relevant Optional Dissolution (Call Option) Exercise Price by the Minimum Sale Price for that Series (rounded down, if necessary, to the nearest Outstanding Throughput Service and, if applicable, the nearest Further Throughput Service), as specified in the relevant Exercise Notice.

The Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust

An amended and restated master declaration of trust (the "**Master Declaration of Trust**") will be entered into on 5 September 2018 between the Company, the Trustee and the Delegate and is governed by English law. A Supplemental Declaration of Trust between the same parties shall be entered into on the Issue Date of each Series of Certificates and shall also be governed by English law.

Upon the issue of one or more Global Certificates initially representing the Certificates of any Series, the Master Declaration of Trust and the relevant Supplemental Declaration of Trust (together, the relevant "**Declaration of Trust**") shall together constitute the Trust declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Certificates shall comprise: (i) the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents; (ii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Throughput Services which are purchased by the Trustee pursuant to the relevant Purchase of Services Agreement and which remain to be sold pursuant to the Service Agency Agreement (and the relevant Services Plan for such Series) and, if applicable, the Purchase Undertaking or the Sale Undertaking (as the case may be); (iii) the interests, rights, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Company to the Trustee and/or the Delegate pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee and/or the Delegate pursuant to clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); and (iv) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of the foregoing which are held by the Trustee upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder in accordance with the relevant Declaration of Trust.

Pursuant to the relevant Declaration of Trust, the Trustee will, in relation to each Series of Certificates, *inter alia*:

(a) hold the relevant Trust Assets on trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates of that Series held by each Certificateholder, in accordance with the provisions of the relevant Declaration of Trust;

(b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the relevant Declaration of Trust.

The Trustee has irrevocably and unconditionally appointed the Delegate (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) to: (i) execute, deliver and perfect all documents; (ii) exercise all of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by the relevant Declaration of Trust that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event, exercise all of the rights of the Trustee under the Purchase Undertaking, the Service Agency Agreement and any of the other Transaction Documents; and (iii) make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the relevant Declaration of Trust (the foregoing being the "**Delegation**" of the "**Relevant Powers**"), **provided that**: (a) no obligations, duties, Liabilities or covenants of the Trustee pursuant to the relevant Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of the delegation; (b) in no circumstances will such Delegation result in the Delegate holding on trust the Trust Assets; and (c) the Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to dissolve any of the trusts constituted by a Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall

ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers. The appointment of such Delegate is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

In addition to the Delegation of the Relevant Powers, certain powers under the Master Declaration of Trust have been vested solely in the Delegate, including, *inter alia*, the power to determine the occurrence of a Dissolution Event or Potential Dissolution Event, the power to waive or authorise a breach of an obligation or determine that a Dissolution Event shall not be treated as such and the power to consent to certain types of amendments to the Transaction Document.

The Master Declaration of trust specifies, *inter alia*, that:

(i) following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Certificate to the Certificateholders in accordance with the Conditions and the relevant Declaration of Trust, neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the Certificateholders may not take any action against the Trustee, the Delegate or any other person to recover any such sum or asset of the relevant Certificates or the relevant Trust Assets;

(ii) no Certificateholder shall be entitled to proceed directly against the trustee or the Company under any Transaction Document to which either of them is a party unless the Delegate fails to do so within a reasonable period of becoming so bound and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Company shall be to enforce their respective obligations under the Transaction Documents to which each is a party; and

(iii) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the relevant Trust Assets or take any action against the Trustee and/or the Company under any Transaction Document to which either the Trustee and/or the Company is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing, and provided that the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

The foregoing sub-paragraphs are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 6(b) (*The Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the relevant Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the relevant Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the relevant Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

The Company undertakes to the Delegate that, if any amount payable by the Company to the Delegate pursuant to any Transaction Document is not recoverable from the Company for any reason whatsoever or the Trustee or any Certificateholder suffers any cost, expense or loss as a result of the Trustee's holding of the relevant Trust Asset, which cost, expense or loss is not recoverable under any Transaction Document, then the Company will indemnify the Delegate against all losses, claims, costs, charges and expenses, excluding the costs of funding the same, to which it may be subject or which it may incur under or in respect of the Transaction Documents.

Agency Agreement

Pursuant to an amended and restated agency agreement (the "**Agency Agreement**") entered into on 5 September 2018 between, amongst others, the Trustee, the Company and the Issuing and Paying Agent, provision will be made for, *inter alia*, payment of all sums due in respect of the Certificates.

***Shari'a* Compliance**

Each Transaction Document provides that each of DP World Crescent Limited and DP World Limited agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

(i) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'a*;

(ii) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and

(iii) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Clearstream, Luxembourg or Euroclear (together, the "**Clearing Systems**") in effect as at the date of this Base Prospectus. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Trustee, the Company, the Delegate nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry

Systems DTC

DTC is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "**clearing agency**" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Certificates among Direct Participants on whose behalf it acts with respect to Certificates accepted into DTC's book-entry settlement system ("**DTC Certificates**") as described below and receives and transmits distributions of Dissolution Amounts and Periodic Distribution Amounts on DTC Certificates. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Certificates ("**Owners**") have accounts with respect to the DTC Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Certificates through Direct Participants or Indirect Participants will not possess Certificates, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Certificates.

Purchases of DTC Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Certificates on DTC's records. The ownership interest of each actual purchaser of each DTC Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Certificates, except in the event that use of the book-entry system for the DTC Certificates is discontinued.

To facilitate subsequent transfers, all DTC Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Certificates with DTC and their registration in the

name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Certificates unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Dissolution Amounts and Periodic Distribution Amounts on the DTC Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Dissolution Amounts and Periodic Distribution Amounts to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is a Dissolution Event under the Certificates, DTC will exchange the DTC Certificates for definitive Registered Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Certificate, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Certificates purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Certificates by causing the Direct Participant to transfer the Participant's interest in the DTC Certificates, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Certificates to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Certificates at any time by giving reasonable notice to the Trustee or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Certificates are required to be printed and delivered.

The Trustee may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Certificates to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Certificates, will be required to withdraw its Certificates from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-Entry Ownership and Payment in Respect of DTC Certificates

The Trustee may apply to DTC in order to have any Series of Certificates represented by a Global Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Certificate (as defined herein), the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of any amount in respect of a Global Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Certificate. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Certificate in the currency in which such payment was made and/or (where an election to receive payment in the Specified Currency has not been made) cause all or a portion of such payment to be converted into U.S. dollars and the proceeds of such conversion (net of all applicable costs of exchange) shall be credited to the applicable Participants' account(s).

For all foreign exchange ("**FX**") transactions, the Exchange Agent or the Issuing and Paying Agent, as the case may be, shall utilise Deutsche Bank AG or its affiliates (collectively "**DBAG**") to effect such conversion by entering into an FX transaction. The Exchange Agent or the Issuing and Paying Agent, as the case may be, (through DBAG), when entering into an FX transaction, will be acting in a principal capacity, and not as agent, fiduciary or broker, and may hold positions for its own account that are the same, similar, different or opposite to the positions of its customers. When the Exchange Agent or the Issuing and Paying Agent, as the case may be, seeks to execute an FX transaction to accomplish such conversion, the Exchange Agent or the Issuing and Paying Agent, as the case may be, is utilising DBAG as a global dealer in FX for a full range of FX products and, as a result, the rate obtained in connection with any requested foreign currency conversion may be impacted by DBAG executing FX transactions for its own account or with another customer. In addition, in order to source liquidity for any FX transaction relating to the purchase of U.S. dollars with the Specified Currency, DBAG may internally share economic terms relating to the relevant FX transaction with persons acting in a sales or trading capacity for DBAG or one of its agents. Conversions shall be effected in a commercially reasonable manner, similar to that which is effected by DBAG in comparable transactions as principal for other similarly-situated customers. In no event shall the Trustee, DP World, the Exchange Agent (or the Issuing and Paying Agent, as the case may be) or DBAG be liable to the Certificateholders or any other party for the conversion rate so obtained.

The Trustee expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Trustee also expects that payments by

Participants to beneficial owners of Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Issuing and Paying Agent, the Paying Agent, the Registrar or the Trustee. Payment of Dissolution Amounts and Periodic Distribution Amounts on Certificates to DTC is the responsibility of the Trustee.

Transfers of Certificates Represented by Global Certificates

Transfers of any interests in Certificates represented by a Global Certificate within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Certificates represented by a Global Certificate to such persons may depend upon the ability to exchange such Certificates for Certificates in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Certificates represented by a Global Certificate accepted by DTC to pledge such Certificates to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Certificates may depend upon the ability to exchange such Certificates for Certificates in definitive form. The ability of any holder of Certificates represented by a Global Certificate accepted by DTC to resell, pledge or otherwise transfer such Certificates may be impaired if the proposed transferee of such Certificates is not eligible to hold such Certificates through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Certificates described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent, the Paying Agent and any custodian ("**Custodian**") with whom the relevant Global Certificates have been deposited.

On or after the Issue Date for any Series, transfers of Certificates of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Certificates of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Registrars, the Issuing and Paying Agent, the Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Clearstream, Luxembourg or Euroclear accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Trustee, the Company, the Delegate, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Certificates represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

The following is a general description of certain United Arab Emirates, DIFC, Cayman Islands, United States and European Union tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere. It is not intended and does not constitute tax advice or legal opinion. Prospective purchasers of Certificates are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Certificates, including, but not limited to, the consequences of receipt of payments under the Certificates and their disposal or redemption. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any changes in law that might take effect after such date.

United Arab Emirates (excluding the Dubai International Financial Centre)

The following summary of the anticipated tax treatment in the UAE in relation to the payments on the Certificates is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Certificates and the receipt of any payments with respect to such Certificates under the laws of the jurisdictions in which they may be liable to taxation.

There is currently in force in the Emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree of 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, Abu Dhabi or Dubai taxation in respect of payments made under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by the Company under any Transaction Document to which it is party, the Company has undertaken to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Trustee under the Certificates: (i) the Trustee has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions) and (ii) the Company has undertaken to pay such additional amounts to the Trustee to enable it to discharge such obligation.

The Constitution of the UAE specifically reserves to the UAE federal government the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries.

Dubai International Financial Centre

Pursuant to Article 14 of Law No. (9) of 2004 in respect of the Dubai International Financial Centre (the "**DIFC Law**"), entities licensed, registered or otherwise authorised to carry on financial services in the Dubai International Financial Centre and their employees shall be subject to a zero rate of tax for a period of 50 years from 13 September 2004. This zero rate of tax applies to income, corporation and capital gains tax. In addition, this zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the Dubai International Financial Centre. Article 14 of the DIFC Law also provides that it is possible to renew the 50 year period to a similar period upon issuance of a resolution by the Ruler of Dubai. As a result no payments by the Trustee under the Certificates or payments by the Company under any Transaction Document are subject to any tax in the Dubai International Financial Centre, whether by withholding or otherwise.

Cayman Islands

Under existing Cayman Islands laws payments on the Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding under Cayman Islands law will be required on the payment to any holder of the Certificates, nor will gains derived from the disposal of the

Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. The Trustee has received, from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law of the Cayman Islands, an undertaking dated 17 May 2016 that for a period of twenty years from the date of the grant of the undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee or by way of the withholding in whole or in part of any relevant payment. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. However, an instrument transferring title to such Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Registrar of Companies in the Cayman Islands which is calculated by reference to the nominal amount of the Trustee's authorised share capital. At current rates, this annual registration fee is approximately US$ 854. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

United States Federal Income Taxation

The following summary discusses certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Certificates. Except as specifically noted below, this discussion applies only to:

- Certificates purchased on original issuance at their issue price (as defined below);
- Certificates held as capital assets;
- U.S. Holders (as defined below); and
- Certificates with an original maturity of 30 years or less.

This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances or to U.S. Holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- tax-exempt organisations;
- dealers in securities or currencies;
- persons holding Certificates as part of a hedging transaction, straddle, conversion transaction or other integrated transaction;
- U.S. Holders whose functional currency is not the U.S. dollar;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes; or
- former citizens and residents of the United States.

This summary is based on the Internal Revenue Code of 1986, as amended, administrative pronouncements, published rulings, judicial decisions and final, temporary and proposed U.S. Treasury Regulations all as of the date of this Base Prospectus and any of which may at any time be repealed, revised or subject to differing interpretation, possibly retroactively so as to result in U.S. federal income tax consequences different from those described below. Persons considering the purchase of the Certificates should consult the relevant Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement) for any additional discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences

arising under other U.S. federal tax rules (such as the Medicare contribution tax and the alternative minimum tax), the laws of any state, local or non-U.S. taxing jurisdiction. No ruling will be sought from the U.S. Internal revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

This summary does not discuss Certificates that by their terms may be retired for an amount less than their principal amount and Certificates subject to special rules. U.S. Holders should consult their tax advisors regarding the tax consequences with respect to the acquisition, ownership and disposition of Certificates.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Certificate that is for U.S. federal income tax purposes:

- an individual that is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States or of any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if: (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) the trust has validly elected to be treated as a United States person for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Certificates, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of such entities or arrangements holding Certificates should consult with their tax advisors regarding the U.S. federal tax consequences of an investment in the Certificates.

Certain Accrual Method Taxpayers

Under recently enacted legislation, certain U.S. Holders that use an accrual method of accounting for tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on their financial statements—which may be earlier than would be the case under the rules described below. This rule generally is effective for such U.S. Holders for tax years beginning after December 31, 2017, except that in the case of income from a debt instrument having original issue discount, the rule will be effective for tax years beginning after December 31, 2018. U.S. Holders that use an accrual method of accounting should consult with their tax advisors regarding the potential applicability of this legislation to their particular situations.

Classification of the Certificates

The Company and the Trustee intend to treat the Certificates as representing a beneficial interest in indebtedness for US federal income tax purposes and each holder and beneficial owner of a Certificate, by acceptance of such Certificate or a beneficial interest therein, will likewise agree to treat the Certificates as representing a beneficial interest in indebtedness for such purposes. This treatment is not binding on the US Internal Revenue Service (the "**IRS**") and no ruling will be sought from the IRS regarding this or any other aspect of the tax treatment of the Certificates. It is possible that the IRS could successfully argue that the Certificates should be treated as equity interests in a partnership for US federal income tax purposes. Prospective investors should seek advice from their own tax advisors as to the consequences to them of alternative characterisations of the Certificates. The remainder of this discussion assumes that the Certificates represent a beneficial interest in indebtedness for US federal income tax purposes.

Payments of Stated Interest

Interest paid on a Certificate will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the Holder's method of accounting for U.S. federal income tax purposes, **provided that** the interest is "qualified stated interest" (as defined below). Interest income (including original issue discount, as discussed below) earned by a U.S. Holder with respect to a Certificate

will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the Holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Certificates and foreign currency Certificates are described under "– *Original Issue Discount*," "– *Contingent Payment Debt Instruments*," and "– *Foreign Currency Certificates*."

Original Issue Discount

A Certificate that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued with original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Certificate**") unless the Certificate satisfies a *de minimis* threshold (as described below). The "issue price" of a Certificate generally will be the first price at which a substantial amount of the Certificates are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Certificate generally will equal the sum of all payments required to be made under the Certificate other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the Company) at least annually during the entire term of the Certificate at a single fixed rate of interest, at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Certificate is denominated.

If the difference between a Certificate's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., one-quarter of one per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity), the Certificate will not be considered to have original issue discount. U.S. Holders of the Certificates with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Certificate.

U.S. Holders of original issue discount Certificates that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any particular Certificate (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest, and generally may revoke such election (a "**constant yield election**") only with the permission of the IRS. If a U.S. Holder makes a constant yield election with respect to a Certificate with market discount (discussed below), the U.S. Holder will be treated as having made an election to include market discount in income currently over the life of all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies. U.S. Holders should consult their tax advisors about making this election in light of their particular circumstances.

A Certificate that matures one year or less from its date of issuance (a "**short-term Certificate**") will be treated as being issued at a discount and none of the interest paid on the Certificate will be treated as qualified stated interest regardless of its issue price. In general, a cash method U.S. Holder of a short-term Certificate is not required to accrue the discount for U.S. federal income tax purposes but may elect to do so. Cash method U.S. Holders who do not elect to accrue the discount should include stated interest payments on short-term Certificates as ordinary income upon receipt. Cash method U.S. Holders who do elect to accrue the discount and certain other Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and

who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Certificate will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Certificates in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Company may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require the Company to redeem, a Certificate prior to its stated maturity date. Under applicable regulations, if the Company has an unconditional option to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Certificate may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Certificate as the stated redemption price at maturity, the yield on the Certificate would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Company to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Certificate would be higher than its yield to maturity. If it was presumed that an option would be exercised but it is not in fact exercised, the Certificate would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Certificate were issued, on the presumed exercise date for an amount equal to the Certificate's adjusted issue price on that date. The adjusted issue price of an original issue discount Certificate is defined as the sum of the issue price of the Certificate and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

If a U.S. Holder purchases a Certificate (other than a short-term Certificate) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Certificate, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Certificate, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Certificate, including disposition in certain non-recognition transactions, as foreign source ordinary income to the extent of the market discount accrued on the Certificate at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the U.S. Holder to include market discount in income as it accrues. An election to include market discount in income as it accrues applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies and may not be revoked without the consent of the IRS. In addition, a U.S. Holder that does not elect to include market discount in income currently may be required to defer, until the maturity of the Certificate or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Certificate.

Market discount will accrue on a straight line basis unless a U.S. Holder makes an election on a Certificate to accrue on the basis of a constant interest rate. This election is irrevocable once made.

Acquisition Premium and Amortisable Bond Premium

A U.S. Holder who purchases a Certificate for an amount that is greater than the Certificate's adjusted issue price but less than or equal to the stated redemption price at maturity will be considered to have purchased the Certificate at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. Holder must include in its gross income with respect to the Certificate for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. Holder purchases a Certificate for an amount that is greater than the stated redemption price at maturity, the U.S. Holder will be considered to have purchased the Certificate with amortisable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. Holder may elect to amortise this premium, using a constant yield method, over the remaining term of the Certificate. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Certificate by the amount of the premium amortised in any year. An election to amortise bond premium applies to all

taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "– *Original Issue Discount*") for a Certificate with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the Holder's debt instruments with amortisable bond premium.

Sale, Exchange or Retirement of the Certificates

Upon the sale, exchange or retirement of a Certificate, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the Holder's adjusted tax basis in the Certificate. A U.S. Holder's adjusted tax basis in a Certificate generally will equal the acquisition cost of the Certificate increased by the amount of original issue discount and market discount included in the U.S. Holder's gross income and decreased by any bond premium or acquisition premium previously amortised and by the amount of any payment received from the Trustee other than a payment of qualified stated interest, in each case, with respect to the Certificate. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder's foreign tax credit limitation except to the extent attributable to market discount that has not been previously included in the U.S. Holder's gross income. For these purposes, the amount realised does not include any amount attributable to accrued but unpaid qualified stated interest on the Certificate. Amounts attributable to accrued but unpaid qualified stated interest are treated as payments of interest as described under "– *Payments of Stated Interest*".

Gain or loss realised on the sale, exchange or retirement of a Certificate will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the U.S. Holder has held the Certificate for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Certificate, to the extent of any accrued discount, not previously included in the U.S. Holder's taxable income. See "*Original Issue Discount*" and "– *Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Certificates, and contingent payment debt instruments. See "*Foreign Currency Certificates*" and "– *Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

Contingent Payment Debt Instruments

If the terms of the Certificates provide for certain contingencies that affect the timing and amount of payments (including Certificates with a variable rate or rates that do not qualify as "variable rate debt instruments" for the purposes of the original issue discount rules), the Certificates generally will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Certificates qualifies as qualified stated interest. Rather, a U.S. Holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Certificate and the Certificate's "projected payment schedule" as described below. The comparable yield is determined by the Company at the time of issuance of the Certificates. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Certificates. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Trustee will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield. The Trustee's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Company or the Trustee regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by the Company in determining interest accruals and adjustments unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield,

adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a Holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
    - the amount of all previous interest inclusions under the contingent payment debt instrument over
    - the total amount of the U.S. Holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the 2 per cent. floor limitation that will be imposed on miscellaneous itemized deductions after 2025. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realised on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Certificate that is a contingent payment debt instrument generally will be the acquisition cost of the Certificate, increased by the interest previously accrued by the U.S. Holder on the Certificate under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Certificate. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. Holder recognises loss above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS (as described under "– *Reportable Transactions*").

A U.S. Holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument equal to the fair market value of the property, determined at the time of retirement. The U.S. Holder's holding period for the property will commence on the day immediately following its receipt. Special rules apply to contingent payment debt instruments the payments of interest or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**Foreign Currency Contingent Payment Debt Instruments**"). Very generally, Foreign Currency Contingent Payment Debt Instruments are accounted for like a contingent payment debt instrument, as described above, but in the currency of the Foreign Currency Contingent Payment Debt Instruments. The relevant amounts must then be translated into U.S. dollars. The rules applicable to Foreign Currency Contingent Payment Debt Instruments are complex and U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of Foreign Currency Contingent Payment Debt Instruments.

Foreign Currency Certificates

The following discussion summarises certain U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Certificates the payments of interest or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**foreign currency Certificates**")

The rules applicable to foreign currency Certificates could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Certificate to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Certificates are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Certificates.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Certificate will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Certificate during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the relevant taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. Holder or cash method U.S. Holder accruing original issue discount may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the partial accrual period in the relevant taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortisable bond premium on a foreign currency Certificate are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realised with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above. Accrued market discount (other than market discount currently included in income) taken into account upon the receipt of any partial principal payment or upon the sale, retirement or other disposition of a Certificate is translated into U.S. dollars at the spot rate on such payment or disposition date.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realised on amortised bond premium with respect to any period by treating the bond premium amortised in the period in the same manner as on the sale, exchange or retirement of the foreign currency Certificate. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Certificate with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium.

A U.S. Holder's tax basis in a foreign currency Certificate, and the amount of any subsequent adjustment to the Holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Certificate, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. Holder who purchases a foreign currency Certificate with previously owned foreign currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Certificate on the date of purchase.

Gain or loss realised upon the sale, exchange or retirement of a foreign currency Certificate that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between: (i) the U.S. dollar value of the foreign currency principal amount of the Certificate, determined on the date the payment is received or the Certificate is disposed of; and (ii) the U.S. dollar value of the foreign currency principal amount of the Certificate, determined on the date the U.S. Holder acquired the Certificate. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Certificates described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of the foreign currency Certificate. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Certificate is properly reflected. Any gain or loss realised by these U.S. Holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, discount on a short-term Certificate not previously included in the Holder's income **provided that** the Certificate is not a Foreign Currency Contingent Payment Debt Instrument. Holders should consult their tax advisors with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Certificate accrue.

A U.S. Holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Certificate equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Certificate that is traded on an established securities market is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations **provided that** the Certificates are traded on an established securities market. This election cannot be changed without the consent of the IRS. If either: (i) the Certificate is not traded on an established securities market; or (ii) it is and the Holder is an accrual method taxpayer that does not make the election described above with respect to such Certificate, exchange gain or loss may result from currency fluctuations between the trade date and the settlement date of the purchase or sale. Any gain or loss realised by a U.S. Holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Certificates) will be ordinary income or loss.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Certificates and the proceeds from a sale or other disposition of the Certificates. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle them to a refund, **provided that** the required information is furnished to the IRS.

Reporting Requirements

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Certificates as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of the Certificates constitutes

participation in a "reportable transaction" for the purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS.

U.S. Holders should consult their tax advisors regarding the application of these rules as well as any additional filing or reporting obligations that may apply to the acquisition, ownership or disposition of the Certificates. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a U.S. Holder's particular situation. U.S. Holders should consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of the Certificates, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**", a term not defined as of the date of this Base Prospectus) to persons that fail to meet certain certification, reporting or related requirements. The Trustee is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, such withholding would not apply prior to 1 January 2019 and Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register (the "**grandfathering date**") generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Trustee). Holders should consult their own tax advisers regarding how these rules may apply to their investment in Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Certificates, no person will be required to pay additional amounts or indemnify any person as a result of any FATCA withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 (such as the issuance and subscription of Certificates) are expected to be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (i) by transacting with a person established in a participating Member State; or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Certificates are advised to seek their own professional advice in relation to the FTT.

ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving: (i) employee benefit plans or other plans, including individual retirement accounts or Keogh plans which are subject to Title I of ERISA or are defined in and subject to Section 4975 of the Code (collectively, "**Plans**"), or any entities whose underlying assets include plan assets of such employee benefit plans or other plans for the purposes of Title I of ERISA or Section 4975 of the Code (together with Plans, "**Benefit Plan Investors**"); and (ii) persons who have certain specified relationships to Plans ("parties in interest" under ERISA and "disqualified persons" under the Code and collectively, "**Parties in Interest**"). A violation of these "prohibited transaction" rules may result in the imposition of an excise tax, the rescission of the transaction or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless relief is available under an applicable statutory or administrative exemption. Under Section 3(42) of ERISA and regulations issued by the U.S. Department of Labor (collectively, the "**Plan Asset Regulations**"), when Benefit Plan Investors acquire 25% or more of any class of equity in an entity, the underlying assets owned by that entity will be treated as if they were plan assets of such Benefit Plan Investors, unless an exception otherwise applies. If the assets of the Trustee were deemed to be plan assets of such Benefit Plan Investors, the Trustee would be subject to certain fiduciary obligations under ERISA, and certain transactions that the Trustee might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA and Section 4975 of the Code.

Each initial purchaser of the Certificates (or any interest in a Certificate) and each subsequent transferee will be deemed to have acknowledged, represented and agreed, by its purchase or holding of Certificates, that (A) it is not and for so long as it holds Certificates will not be: (i) a Plan; or (ii) a governmental, church or non-U.S. plan unless, under this subsection (ii), its purchase and holding of the Certificates would not result in a violation of any laws which are substantially similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code ("**Similar Law**"), and (B) it and any person causing it to acquire any of the Certificates agrees to indemnify and hold harmless the Trust, the Trustee Administrator, the Trustee, the Company and the Arrangers and Dealers and their respective affiliates from any cost, damage or loss incurred by them as a result of it being or being deemed to be a Plan.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a dealer agreement (the "**Dealer Agreement**") dated 5 September 2018, agreed with the Trustee and the Company a basis upon which they or any of them may from time to time agree to purchase Certificates for their own account or for resale to investors and other purchasers at varying pricing relating to prevailing market prices at the time of resale as determined by any Dealer or for resale at a fixed offering price. Any such agreement will extend to those matters stated under "*Form of the Certificates* " and "*Terms and Conditions of the Certificates*".

In accordance with the terms of the Dealer Agreement, the Trustee and the Company will pay each relevant Dealer a commission as agreed between the Trustee, the Company and such Dealers in respect of Certificates subscribed by it. The Trustee and the Company has agreed in the Dealer Agreement to reimburse the Dealers for certain of their expenses in connection with the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Dealer Agreement entitles the relevant Dealer(s) to terminate any agreement that they make to subscribe Certificates in certain circumstances prior to payment for such Certificates being made to the Trustee.

In order to facilitate the offering of any Series of the Certificates, certain persons participating in the offering of the Series may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Certificates during and after the offering of the Series. Specifically, such persons may over-allot or create a short position in the Certificates for their own account by selling more Certificates than have been sold to them by the Trustee. Such persons may also elect to cover any such short position by purchasing Certificates in the open market. In addition, such persons may stabilise or maintain the price of the Certificates by bidding for or purchasing Certificates in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Certificates are reclaimed if Certificates previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Certificates to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation or other transactions. Such transactions, if commenced, may be discontinued at any time. Under United Kingdom laws and regulations, stabilisation activities may only be carried on by the Stabilisation Manager(s) named in the relevant subscription agreement (or persons acting on behalf of any Stabilisation Manager(s)) or, as the case may be, named in the relevant Pricing Supplement, and only for a limited period following the Issue Date of the relevant Series of Certificates.

Transfer Restrictions

As a result of the following restrictions, purchasers of Certificates who are in the United States or who are U.S. persons are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Certificates.

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, the Trustee is relying on the exemption from the registration requirements of the Investment Company Act provided by Section 3(c)(7). Accordingly, the Certificates are being offered and sold: (i) in the United States only to persons reasonably believed to be QIBs that are also QPs in reliance on Rule 144A of the Securities Act; or (ii) to non U.S. persons in an offshore transaction in reliance on Regulation S.

Any reoffer, resale, pledge, transfer or other disposal, or attempted reoffer, resale, pledge, transfer or other disposal, made other than in compliance with the restrictions noted below shall not be recognised by the Company or the Trustee.

Restricted Certificates

Each purchaser of a beneficial interest in the Restricted Certificates, by accepting delivery of this Base Prospectus and the Restricted Certificates, will be deemed to have acknowledged, represented and agreed that:

(a) It is: (a) a QIB that is also a QP; (b) not a broker dealer that owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers; (c) not a participant directed employee plan, such as a 401(k) plan; (d) acquiring such Restricted Certificates for its own account, or for the account of one or more QIBs, each of which is also a QP; (e) not formed for the purpose of investing in the Restricted Certificates or the Trustee; and (f) aware, and each beneficial owner of the Restricted Certificates has been advised, that the sale of the Restricted Certificates to it is being made in reliance on Rule 144A and the Trustee is relying on the exemption from the registration requirements of the Investment Company Act provided by section 3(c)(7);

(b) It will provide notice of the transfer restrictions to any subsequent transferees. In addition, it understands that the Trustee may receive a list of participants holding positions in the Restricted Certificates from one or more book entry depositories;

(c) (a) The Restricted Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except: (i) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of one or more QIBs, each of which is also a QP; or (ii) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and (b) it will, and each subsequent holder of the Restricted Certificates is required to, notify any purchaser of the Restricted Certificates from it of the resale restrictions on the Restricted Certificates;

(d) It understands that the Restricted Certificates sold in this offering constitute "**restricted securities**" within the meaning of Rule 144 under the Securities Act, and for so long as they remain "restricted securities" such Restricted Certificates may not be transferred except as described in paragraph (iii) above;

(e) It understands that the Trustee has the power to compel any beneficial owner of Restricted Certificates that is a U.S. person and is not a QIB and also a QP to sell its interest in the Restricted Certificates, or may sell such interest on behalf of such owner. The Trustee has the right to refuse to honour the transfer of an interest in the Restricted Certificates to a U.S. person who is not both a QIB and a QP. Any purported transfer of the Restricted Certificates to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void *ab initio*;

(f) The Restricted Certificates, unless the Trustee determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

"THE CERTIFICATE REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "**QIB**") WITHIN THE MEANING OF RULE 144A AND A QUALIFIED PURCHASER (A "**QP**") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**") PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS A QP WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS

NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE CERTIFICATES REPRESENTED HEREBY IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE TRUSTEE, THE COMPANY OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS CERTIFICATE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (1) IT IS A QIB THAT IS ALSO A QP; (2) IT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN; (4) IT IS HOLDING THE CERTIFICATES REPRESENTED HEREBY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS A QP; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE TRUSTEE OR THE CERTIFICATES REPRESENTED HEREBY; (6) IT UNDERSTANDS THAT THE TRUSTEE MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES AND (7) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS CERTIFICATE IT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT A QIB AND A QP, THE TRUSTEE MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS CERTIFICATE TO A PERSON WHO IS (I) A U.S. PERSON WHO IS A QIB AND A QP THAT IS, IN EACH CASE, OTHERWISE QUALIFIED TO PURCHASE THE CERTIFICATES REPRESENTED HEREBY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THE CERTIFICATES REPRESENTED HEREBY TO THE TRUSTEE OR AN AFFILIATE OF THE TRUSTEE OR TRANSFER ITS INTEREST IN THIS CERTIFICATE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE TRUSTEE AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE FACE AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE TRUSTEE HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THE CERTIFICATES REPRESENTED HEREBY TO A U.S. PERSON WHO IS NOT A QIB AND A QP. THE TRUSTEE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST IN THE CERTIFICATES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT, DURING THE PERIOD IT HOLDS ANY INTEREST IN THIS CERTIFICATE (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**") APPLIES, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH, A "BENEFIT PLAN INVESTOR"), AND NO PART OF THE ASSETS TO BE USED BY IT TO PURCHASE OR

HOLD SUCH CERTIFICATES OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR AND (B) IF IT IS, OR IS ACTING ON BEHALF OF A GOVERNMENTAL, CHURCH OR NON U.S. PLAN, OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLAN SUCH ACQUISITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A NON EXEMPT VIOLATION OF ANY LAWS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AND WILL NOT SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO ANY LAWS, RULES OR REGULATIONS APPLICABLE TO SUCH PLAN AS A RESULT OF THE INVESTMENT IN THE CERTIFICATES BY SUCH PLAN. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. IN THE EVENT THAT THE TRUSTEE DETERMINES THAT THIS CERTIFICATE IS HELD BY A BENEFIT PLAN INVESTOR, THE TRUSTEE MAY CAUSE A SALE OR TRANSFER IN THE MANNER DESCRIBED IN THE BASE PROSPECTUS.

THE TRUSTEE MAY COMPEL EACH BENEFICIAL OWNER OF THE CERTIFICATES REPRESENTED HEREBY THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A QIB AND A QP.";

(g) that (a) it is not and is not acting on behalf of: (i) a Plan, or (ii) a governmental, church or non-U.S. plan or entity whose underlying assets are deemed to include the assets of any such plan, unless, under this subsection (ii), the purchase and holding of the Certificate would not result in a violation of any Similar Law or subject the Trust or any transaction thereby to any such Similar Law and (b) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.

(h) It acknowledges that the Trustee, the Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Restricted Certificates is no longer accurate, it shall promptly notify the Trustee, the Company and the Dealers. If it is acquiring any Certificates as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and

(i) It understands that Restricted Certificates will be represented by interests in one or more Restricted Global Certificates. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Unrestricted Global Certificate, it will be required to provide a Transfer Agent or the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Certificates

Each purchaser of a beneficial interest in the Unrestricted Certificates and each subsequent purchaser of Unrestricted Certificates, by accepting delivery of this Base Prospectus and the Unrestricted Certificates, will be deemed to have represented, agreed and acknowledged that:

(i) It is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and it is not an affiliate of the Trustee, the Company or a person acting on behalf of the Trustee, the Company or such an affiliate;

(ii) It is, or at the time Unrestricted Certificates are purchased it will be, the beneficial owner of such Unrestricted Certificates;

(iii) The Unrestricted Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that if it should offer, sell, pledge or otherwise transfer Unrestricted Certificates prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Unrestricted Certificates), it will do so only except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of a QIB that is also a QP or (b) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.

(iv) It understands that the Unrestricted Certificates, unless otherwise determined by the Trustee in accordance with applicable law, will bear a legend substantially in the following form:

"THE CERTIFICATE REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF WITHIN THE UNITED STATES OR TO A U.S. PERSON EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS PARAGRAPH OF THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE CERTIFICATES OF THE SERIES OF WHICH THIS CERTIFICATE FORMS PART.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST IN THE CERTIFICATES REPRESENTED HEREBY) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT, DURING THE PERIOD IT HOLDS ANY INTEREST IN THIS CERTIFICATE (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**") APPLIES, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH, A "BENEFIT PLAN INVESTOR"), AND NO PART OF THE ASSETS TO BE USED BY IT TO PURCHASE OR HOLD SUCH CERTIFICATES OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR AND (B) IF IT IS, OR IS ACTING ON BEHALF OF A GOVERNMENTAL, CHURCH OR NON U.S. PLAN, OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLAN SUCH ACQUISITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A NON EXEMPT VIOLATION OF ANY LAWS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE AND WILL NOT SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO ANY LAWS, RULES OR REGULATIONS APPLICABLE TO SUCH PLAN AS A RESULT OF THE INVESTMENT IN THE CERTIFICATES BY SUCH PLAN. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. IN THE EVENT THAT THE TRUSTEE DETERMINES THAT THIS CERTIFICATE IS HELD BY A BENEFIT PLAN INVESTOR, THE TRUSTEE MAY CAUSE A SALE OR TRANSFER IN THE MANNER DESCRIBED IN THE BASE PROSPECTUS.";

(v) that (a) it is not and is not acting on behalf of: (i) a Plan, or (ii) a governmental, church or non-U.S. plan or entity whose underlying assets are deemed to include the assets of any such plan, unless, under this subsection (ii), the purchase and holding of the Certificate would not result in a violation of any Similar Law or subject the Trust or any transaction thereby to any such Similar Law and (b)

it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person.

(vi) It acknowledges that the Trustee, the Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Unrestricted Certificates is no longer accurate, it shall promptly notify the Trustee, the Company and the Dealers; and

(vii) It understands that Unrestricted Certificates will be evidenced by an Unrestricted Global Certificate. Before any interest in a Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent or the Registrar with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

Selling Restrictions

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for or purchase Certificates and this Base Prospectus shall not be construed as an invitation or solicitation to any member of the public in the Cayman Islands to subscribe for or purchase Certificates. This Base Prospectus has not been filed with or reviewed by the Cayman Islands Monetary Authority or any other regulatory authority in the Cayman Islands, and no such authority in the Cayman Islands accepts any liability for the content hereof. This Base Prospectus may not be circulated in or into the Cayman Islands or made available to the general public in the Cayman Islands. The Certificates may not be transferred or sold to or purchased by any member of the general public in the Cayman Islands.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (MKT Module) of the DFSA rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more (excluding that person's principal place of residence);

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public or parallel market offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 9/1439H corresponding to 27/12/2017G (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates to a Saudi Investor will be made in compliance with the KSA Regulations.

The offer of Certificates shall not therefore constitute a "public offer" pursuant to the KSA Regulations. Investors are informed that Article 15 of the KSA Regulations places restrictions on secondary market activity with respect to the Certificates, including as follows:

(a) a Saudi Investor (referred to as a "**transferor**") who has acquired Certificates pursuant to a private placement may not offer or sell Certificates to any person (referred to as a "**transferee**") unless the offer or sale is made through an authorised person where one of the following requirements is met:

    (i) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyals one million or an equivalent amount;

    (ii) the Certificates are offered or sold to a sophisticated investor; or

    (iii) the Certificates are being offered or sold in such other circumstances as the CMA may prescribe for these purposes;

(b) if the requirement of paragraph (a)(i) above cannot be fulfilled because the price of the Certificates being offered or sold to the transferee has declined since the date of the original private placement, the transferor may offer or sell the Certificates to the transferee if their purchase price during the period of the original private placement was equal to or exceeded Saudi Riyals 1 million or an equivalent amount;

(c) if the requirement in paragraph (b) above cannot be fulfilled, the transferor may offer or sell Certificates if he/she sells his entire holding of Certificates to one transferee; and

(d) the provisions of paragraphs (a), (b) and (c) above shall apply to all subsequent transferees of the Certificates.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"); and

(b) accordingly, the Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 or Section 229(1)(b) and, Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

Republic of Italy

The offering of the Certificates has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and accordingly, no Certificates may be offered, sold or delivered, nor may copies of the Base Prospectus of any other document relating to any Certificate be distributed in Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sale or deliver any Certificates or distribute any copies of this Base Prospectus or any other document relating to the Certificates in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 ("**Regulation No. 11971**"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any such offer, sale or delivery of the Certificates or distribution of copies of this Base Prospectus or any other document relating to the Certificates in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and CONSOB regulation No. 20307 of 15 February 2018, all as amended from time to time;

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations including any limitation or requirement imposed from time to time by CONSOB, the Bank of Italy or any other competent authority.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter

289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the relevant Final Terms (or Pricing Supplement, in the case of Non-PD Certificates), all Certificates issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Certificates in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Base Prospectus has not been reviewed or approved by the Qatar Central Bank, the Qatar Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority and is only intended for specific recipients, in compliance with the foregoing.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Certificates which have a maturity of less than one year: (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Company; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the EEA (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Certificates to the public in that Relevant Member State:

(a) ***Qualified investors***: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) ***Fewer than 150 offerees***: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or

(c) ***Other exempt offers***: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Certificates referred to in (a) to (c) above shall require the Trustee or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State).

United States

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States, and the Certificates may not be

offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer and sell Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Certificates on a syndicated basis, the relevant Lead Manager, of all Certificates of the Series of which such Certificates are a part, within the United States or to, or for the account or benefit of, U.S. persons other than in offshore transactions pursuant to Regulation S or pursuant to Rule 144A under the Securities Act to QIBs who are also QPs. Accordingly, neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree that it will have sent to each dealer to which it sells its Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented, warranted, undertaken and agreed and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Certificates in the United States.

Each Dealer has represented, warranted, undertaken and agreed and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree that it has offered and sold and will offer and sell the Certificates in the United States only to persons whom it reasonably believes are QIBs who are also QPs who can represent that: (A) they are QIBs who are QPs within the meaning of Rule 144A; (B) they are not broker dealers who own and invest on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers; (C) they are not a participant directed employee plan, such as a 401(k) plan; (D) they are acting for their own account, or the account of one or more QIBs each of which is also a QP; (E) they are not formed for the purpose of investing in the Certificates or the Trustee; (F) they understand that the Trustee may receive a list of participants holding positions in its securities from one or more book entry depositories; and (G) they will provide notice of the transfer restrictions set forth in this Base Prospectus to any subsequent transferees.

In addition, until 40 days after the commencement of the offering, an offer or sale of Certificates within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

The Certificates (and any interest in a Certificate) may not be sold to or held by or on behalf of any: (i) employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to Title I of ERISA; (ii) plan (as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) that is subject to Section 4975 of the Code; (iii) any entity whose underlying assets could be deemed to include "plan assets" by reason of a plan's investment in such entities for purposes of ERISA; or (iv) any governmental plan (as defined in Section 3(32) of ERISA), church plan (as defined in Section 3(33) of ERISA), non U.S. plan (as described in Section 4(b)(4) of ERISA), or entity whose underlying assets are deemed to include the assets of any such plan, that is subject to rules similar to ERISA and the Code under other applicable laws or documents ("**Similar Law**"), unless, under this subsection (iv), its purchase and holding of the Certificates would not result in a violation of any such Similar Law or subject the Trustee or any transactions thereby to any such Similar Law.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will, to the best of its knowledge and belief, comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Prospectus and will obtain any

consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Trustee, the Company nor any of the other Dealers shall have any responsibility therefor.

Neither the Trustee, the Company nor any of the Dealers represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Series, the relevant Dealer(s) will be required to comply with such other restrictions as the Trustee, the Company and the relevant Dealer(s) shall agree and as shall be set out in the relevant subscription agreement or, as the case may be, in the relevant Final Terms or the Pricing Supplement (as applicable).

GENERAL INFORMATION

Authorisation

The establishment of the Programme was authorised by a resolution of the board of directors of the Trustee dated 8 May 2016. The update of the Programme was authorised by a resolution of the board of directors of the Trustee dated 4 September 2018. The Trustee has obtained or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates. The entry into the Transaction Documents to which it is a party was authorised by a resolution of the Board of Directors of the Company dated 14 August 2018.

Listing of the Certificates

It is expected that each Series of the Certificates (other than Non-PD Certificates) which is to be admitted to the Official List and to trading on the Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Certificate initially representing the Certificates of such Series. Application has been made to the U.K. Listing Authority for Certificates issued under the Programme (other than Non-PD Certificates) to be admitted to the Official List and to the London Stock Exchange for such Certificates to be admitted to trading on the Regulated Market. The listing of the Programme in respect of such Certificates is expected to be granted on or before 5 September 2018.

The Legal Entity Identifier (LEI) code of the Trustee is: 21380096JRTWB8TL9236.

Application has also been made to the DFSA for certain Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the DFSA Official List and to Nasdaq Dubai for such Certificates to be admitted to trading on Nasdaq Dubai.

Non-PD Certificates may be issued pursuant to the Programme.

Dealers transacting with the Company

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Company and its affiliates in the ordinary course of business for which they may receive fees. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Company and its affiliates routinely hedge their credit exposure to the Company and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Significant or Material Change

There has been no significant change in the financial or trading position of the Company or the Group since 30 June 2018. There has been no material adverse change in the prospects of the Company or the Group since 31 December 2017

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

Litigation

Apart from the legal proceedings disclosed on pages 164 to 165 of this Base Prospectus, there are, and have been, no other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Group is aware) during the twelve months preceding the date of this Base Prospectus that may have, or have had, significant effects on the Trustee's or the Group's financial position or profitability.

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Series of Certificates allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, as applicable). In addition, the Trustee may make an application for any Certificates in registered form to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Certificates and the CUSIP and/or CINS numbers for each Series of Certificates, together with the relevant ISIN and (if applicable) Common Code, will be specified in the applicable Final Terms (or, in the case of Non-PD Certificates, the applicable Pricing Supplement).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Company and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Auditors

The audited consolidated financial statements of the Company as at and for the year ended 31 December 2017, and as at and for the year ended 31 December 2016 have been audited by KPMG Limited Liability Partnership ("**KPMG LLP**"), independent auditors, as stated in their audit report appearing herein. The registered office of KPMG LLP is P.O. Box 3800, Level 8, Liberty House, Dubai International Financial Centre, Dubai, UAE.

With respect to the unaudited condensed consolidated financial information for the periods ended 30 June 2018, included herein, the independent auditors have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit and they do not express an opinion on that interim financial information.

KPMG LLP is an institution authorised by the Dubai International Financial Centre ("**DIFC"**) to conduct independent audits of corporations registered in DIFC. KPMG LLP is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative. The registered office address of KPMG LLP is P.O. Box 3800, Level 8, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates.

KPMG is regulated in the UAE by the UAE Ministry of Economy which has issued KPMG with a license to practise as auditors. There is no professional institute of auditors in the UAE and, accordingly, KPMG is not a member of a professional body in the UAE. All of KPMG's audit professionals and partners are members of the institutes from where they received their professional qualification.

Documents available for inspection

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will, when published, be available during normal business hours for inspection from the registered office of the Trustee and from the specified office of the Paying Agent for the time being in London, upon reasonable notice being given to the Issuing and Paying Agent and during usual business hours:

- the constitutional documents of the Trustee and the Company;
- the Master Purchase of Services Agreement, each Supplemental Purchase of Services Agreement, the Service Agency Agreement (and each Services Plan), the Purchase Undertaking, the Sale Undertaking, each Sale Agreement entered into in connection with the Purchase Undertaking or Sale Undertaking, the Agency Agreement, the Master Declaration of Trust and any Supplemental Declaration of Trust and the forms of the Global Certificates and Definitive Certificates;
- the DPW Financial Statements, together with the audit reports prepared in connection therewith;
- the most recently published audited consolidated financial statements of the Company and the most recently published unaudited interim condensed consolidated financial statements (if any) of the Company, together with any audit or review reports prepared in connection therewith.
- a copy of this Base Prospectus;
- any future offering circulars, prospectuses, information memoranda and supplements, including Final Terms and Pricing Supplements (save that a Pricing Supplement will only be available for inspection by a holder of a Non-PD Certificate and such holder must produce evidence satisfactory to the Trustee, the Company and the Issuing and Paying Agent as to its holding of such Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and on the Dubai Financial Service Authority's website at https://www.dfsa.ae/DFSA-Listing-Authority/Approved-Documents.

Shari'a Boards

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Shari'a Advisory Board of Citi Islamic Investment Bank E.C., the Shari'a Supervision Board of Dubai Islamic Bank and Dar Al Sharia, the Shari'a Supervisory Board of First Abu Dhabi Bank P.J.S.C and the Central *Shariah* Committee of HSBC Bank Middle East Limited.

The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.

Dr. Nazih Hammad

Dr. Nazih Hammad is a graduate of the Faculty of Sharia at the University of Damascus, Syria and holds a Ph. D. in Islamic Jurisprudence from Cairo University. He has taught in Faculty of Sharia at Um Alqura University, Makkah for 17 years. Dr. Nazih Hammad is the author of several research papers and books on Islamic jurisprudence and banking and finance.

Sheikh Nizam Yaquby

Sheikh Nizam Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in economics and comparative religions from McGill University, Canada. He has served in Bahrain Mosques from 1981-1990 where he taught Tafsir, Hadith and Fiqh in Bahrain since 1976. He has published several articles and books on various Islamic subjects including banking and finance.

Dr. Mohammed Ali Elgari

Dr. Mohammed Ali Elgari holds a PhD from the University of California. He is a Professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia and former director of the Centre for Research in Islamic Economics, in the same university. He authored several books in Islamic finance and published tens of articles on the subject both in Arabic and English. Dr. Elgari is the recipient of the Islamic Development Bank prize in Islamic Banking and Finance for the year 1424H (2004).

The Shari'a Supervision Board of Dubai Islamic Bank and Dar Al Sharia

Dr Hussain Hamed Hassan (Chairman)

Dr Hussain holds a PhD and is the head of the Sharia Board of Dubai Islamic Bank and a member of Fatwa and Sharia boards of numerous other leading global Islamic finance institutions including Islamic Development Bank (IDB), Jeddah. For over 50 years, he has advised various central banks and regulators, has supervised the establishment and conversion of various Islamic financial institutions and advised Presidents of various Islamic Republics. He has established Islamic universities/faculties worldwide, including in Makkah, Islamabad, Kazakhstan and Libya. He is member of AAOIFI and the Islamic Financial Services Board, the International Fiqh Academy of the Organisation of the Islamic Conference, the Fiqh Academy of Muslim World League, Saudi Arabia and is also a President of American Muslim Jurists Association. Dr Hussain has authored 21 books and over 400 articles, has supervised translation of the Holy Quran into Russian and of 200 Islamic books into various languages.

Dr. Mohamed Zoeir

Dr. Zoeir holds a PhD in Islamic Economy and is a member of many Islamic Banks across the Middle East and Africa. He has authored numerous researches and studies in Islamic Finance and banking. Dr. Zoeir is also Sharia inspector, Secretary General of Board of Sharia at Dubai Islamic Bank, Chief Editor of Islamic Economics magazine.

Dr. Muhammad Qaseem

Dr. Muhammad Qaseem holds a PhD (Islamic Studies) from the Faculty of Usul ud Din, is the country head of Sharia of Dubai Islamic Bank Pakistan Limited (DIBPL) and has served as Sharia Board member of many other institutions. He also has written various articles on Islamic Banking. He has also been teaching various courses in various BA and MA programmes at the International Islamic University, Islamabad (IIUI). Dr. Muhammad Qaseem has many academic contributions, articles and literary and translation work.

Dr. Muhammad Abdulrahim Sultan Al- Ulama

Dr. Muhammad Sultan Al-Ulama holds a PhD in Islamic jurisprudence, is an assistant professor in various universities and a member of numerous academic committees. In addition to his contribution to worldwide seminars and conferences in the area of Islamic finance, he has published numerous articles and reports.

Dr. Youssif Abdullah bin Saleh Al Shibly

Dr. Youssif Al Shibly holds a PhD and is a comparative Fiqh professor in Saudi Arabia. He has contributed and presented many courses and training sessions to judges in Saudi Arabia. Dr. Al Shibly has also worked in Islamic institution in Washington, served as Sharia Board member of many other institutions and has published more than 17 reports and researches.

The Central Shariah Committee of HSBC Bank Middle East Limited

Sheikh Nizam Yaquby

Sheikh Nizam Yaquby is an internationally acclaimed scholar in the Islamic banking industry. He has been a teacher of Tafsir since 1976 and advises a number of banks and financial institutions including HSBC Saudi Arabia Limited, Abu Dhabi Islamic Bank, BNP Paribas, Dow Jones, Lloyds TSB, Citi Islamic Investment Bank E.C. Bahrain and Standard Chartered on matters pertaining to Islamic Banking and Finance. Sheikh Nizam Yaquby is actively involved in AAOIFI Shariah Board discussions involving Sukuk and presented papers in regional and international conferences on Islamic Finance.

Dr. Mohammed Ali Elgari

Dr. Mohammed Ali Elgari is renowned *Shari'a* scholar in Islamic Finance industry and expert at the Islamic Jurisprudence Academies of OIC. Dr. Elgari is member of various Sharia'h Boards of many Islamic Banks and Takaful Companies including those of HSBC Saudi Arabia Limited, Dow Jones, International Islamic Fund Market, Citi Islamic Investment bank, National Commercial Bank and First Abu Dhabi Bank.

Dr. Aznan Hasan

Dr. Aznan Hasan is an Associate Professor in Islamic Law at Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia. He has been teaching Islamic law at the University since 2003. He is also President of the Association of Shariah Advisors in Islamic Finance and has been Deputy Chairman of Shariah Advisory Council, Securities Commission of Malaysia since July 2010. He was a member, Shariah Advisory Council, Bank Negara Malaysia, (November 2006- August 2008, November 2010-October 2013). He is also the Chairman of the Shariah Supervisory Board, Shariah Advisory Committee, Barclays DIFC (April 2011-Present). He is Shariah adviser to Maybank Islamic in Malaysia and has been advising ABSA Islamic Banking, South Africa since July 2010.

The Shari'a Supervisory Board of First Abu Dhabi Bank P.J.S.C

Professor Dr Abdul Aziz Al Qassar

Prof. Dr. Abdul Aziz Al Qassar is a Professor of Comparative Jurisprudence at the Faculty of Sharia and Islamic Studies at Kuwait University; he received a doctorate degree in comparative jurisprudence from the Faculty of Sharia and Law - Al-Azhar University - Cairo - Arab Republic of Egypt in 1997.

As a faculty member at the Faculty of Sharia and Islamic Studies at Kuwait University from 1997 to this time, he served as Associate Dean for Academic Affairs and Graduate Studies and Research at the Faculty of Sharia and Islamic Studies at Kuwait University from the period 2001-2005, and a member of the Fatwa and Shariah in many institutions and Islamic banks in Kuwait and abroad, a lecturer in Islamic finance, has many research and religious studies in Islamic jurisprudence and contemporary financial transactions.

Dr. Mohamed A. Elgari

See biography above under "*The Shari'a Advisory Board of Citi Islamic Investment Bank E.C.*"

Dr. Mohd Daud Bakar

Dr. Daud is the Founder and Group Chairman of Amanie Advisors, a global boutique Shariah advisory firm with offices located in Kuala Lumpur, Dubai, Luxembourg, Cairo, Kazakhstan, Oman, Australia, South Korea and Dublin. He is also the founder and chairman of Amanie Nexus Sdn Bhd (Kuala Lumpur). Prior to this; he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he went on to complete his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made many presentations in various conferences both local and overseas.

Dr Daud is currently the chairman of the Shariah Advisory Council of the Central Bank of Malaysia, the SACSC and the Shariah Supervisory Council of Labuan Financial Services Authority. He is also a member of the Shariah Board of Dow Jones Islamic Market Index (New York), Oasis Asset Management (Cape Town, South Africa), The National Bank of Oman, Financial Guidance (USA), BNP Paribas (Bahrain), Morgan Stanley (Dubai), Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia), Bank of London and Middle East (London), Noor Islamic Bank (Dubai), Islamic Bank of Asia (Singapore), and in other financial institutions both local and abroad. Apart from that, Dr Mohd Daud is also actively advising, locally and overseas, on capital markets product structuring such as sukuk. Recently, Dr Mohd Daud has been honored with "The Asset Triple A Industry Leadership Award" at The Asset Triple A Islamic Finance Award 2014 by The Asset magazine and been named as the recipient of the "Tokoh Perdana" (Most Outstanding Individual") award in conjunction with the national-level Maulidur Rasul 1435 Hijrah/2014 (Prophet Muhammad's birthday) granted by Yang Di-Pertuan Agong Tuanku Abdul Halim Mu'adzam Shah, His Majesty the King of Malaysia.

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Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of DP World Limited as at 30 June 2018, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information").

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

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial 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 condensed consolidated interim financial information as at 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

Rohit Rajvanshi

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DP World Limited and its subsidiaries

Condensed consolidated statement of profit or loss

		Period ended 30 June 2018			Period ended 30 June 2017		
	Note	**Before separately disclosed items**	**Separately disclosed items (Note 7)**	**Total**	Before separately disclosed items	Separately disclosed items (Note 7)	Total
		USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
		(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Revenue		**2,625,599**	**-**	**2,625,599**	2,294,453	7,933	2,302,386
Cost of sales		**(1,411,079)**	**-**	**(1,411,079)**	(1,120,478)	(7,933)	(1,128,411)
Gross profit		**1,214,520**	**-**	**1,214,520**	1,173,975	-	1,173,975
General and administrative expenses		**(364,228)**	**-**	**(364,228)**	(330,283)	-	(330,283)
Other income		**24,701**	**-**	**24,701**	20,278	571	20,849
Share of profit/ (loss) from equity-accounted investees (net of tax)	*13*	**87,853**	**(5,744)**	**82,109**	60,196	(11,813)	48,383
Results from operating activities		**962,846**	**(5,744)**	**957,102**	924,166	(11,242)	912,924
Finance income		**63,729**	**65,017**	**128,746**	52,057	-	52,057
Finance costs		**(292,264)**	**(10,906)**	**(303,170)**	(217,811)	(51,535)	(269,346)
Net finance costs		**(228,535)**	**54,111**	**(174,424)**	(165,754)	(51,535)	(217,289)
Profit before tax		**734,311**	**48,367**	**782,678**	758,412	(62,777)	695,635
Income tax expense	*6*	**(105,722)**	**-**	**(105,722)**	(76,128)	-	(76,128)
Profit for the period		**628,589**	**48,367**	**676,956**	682,284	(62,777)	619,507
Profit attributable to:							
Owners of the Company		**593,444**	**48,367**	**641,811**	606,006	(62,777)	543,229
Non-controlling interests		**35,145**	**-**	**35,145**	76,278	-	76,278
		628,589	**48,367**	**676,956**	682,284	(62,777)	619,507
Earnings per share							
Basic earnings per share – US cents	*9*	**71.50**		**77.33**	73.01		65.45
Diluted earnings per share – US cents	*9*	**69.50**		**69.10**	70.99		65.45

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

DP World Limited and its subsidiaries

Condensed consolidated statement of other comprehensive income

		30 June 2018	30 June 2017
	Note	**USD'000**	USD'000
		(Unaudited)	(Unaudited)
Profit for the period		**676,956**	619,507
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences – foreign operations*		**(290,574)**	345,725
Available for sale financial assets - net change in fair value		**-**	(547)
Share of other comprehensive income of equity-accounted investees	*13*	**(641)**	436
Cash flow hedges – effective portion of changes in fair value		**7,369**	26,973
Related tax on changes in fair value of cash flow hedges		**(3,102)**	(2,909)
Items that will never be reclassified to profit or loss:			
Equity instruments at fair value through other comprehensive income – net change in fair value		**(21,885)**	-
Re-measurements of post-employment benefit obligations		**21,099**	14,157
Related tax		**(2,984)**	(764)
Other comprehensive income for the period, net of tax		**(290,718)**	383,071
Total comprehensive income for the period		**386,238**	1,002,578
Total comprehensive income attributable to:			
Owners of the Company		**371,320**	897,660
Non-controlling interests		**14,918**	104,918
		386,238	1,002,578

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

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

DP World Limited and its subsidiaries

Condensed consolidated statement of financial position

		30 June 2018	31 December 2017
	Note	**USD'000**	USD'000
		(Unaudited)	(Audited)
Assets			
Non-current assets			
Property, plant and equipment	*10*	**8,655,625**	8,697,371
Investment properties	*11(a)*	**1,714,967**	1,323,179
Intangible assets and goodwill	*12*	**8,146,750**	7,920,654
Investment in equity-accounted investees	*13*	**2,168,348**	2,172,683
Other investments		**50,674**	72,759
Accounts receivable and prepayments		**495,686**	481,741
Total non-current assets		**21,232,050**	20,668,387
Current assets			
Inventories		**106,819**	90,282
Properties held for development and sale	*11(b)*	**326,834**	-
Accounts receivable and prepayments		**1,415,064**	871,542
Cash and cash equivalents	*14*	**1,512,163**	1,483,679
Total current assets		**3,360,880**	2,445,503
Total assets		**24,592,930**	23,113,890
Equity			
Share capital	*17*	**1,660,000**	1,660,000
Share premium	*17*	**2,472,655**	2,472,655
Shareholders' reserve		**2,000,000**	2,000,000
Retained earnings		**7,060,878**	6,759,367
Translation reserve		**(1,774,969)**	(1,503,980)
Other reserves	*18*	**(573,383)**	(573,881)
Total equity attributable to equity holders of the Company		**10,845,181**	10,814,161
Non-controlling interests		**664,490**	811,201
Total equity		**11,509,671**	11,625,362
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	*19*	**7,314,379**	7,437,270
Accounts payable and accruals		**420,995**	482,218
Deferred tax liabilities		**901,720**	907,860
Employees' end of service benefits		**160,929**	122,230
Pension and post-employment benefits		**155,987**	187,570
Total non-current liabilities		**8,954,010**	9,137,148
Current liabilities			
Interest bearing loans and borrowings	*19*	**1,661,744**	301,708
Accounts payable and accruals		**2,370,064**	1,947,781
Income tax liabilities		**91,306**	94,567
Pension and post-employment benefits		**6,135**	7,324
Total current liabilities		**4,129,249**	2,351,380
Total liabilities		**13,083,259**	11,488,528
Total equity and liabilities		**24,592,930**	23,113,890

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

The condensed consolidated interim financial statements were authorised for issue on 16 August 2018.

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Sultan Ahmed Bin Sulayem
Chairman and Chief Executive Officer

Yuvraj Narayan
Chief Financial Officer

DP World Limited and its subsidiaries

Condensed consolidated statement of changes in equity

	Attributable to equity holders of the Company							
	Share capital and premium	**Shareholders' reserve**	**Retained earnings**	**Translation reserve**	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Balance as at 1 January 2017	4,132,655	2,000,000	5,495,181	(2,124,021)	(705,964)	8,797,851	721,834	9,519,685
Profit for the period	-	-	543,229	-	-	543,229	76,278	619,507
Other comprehensive income, net of tax	-	-	-	319,113	35,318	354,431	28,640	383,071
Transactions with owners, recognised directly in equity								
Change in ownership interests without change in control of subsidiaries	-	-	403,497	-	-	403,497	119,890	523,387
Pension obligation borne by Parent Company *	-	-	-	-	91,281	91,281	-	91,281
Dividends paid (refer to note 8)	-	-	(315,400)	-	-	(315,400)	-	(315,400)
Transactions with non-controlling interests, recognised directly in equity								
Contributions by non-controlling interests	-	-	-	-	-	-	2,400	2,400
Dividends paid	-	-	-	-	-	-	(44,323)	(44,323)
Balance as at 30 June 2017	4,132,655	2,000,000	6,126,507	(1,804,908)	(579,365)	9,874,889	904,719	10,779,608
Balance as at 1 January 2018	**4,132,655**	**2,000,000**	**6,759,367**	**(1,503,980)**	**(573,881)**	**10,814,161**	**811,201**	**11,625,362**
Profit for the period	-	-	**641,811**	-	-	**641,811**	**35,145**	**676,956**
Other comprehensive income, net of tax	-	-		**(270,989)**	**498**	**(270,491)**	**(20,227)**	**(290,718)**
Transactions with owners, recognised directly in equity								
Dividends paid (refer to note 8)	-	-	**(340,300)**	-	-	**(340,300)**	**-**	**(340,300)**
Transactions with non-controlling interests, recognised directly in equity								
Contributions by non-controlling interests	-	-	-	-	-	-	**110,625**	**110,625**
Non-controlling interests created on acquisition of subsidiaries	-	-	-	-	-	-	**19,464**	**19,464**
Dividends paid	-	-	-	-	-	-	**(25,125)**	**(25,125)**
Non-controlling interests derecognised on deconsolidation of subsidiaries	-	-	-	-	-	-	**(266,593)**	**(266,593)**
Balance as at 30 June 2018	**4,132,655**	**2,000,000**	**7,060,878**	**(1,774,969)**	**(573,383)**	**10,845,181**	**664,490**	**11,509,671**

* In 2016, Group accounted USD 91,281 thousand additional defined benefit obligation in relation to the reapportionment of pension fund deficit from a related party. The re-apportioned liability was subsequently paid by the Parent company in 2017.

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

DP World Limited and its subsidiaries

Condensed consolidated statement of cash flows

		30 June 2018	30 June 2017
	Note	**USD'000**	USD'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Gross cash flows from operations	*14*	**1,234,198**	1,164,280
Changes in:			
Inventories		**(5,070)**	(370)
Accounts receivable and prepayments		**(66,858)**	(83,679)
Accounts payable and accruals		**(174,911)**	(37,516)
Properties held for development and sale		**(6,791)**	-
Provisions, pensions and post-employment benefits		**(1,370)**	(32,861)
Cash generated from operating activities		**979,198**	1,009,854
Income taxes paid		**(109,246)**	(127,867)
Net cash from operating activities		**869,952**	881,987
Cash flows from investing activities			
Additions to property, plant and equipment	*10*	**(420,948)**	(486,309)
Additions to investment properties	*11(a)*	**(14,299)**	(80,952)
Additions to port concession rights	*12*	**(3,518)**	(27,548)
Additions to other investments		**(15,000)**	-
Proceeds from disposal of property, plant and equipment and port concession rights		**17,992**	15,289
Net cash inflow on monetisation of subsidiaries without change in control		**-**	523,387
Net cash paid on acquisition of subsidiaries		**(569,034)**	-
Cash outflow on deconsolidation of a subsidiary		**(112,500)**	-
Interest received		**23,730**	19,490
Dividend received from equity-accounted investees	*13*	**89,229**	66,429
Additional investment in equity-accounted investees		**-**	(4,134)
Net loans (given to)/ taken from equity-accounted investees		**(3,407)**	2,504
Return of capital from equity-accounted investees		**-**	2,026
Net cash (used in)/ from investing activities		**(1,007,755)**	30,182
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings	*19*	**(295,392)**	(378,105)
Drawdown of interest bearing loans and borrowings	*19*	**975,489**	251,728
Interest paid		**(235,762)**	(124,871)
Dividend paid to the owners of the Company	*8*	**(340,300)**	(315,400)
Contribution from non-controlling interests		**110,625**	2,400
Dividend paid to non-controlling interests		**(25,125)**	(44,323)
Net cash from/ (used in) financing activities		**189,535**	(608,571)
Net increase in cash and cash equivalents		**51,732**	303,598
Cash and cash equivalents as at 1 January		**1,483,679**	1,299,391
Effect of exchange rate fluctuations on cash held		**(23,248)**	27,810
Cash and cash equivalents as at 30 June	*14*	**1,512,163**	1,630,799

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

1. Corporate information

DP World Limited ("the Company") was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the Companies Law, DIFC Law No. 3 of 2006. These financial statements comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services which includes ship building, repairs, docking services, property development and leasing, industrial parks and economic zones, logistics and ancillary services to technology-driven trade solutions.

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

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

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

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

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2017.

At 30 June 2018, the Group has net current liabilities of USD 768,369 thousand (31 December 2017: net current assets of USD 94,123 thousand). The Board of Directors are confident that the Group will meet its short-term funding requirements through the existing cash and bank balances, cash from future operations and utilising undrawn borrowing facilities.

The condensed consolidated interim financial statements were approved by the Board of Directors on 16 August 2018.

3. Changes in significant accounting policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

(a) Change in accounting policies due to application of new accounting standards

The Group has adopted *IFRS 9 Financial Instruments* and *IFRS 15 Revenue from Contracts with Customers* from its effective date 1 January 2018.

3. Changes in significant accounting policies (continued)

(a) Change in accounting policies due to application of new accounting standards (continued)

IFRS 9 Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to the classification and measurement of financial assets, derivative financial instruments and financial liabilities, impairment of financial assets, and current hedging relationships. Accordingly, the information presented for 2017 has not been restated.

All hedging relationships designated under IAS 39 at 31 December 2017 meet the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets, held to maturity, loans and receivables and available for sale.

Under IFRS 9, on initial recognition, a financial asset is classified and measured at:

- amortised cost;
- Fair value through other comprehensive income ('FVOCI') - debt investment;
- FVOCI - equity investment; or
- Fair value through profit or loss ('FVTPL').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Initial recognition of financial assets

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3. Changes in significant accounting policies (continued)

(a) Change in accounting policies due to application of new accounting standards (continued)

IFRS 9 Financial instruments (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
FVOCI – debt investment	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
FVOCI – equity investment	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses recognised in OCI and are never reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018:

	Original classification under IAS 39	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
			USD'000	**USD'000**
Equity securities*	Available-for-sale financial assets	FVOCI - equity investment	70,452	70,452
Convertible debt instrument**	Loans and receivables	Financial assets at FVTPL	30,000	30,000
Equity securities	Financial assets at FVTPL	Financial assets at FVTPL	2,307	2,307
Derivative instruments for hedging	Fair value - hedging instruments	Fair value - hedging instruments	8,952	8,952
Trade and other receivables	Loans and receivables	Financial assets at amortised cost	1,188,037	1,188,037
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	1,483,679	1,483,679

* These equity securities represent investments that the Group intends to hold for the long-term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value movement related to these investments will never be reclassified to profit or loss.

** Convertible debt instrument has been reclassified as financial asset at FVTPL due to its exposure to equity price risk.

3. Changes in significant accounting policies (continued)

(a) Change in accounting policies due to application of new accounting standards (continued)

IFRS 9 Financial instruments (continued)

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset increases significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any are held); or
- the financial asset is more than 180 days past due

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The application of IFRS 9's impairment requirements at 1 January 2018 did not result in any significant additional impairment allowance.

(iii) Hedge accounting

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. The adoption of IFRS 9 new hedge accounting model has not resulted in any significant impact on the financial statements.

All hedging relationships designated under IAS 39 at 31 December 2017 met the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

3. Changes in significant accounting policies (continued)

(a) Change in accounting policies due to application of new accounting standards (continued)

IFRS 15 Revenue from contracts with customers (continued)

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgement.

Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it is entitled.

The Group revenue mainly consists of containerized stevedoring, other containerized revenue, non-containerized revenue, service concession revenue and lease rentals. Non-containerized revenue mainly includes logistics and handling of break bulk cargo.

The Group's current practises for recognising revenue have shown to comply in all material aspects with the concepts and principals and encompassed by the new standard. IFRS 15 did not have a significant impact on the Group's revenue recognition.

(b) Change in accounting policies due to new business acquisitions

The Group has also applied the following new accounting policies in relation to revenue recognition upon the acquisition of Drydocks World LLC ('DDW') and Dubai Maritime City ('DMC).

Revenue from sale of plots of land

Revenue from sale of plots of land is recognised in the statement of profit or loss when the control transfers to the buyer. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of the remaining benefits (for example, the potential cash inflows or savings in outflows) from the asset. However, in certain circumstances, the customer may obtain the control including risk and rewards of the land before the legal title passes and therefore, revenue is recognised at that stage, provided no further substantial acts are pending to complete the transaction in connection with the sale of the plot of land.

Revenue from rendering of services (including ship repairs)

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably by reference to the stage of completion of the transaction at the reporting date.

Revenue from conversions and shipbuilding (construction contracts)

Revenue is recognised under the percentage of completion method. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Provisions for foreseeable losses are made in full as soon as they are anticipated. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable.

Variations are only recognised when the outcome can be determined with reasonable certainty and are capable of being reliably measured.

Claims are recognised in contract revenue when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and can be measured reliably.

3. Changes in significant accounting policies (continued)

(b) Change in accounting policies due to new business acquisitions (continued)

Revenue from ship lifting, docking and undocking services

Revenue from ship lifting, docking and undocking of vessels is recognised when the service is provided.

Properties held for development and sale

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of right to reclaim the land, cost of infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities, that are necessary to enable the assets to be ready for the intended use are in progress. Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the reporting date discounted for the time value of money, if material, less costs to complete and costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date for any impairment.

4. Use of estimates and judgements

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 3.

5. Segment information

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

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

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

The Group measures segment performance based on Adjusted EBITDA.

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

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

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

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

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Head office**		**Inter-segment**		**Total**	
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	**350,475**	343,145	**430,467**	362,713	**1,844,657**	1,596,528	**-**	-	**-**	-	**2,625,599**	2,302,386
Adjusted for separately disclosed items	**-**	(7,933)	**-**	-	**-**	-	-	-	-	-	**-**	(7,933)
Revenue before separately disclosed items	**350,475**	335,212	**430,467**	362,713	**1,844,657**	1,596,528	-	-	**-**	-	**2,625,599**	2,294,453
Adjusted EBITDA	**275,186**	229,017	**166,444**	140,331	**949,968**	945,062	**(70,083)**	(89,490)	**-**	-	**1,321,515**	1,224,920
Finance income	**-**	-	**-**	-	**-**	-	**63,729**	52,057	**-**	-	**63,729**	52,057
Finance costs	**-**	-	**-**	-	**-**	-	**(292,264)**	(217,811)	**-**	-	**(292,264)**	(217,811)
Tax expense	**-**	-	**-**	-	**-**	-	**(105,722)**	(76,128)	**-**	-	**(105,722)**	(76,128)
Depreciation and amortisation	**(52,206)**	(50,065)	**(57,841)**	(42,938)	**(243,632)**	(203,010)	**(4,990)**	(4,741)	**-**	-	**(358,669)**	(300,754)
Adjusted net profit/ (loss) for the year before separately disclosed items	**222,980**	178,952	**108,603**	97,393	**706,336**	742,052	**(409,330)**	(336,113)	**-**	-	**628,589**	682,284
Adjusted for separately disclosed items	**-**	(11,813)	**-**	-	**(5,744)**	571	**54,111**	(51,535)	**-**	-	**48,367**	(62,777)
Profit/ (loss) for the year	**222,980**	167,139	**108,603**	97,393	**700,592**	742,623	**(355,219)**	(387,648)	**-**	-	**676,956**	619,507

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

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

5. Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	30 June 2018	31 December 2017	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Segment assets	**4,386,886**	4,576,571	**2,866,369**	3,103,562	**18,361,706**	18,062,307	**11,457,478**	9,345,615	**(12,479,509)**	(11,974,165)	**24,592,930**	23,113,890
Segment liabilities	**597,323**	661,767	**663,788**	643,515	**4,725,781**	4,042,232	**9,763,924**	8,693,264	**(3,660,583)**	(3,554,677)	**12,090,233**	10,486,101
Tax liabilities *	**-**	-	**-**	-	**-**	-	**993,026**	1,002,427	**-**	-	**993,026**	1,002,427
Total liabilities	**597,323**	661,767	**663,788**	643,515	**4,725,781**	4,042,232	**10,756,950**	9,695,691	**(3,660,583)**	(3,554,677)	**13,083,259**	11,488,528
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Capital expenditure	**23,318**	30,197	**108,193**	70,663	**276,124**	493,329	**31,130**	620	**-**	-	**438,765**	594,809
Depreciation	**21,568**	20,836	**42,852**	29,056	**188,763**	163,667	**4,990**	4,741	**-**	-	**258,173**	218,300
Amortisation	**30,638**	29,229	**14,989**	13,882	**54,869**	39,343	**-**	-	**-**	-	**100,496**	82,454
Share of profit/ (loss) of equity-accounted investees before separately disclosed items	**64,849**	60,900	**3,617**	(9,814)	**19,387**	9,110	**-**	-	**-**	-	**87,853**	60,196
Tax expense *	**-**	-	**-**	-	**-**	-	**105,722**	76,128	**-**	-	**105,722**	76,128

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

6. Income tax

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

	Six months ended 30 June 2018	Six months ended 30 June 2017
	(Unaudited)	(Unaudited)
Before separately disclosed items	**16.89%**	13.11%
Including separately disclosed items	**15.88%**	14.25%

7. Separately disclosed items

	Six months ended 30 June 2018	Six months ended 30 June 2017
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Revenue:		
Construction contract revenue relating to service concessions	**-**	7,933
Cost of sales:		
Construction contract costs relating to service concessions	**-**	(7,933)
Other income	**-**	571
Share of profit from equity-accounted investees	**(5,744)**	(11,813)
Finance income:		
Change in fair value of convertible bond option	**62,733**	-
Ineffective interest rate swap gain	**2,284**	-
Finance costs:		
Change in fair value of convertible bond option	**-**	(41,124)
Interest accretion on convertible bond	**(10,906)**	(10,411)
Total	**48,367**	(62,777)

Construction contract revenue and costs for 2017: In accordance with IFRIC 12 '*Service Concession Arrangements'*, the Group has recorded revenue on the construction of a port in the 'Asia Pacific and Indian subcontinent' region. The construction revenue represents the fair value of the construction services provided in developing the port. No margin has been recognised, as in management's opinion the fair value of the construction services provided approximates the construction cost.

Other income for 2017 represents non-recurring income in a subsidiary in the 'Middle East, Europe and Africa' region.

Share of profit from equity-accounted investees relates to the transaction costs written off in an equity-accounted investee in the 'Middle East, Europe and Africa' region due to extinguishment of debt. (2017 relates to impairment of goodwill in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region).

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

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

Ineffective interest rate swap gain relates to an ineffective element of a hedge in a subsidiary in the 'Middle East, Europe and Africa' region and in a subsidiary in the 'Asia Pacific and Indian subcontinent' region.

8. Dividends paid

Dividends relating to 2017 amounting to USD 340,300 thousand were paid during the period ended 30 June 2018 (30 June 2017: USD 315,400 thousand).

9. Earnings per share

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

	30 June 2018	**30 June 2018**	30 June 2017	30 June 2017
	Before separately disclosed items	**Adjusted for separately disclosed items**	Before separately disclosed items	Adjusted for separately disclosed items
	USD'000	**USD'000**	USD'000	USD'000
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Profit attributable to the ordinary shareholders of the Company (a)	**593,444**	**641,811**	606,006	543,229
Add/ (deduct): costs/ (income) related to convertible bonds saved as a result of the conversion	**9,428**	**(42,399)**	9,372	60,907
Profit attributable to the ordinary shareholders of the Company after conversion (b)	**602,872**	**599,412**	615,378	604,136
Weighted average number of basic shares outstanding as at 31 December (c)	**830,000**	**830,000**	830,000	830,000
Weighted average numbers of shares due to conversion of convertible bond	**37,476**	**37,476**	36,847	36,847
Total weighted average number of ordinary share (diluted) outstanding – (d)	**867,476**	**867,476**	866,847	866,847
Basic earnings per share US cents – (a/c)	**71.50**	**77.33**	73.01	65.45
Diluted earnings per share US cents – (b/d)	**69.50**	**69.10**	70.99	65.45*
Anti-diluted earnings per share US cents – (b/d)	**-**	**-**	-	69.69

***** Diluted earnings per share (adjusted for separately disclosed items) for the period ended 30 June 2017 is equal to basic earnings per share (adjusted for separately disclosed items) as it is antidilutive.

10. Property, plant and equipment

During the six month period ended 30 June 2018, the Group added assets amounting to USD 420,948 thousand (30 June 2017: USD 486,309 thousand) and acquired through business combination property, plant and equipment of USD 273,339 thousand (30 June 2017: nil).

The depreciation on property, plant and equipment during the six month period ended 30 June 2018 amounted to USD 233,882 thousand (30 June 2017: USD 199,804 thousand).

Assets with a net carrying amount of USD 18,528 thousand were disposed by the Group during the six month period ended 30 June 2018 (30 June 2017: USD 14,274 thousand), resulting in a loss on disposal of USD 536 thousand (30 June 2017: gain of USD 1,015 thousand).

11(a) Investment properties

During the six month period ended 30 June 2018, the Group added USD 14,299 thousand (30 June 2017: USD 80,952 thousand) and has incurred a depreciation charge of USD 24,291 thousand (30 June 2017: USD 18,496 thousand).

The Group acquired investment properties through business combinations of USD 408,491 thousand of assets (30 June 2017: nil).

11(b) Properties held for development and sale

The Group acquired through business combinations USD 320,043 thousand of properties and recognized advances from customers amounting to USD 401,645 thousand relating to the future sale of certain properties.

The Group has future commitments towards infrastructure development of USD 198,721 thousand to be incurred over a period of 14 years in relation to these properties.

12. Intangible assets and goodwill

Port concession rights

During the six month period ended 30 June 2018, the Group acquired port concession rights amounting to USD 3,518 thousand (30 June 2017: USD 27,548 thousand). The Group has also acquired intangible assets of USD 533,215 thousand from business combinations (30 June 2017: nil).

The amortization of port concession rights during the six month period ended 30 June 2018 amounted to USD 85,915 thousand (30 June 2017: USD 67,872 thousand).

Goodwill

During the six month period ended 30 June 2018, the reduction in goodwill represents the impact of foreign currency translation of USD 52,812 thousand (30 June 2017: USD 63,951 thousand).

Land-use rights

The amortization of land-use rights during the six months period ended 30 June 2018 amounted to USD 14,582 thousand (30 June 2017: USD 14,582 thousand).

13. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the condensed consolidated interim statement of financial position:

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Total**	
	30 June 2018	31 December 2017	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017	**30 June 2018**	31 December 2017
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Cash and cash equivalents	**591,139**	619,948	**106,342**	138,293	**346,602**	239,142	**1,044,083**	997,383
Other current assets	**213,513**	186,374	**115,907**	106,289	**286,651**	265,891	**616,071**	558,554
Non-current assets	**6,239,211**	6,396,749	**1,754,713**	1,586,116	**2,718,444**	2,813,120	**10,712,368**	10,795,985
Total assets	**7,043,863**	7,203,071	**1,976,962**	1,830,698	**3,351,697**	3,318,153	**12,372,522**	12,351,922
Current financial liabilities	**26,628**	25,951	**19,275**	17,027	**30,891**	61,144	**76,794**	104,122
Other current liabilities	**453,886**	434,519	**173,529**	181,136	**292,620**	293,921	**920,035**	909,576
Non-current financial liabilities	**781,518**	973,497	**1,363,904**	1,282,768	**780,782**	579,555	**2,926,204**	2,835,820
Other non-current liabilities	**520,979**	430,311	**21,057**	17,105	**434,731**	583,467	**976,767**	1,030,883
Total liabilities	**1,783,011**	1,864,278	**1,577,765**	1,498,036	**1,539,024**	1,518,087	**4,899,800**	4,880,401
Net assets (100%)	**5,260,852**	5,338,793	**399,197**	332,662	**1,812,673**	1,800,066	**7,472,722**	7,471,521
Group's share of net assets in equity-accounted investees							**2,168,348**	2,172,683
	30 June 2018	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017	**30 June 2018**	30 June 2017
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	**734,504**	673,660	**310,384**	306,512	**436,792**	332,857	**1,481,680**	1,313,029
Depreciation and amortisation	**(144,550)**	(127,682)	**(34,724)**	(46,519)	**(59,049)**	(48,597)	**(238,323)**	(222,798)
Other expenses	**(286,860)**	(283,033)	**(226,319)**	(219,445)	**(308,010)**	(234,899)	**(821,189)**	(737,377)
Finance costs	**(34,273)**	(37,048)	**(73,110)**	(115,905)	**(42,823)**	(20,144)	**(150,206)**	(173,097)
Finance income	**9,092**	11,250	**1,299**	24,724	**567**	(915)	**10,958**	35,059
Income tax expense	**(68,484)**	(64,628)	**2,927**	(2,123)	**1,955**	(8,848)	**(63,602)**	(75,599)
Net profit/ (loss)	**209,429**	172,519	**(19,543)**	(52,756)	**29,432**	19,454	**219,318**	139,217
Group's share of profit/ (loss) (before separately disclosed items)	**64,849**	60,900	**3,617**	(9,814)	**19,387**	9,110	**87,853**	60,196
Dividends received							**89,229**	66,429
Group's share of other comprehensive income							**(641)**	436

14. Cash and cash equivalents

	30 June 2018	31 December 2017
	USD'000	USD'000
	(Unaudited)	(Audited)
Cash at banks and in hand	**744,395**	651,675
Short-term deposits	**751,550**	815,854
Deposits under lien	**16,218**	16,150
Cash and cash equivalents for consolidated statement of cash flows	**1,512,163**	1,483,679

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

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

Cash flow information

		30 June 2018	30 June 2017
	Note	**USD'000**	USD'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit for the period		**676,956**	619,507
Adjustments for:			
Depreciation and amortization	*5*	**358,669**	300,754
Share of profit from equity-accounted investees (net of tax)		**(82,109)**	(48,383)
Finance costs		**303,170**	269,346
Loss/ (gain) on sale of property, plant and equipment and port concession rights	*10*	**536**	(1,015)
Finance income		**(128,746)**	(52,057)
Income tax expense		**105,722**	76,128
Gross cash flows from operations		**1,234,198**	1,164,280

15. Related party transactions

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

	Ultimate Parent Company	**Equity-accounted investees**	**Other related parties**	**30 June 2018 Total**	Ultimate Parent Company	Equity-accounted investees	Other related parties	30 June 2017 Total
	USD'000	**USD'000**	**USD'000**	**USD'000**	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Expenses charged:								
Concession fee	**-**	**-**	**25,245**	**25,245**	-	-	24,956	24,956
Shared services	**-**	**-**	**280**	**280**	-	-	390	390
Other services	**-**	**-**	**10,986**	**10,986**	-	-	9,698	9,698
Finance expenses	**1,238**	**-**	**-**	**1,238**	-	-	-	-
Revenue earned:								
Revenue	**-**	**22**	**6,870**	**6,892**	-	-	6,280	6,280
Management fee income	**-**	**7,839**	**9,497**	**17,336**	-	9,729	8,491	18,220
Finance income	**1,799**	**15,565**	**-**	**17,364**	-	15,197	-	15,197
Statement of changes in equity:								
Pension obligation borne by Parent Company	**-**	**-**	**-**	**-**	-	-	91,281	91,281

15. Related party transactions

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

	Due from related parties		**Due to related parties**	
	30 June 2018	30 December 2017	**30 June 2018**	31 December 2017
	USD'000	USD'000	**USD'000**	USD'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Ultimate Parent Company	**2,226**	2,217	**1,868**	219
Parent Company	**596**	902	**4**	5
Equity-accounted investees	**379,422**	347,289	**2,038**	3,107
Other related parties	**15,155**	13,001	**10,270**	8,911
	397,399	363,409	**14,180**	12,242

The Group has issued guarantees on behalf of equity-accounted investees which are disclosed in note 22 (a).

Business combinations under common control

On 11 Jan 2018, the Group acquired 100% stake in Drydocks World LLC ('DDW') and Dubai Maritime City ('DMC) from its Ultimate Parent Company Dubai World (refer to note 23 (a) and (b) for further details).

Compensation of key management personnel

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

	30 June 2018	30 June 2017
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Short-term benefits and bonus	**12,558**	9,431
Post-retirement benefits	**194**	741
	12,752	10,172

16. Financial instruments

Fair value versus carrying amount

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

		30 June 2018	**30 June 2018**	31 December 2017	31 December 2017
	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
		USD'000	**USD'000**	USD'000	USD'000
		(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
FVOCI – Equity instrument	**2**	**48,367**	**48,367**	70,452	70,452
Financial assets at FVTPL					
Convertible debt instrument	**2**	**45,000**	**45,000**	30,000	30,000
Equity securities	**2**	**2,307**	**2,307**	2,307	2,307
Derivative instruments for hedging	**2**	**14,984**	**14,984**	8,952	8,952
Financials assets carried at amortised cost					
Trade and other receivables *		**1,559,065**	**-**	1,188,037	-
Cash and cash equivalents **		**1,512,163**	**-**	1,483,679	-
Financial liabilities carried at fair value					
Derivative instruments for hedging	**2**	**(69,810)**	**(69,810)**	(99,438)	(99,438)
Embedded derivative option	**2**	**(187,781)**	**(187,781)**	(214,604)	(214,604)
Financial liabilities carried at amortised cost					
Issued bonds	**1**	**(4,109,777)**	**(4,449,006)**	(4,119,001)	(4,618,701)
Convertible bonds	**2**	**(836,996)**	**(848,279)**	(825,412)	(796,170)
Bank loans **		**(3,856,678)**	**-**	(2,609,656)	-
Loans from non-controlling shareholders **		**(143,640)**		(151,134)	-
Finance lease liabilities **		**(29,032)**	**-**	(33,775)	-
Trade and other payables *		**(1,911,512)**	**-**	(1,706,464)	-

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

* These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

** These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

16. Financial instruments (continued)

Fair value hierarchy (continued)

The fair value of the convertible debt instrument approximates its carrying amount.

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

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

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

17. Share capital and premium

The share capital of the Company comprises 830,000,000 fully paid shares of USD 2.00 each.

Share premium represents surplus received over and above the nominal cost of the shares issued.

18. Other reserves

The following is the breakdown of 'Other reserves' and the movements in these reserves during the period:

	Actuarial reserve	**Hedging and other reserves**	**Total**
	USD'000	**USD'000**	**USD'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Balance as at 1 January 2017	(610,829)	(95,135)	(705,964)
Other comprehensive income, net of tax	13,393	21,925	35,318
Pension obligation borne by Parent Company	-	91,281	91,281
Balance as at 30 June 2017	(597,436)	18,071	(579,365)
Balance as at 1 January 2018	**(611,724)**	**37,843**	**(573,881)**
Other comprehensive income, net of tax	**18,115**	**(17,617)**	**498**
Balance as at 30 June 2018	**(593,609)**	**20,226**	**(573,383)**

19. Interest bearing loans and borrowings

	30 June 2018	31 December 2017
	USD'000	USD'000
	(Unaudited)	(Audited)
Issued bonds	**4,109,777**	4,119,001
Convertible bonds	**836,996**	825,412
Bank loans	**3,856,678**	2,609,656
Loans from Non-controlling shareholders	**143,640**	151,134
Finance lease liabilities	**29,032**	33,775
Total	**8,976,123**	7,738,978
of which:		
Classified as non-current	**7,314,379**	7,437,270
Classified as current	**1,661,744**	301,708
of which:		
Secured interest bearing loans and borrowings	**2,607,084**	2,068,490
Unsecured interest bearing loans and borrowings	**6,369,039**	5,670,488

The below table provides movement of interest bearing loans and borrowings:

	30 June 2018
	USD'000
	(Unaudited)
Balance at 1 January 2018	**7,738,978**
Cash flow items	
Acquired through business combinations	**647,204**
Additional borrowings during the year	**975,489**
Repayment of borrowings during the year	**(295,392)**
Redemption of issued bonds (2017 Sukuk)	**-**
Other non-cash items	
Interest accretion on convertible bonds	**10,906**
Transaction cost on convertible bonds amortised during the year	**678**
Fair value adjustments and transaction cost on issued bonds amortised during the year	**(9,224)**
Translation adjustments	**(92,516)**
Total	**8,976,123**

20. Operating leases

Operating lease commitments – Group as a lessee

Future minimum rentals payable under non-cancellable operating leases as at the reporting date are as follows:

	30 June 2018	31 December 2017
	USD'000	USD'000
	(Unaudited)	(Audited)
Within one year	**318,744**	326,223
Between one to five years	**1,127,963**	1,273,277
Between five to ten years	**1,089,066**	1,195,744
Between ten to twenty years	**1,705,646**	1,833,876
Between twenty to thirty years	**1,405,181**	1,396,953
Between thirty to fifty years	**1,118,235**	1,134,517
Between fifty to seventy years	**946,693**	914,908
More than seventy years	**811,822**	800,551
	8,523,350	8,876,049

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In addition, there are also leases of plant, equipment and vehicles included above.

Operating lease commitments – Group as a lessor

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

	30 June 2018	31 December 2017
	USD'000	USD'000
	(Unaudited)	(Audited)
Within one year	**378,197**	360,983
Between one to five years	**831,895**	816,391
More than five years	**1,003,959**	950,846
	2,214,051	2,128,220

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

21. Capital commitments

	30 June 2018	31 December 2017
	USD'000	USD'000
	(Unaudited)	(Audited)
Estimated capital expenditure contracted at the reporting date	**748,175**	661,305

22. Contingencies

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

	30 June 2018	31 December 2017
	USD'000	USD'000
	(Unaudited)	(Audited)
Performance guarantees	**152,311**	86,920
Payment guarantees	**36,015**	36,533
Letters of credit	**3,607**	3,025
Guarantees issued on behalf of equity-accounted investees	**24,521**	25,837

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet these targets.

b) Chennai Port Trust ("CPT") had raised a demand for an amount of USD 17,448 thousand (2017: USD 18,709 thousand), from Chennai Container Terminal Limited ("CCTL"), a subsidiary of the Company, on the basis that CCTL had failed to fulfil its obligations in respect of non-transhipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 9,322 thousand (2017: USD 9,996 thousand) under dispute in 2008. CCTL had initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on November 26, 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by Madras High Court on 8 January 2014 and accordingly a provision has been recognised against the above receivable. CCTL lodged an appeal before the Division Bench of Madras High Court along with a stay petition on 31 January 2014. The Appeal was taken up for hearing and admitted on 3 February 2014. During 2017 and 2018, CPT raised further demands amounting to USD 35,218 thousand (2017: USD 35,214 thousand) for the years 2008-13 to 2014-15, inclusive interest for delay in payment. With this, the cumulative demand amounts to USD 50,661 thousand (2017: USD 54,324 thousand). CCTL's appeal was allowed by the division bench of the Madras High Court by its judgement dated 20 March 2018, wherein the majority award was given in favour of CCTL. The Company filed a caveat with Supreme Court on 26 March 2018 and renewed it on 22 June 2018 for a further 90 days. This is filed in anticipation of an appeal by CPT against the Division Bench Order of the Madras High Court. The Group is confident that the case will be awarded in favour of CCTL.

c) On 22 February 2018, the Government of Djibouti illegally seized physical control of Doraleh Container Terminal S.A from the Group, who designed, built and operated the terminal following a concession awarded in 2006. The Group commenced arbitration proceedings before the London Court of International Arbitration ("LCIA") to protect its rights, and/ or to secure damages and compensation for breach or expropriation. In its arbitration award dated 31 July 2018, the LCIA confirmed that the 2006 concession agreement remains valid and binding notwithstanding the laws and decrees subsequently adopted by the Government of Djibouti. The Group will now reflect on the ruling and review its options.

23. Business combinations

Acquisition of new subsidiaries

(a) On 11 Jan 2018, the Group acquired 100% stake in Drydocks World LLC ('DDW') from its Ultimate Parent Company by means of a capital injection of USD 225,000 thousand. The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	**Fair value recognised on acquisition**
	USD'000	**USD'000**
Assets		
Property, plant and equipment	**193,148**	**193,148**
Concession rights (intangible assets)	**-**	**480,315**
Inventories	**19,035**	**19,035**
Accounts receivables and prepayments	**299,920**	**299,920**
Bank balances and cash	**87,628**	**87,628**
Liabilities		
Interest bearing loans and borrowings	**(638,190)**	**(638,190)**
Accounts payable and accruals	**(181,481)**	**(181,481)**
Employees' end of service benefits	**(35,375)**	**(35,375)**
Net assets acquired	**(255,315)**	**225,000**
For cash flow statement:		
Cash injected on acquisition		**(225,000)**
Cash acquired on acquisition		**87,628**
Net cash paid on acquisition		**(137,372)**

From the date of acquisition, DDW has contributed a profit of USD 29,037 thousand and a revenue of USD 230,323 thousand to the Group.

23. Business combinations (continued)

(b) On 11 Jan 2018, the Group acquired 100% stake in Dubai Maritime City ('DMC') from its Ultimate Parent Company for a purchase consideration of USD 180,000 thousand. The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	**Fair value recognised on acquisition**
	USD'000	**USD'000**
Assets		
Property, plant and equipment	**1,239**	**1,239**
Investment properties	**272,291**	**272,291**
Properties held for development and sale	**38,214**	**320,043**
Accounts receivables and prepayments	**2,439**	**2,439**
Bank balances and cash	**10,375**	**10,375**
Liabilities		
Employees' end of service benefits	**(237)**	**(237)**
Accounts payable and accruals	**(426,150)**	**(426,150)**
Net assets acquired	**(101,829)**	**180,000**
For cash flow statement:		
Cash injected on acquisition		**(180,000)**
Cash acquired on acquisition		**10,375**
Net cash paid on acquisition		**(169,625)**

From the date of acquisition, DMC has contributed a loss of USD 3,465 thousand and a revenue of USD 496 thousand to the Group.

(c) On 25 May 2018, DP World Group completed the acquisition of Cosmos Agencia Marítima S.A.C. (CAM) in Peru for a purchase consideration of USD 257,220 thousand. Due to the timing of the completion of acquisition, the initial value of assets, liabilities, non-controlling interests, and purchase consideration are recorded on a provisional basis.

24. Subsequent event

(a) On 17 July 2018, the Group completed the acquisition of 90% stake in Continental Warehousing Corporation (Nhava Seva) Ltd, an integrated multimodal logistics player in India, through a joint venture, owned 65% by the Group and 35% owned by the National Investment and Infrastructure Fund (NIIF).

(b) On 7 August 2018, the Group announced the signing of the acquisition of 100% of the Unifeeder Group for an enterprise value (equity plus net debt) of EUR 660 million (approximately US$762.8 million based on FX rate EUR/USD of 1.1557) from Nordic Capital Fund VIII and certain minority shareholders. Based in Aarhus (Denmark), Unifeeder operates the largest and most densely connected common user container feeder and an important and growing shortsea network in Europe, serving both deep-sea container hubs and the intra-Europe container freight market. The acquisition is subject to regulatory approvals and is expected to be completed in 4Q 2018.

FINANCIAL STATEMENT

Independent Auditors' Report

To the Shareholders of DP World Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DP World Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Impairment assessment of carrying value of goodwill and port concession rights

Refer to notes 3 and 15 of the consolidated financial statements

The Group has significant goodwill and port concession rights arising from the acquisition of businesses. The Group's annual impairment testing on goodwill and port concession rights with indefinite useful lives requires the Group to identify Cash Generating Units (CGUs) in accordance with the requirements of IAS 36 – Impairment of Assets. Impairment testing is then performed using free cash flow projections based on three year financial budgets approved by the Board and five year future forecasts estimated by the Group. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, along with the judgemental aspects of the assessment of appropriate CGUs, these are the key areas that our audit concentrated on.

Our response to address the key audit matter

Our procedures included:

In respect of the assessment of CGUs: We challenged the identification of CGUs and considered the operating and management structure with reference to our understanding of the business.

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their accuracy. To challenge the reasonableness of those cash flows, we assessed the historical accuracy of the Group's forecasting and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We conducted our own assessments to challenge other key inputs, such as the projected growth rate and perpetuity rate.

In respect of the discount rates: We compared the Group's assumptions to externally-derived data (for example, bond yields and inflation statistics) where appropriate. We used our valuation specialists to assist us in assessing the adequacy of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We performed sensitivity analysis on the discount rates and forecast cash flows. We also considered CGU specific and external market factors to assess the reasonableness of management assumptions.

We assessed the adequacy of the Group's disclosure in these respects.

Key audit matter

Accounting for business acquisitions and disposal

Refer to notes 3 and 23 of the consolidated financial statements.

During the year, the Group has acquired an additional 66.67% stake in Empresa Brasileira de Terminais Portuarious S.A. ("Embraport") and 93% stake in Remolques y Servicios Marítimos, S.L. ("Reyser"). The Group has also monetised 45% of its stake in the Canadian ports (Prince Rupert and Vancouver).

For the acquisitions, the accounting involves estimating the fair value of the assets and liabilities at the acquisition date and the identification and valuation of intangible assets. Significant judgement is involved in relation to the assumptions used in the valuation and purchase price allocation process. Due to the inherent uncertainty involved in discounting future cash flows, there is a risk that these assumptions are inappropriate.

For the monetisation, due to the complex contractual terms and the significance to the Group, there is a risk that the appropriate accounting treatment is not followed for the completed transaction specifically in respect of calculating the profit or loss on monetisation and the recognition of non-controlling interest.

Furthermore, an assessment is required to be made for classification of an investment as a subsidiary, joint venture or associate based on whether the Group has determined to have control, joint control or significant influence respectively.

Our response to address the key audit matter

Our procedures included:

We inspected the key terms in the share purchase and sale agreements to assess the control classification of the investments as per IFRS 10 – Consolidated Financial Statements. We agreed the consideration paid or received by comparing relevant amounts to bank records and considered the appropriateness of costs associated with the purchase or sale.

For the acquisitions, we challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the key assumptions used in the fair value and purchase price allocation as determined by the Group. We reviewed the resulting adjustments for reasonableness and assessed the appropriateness of the disclosures made.

For the monetisation, we assessed whether the key terms and pricing were appropriately reflected in the calculation of profit on monetisation. We also assessed the accounting entries used to record the monetisation, the appropriateness of the disclosures made and the recognition of non-controlling interests.

Key audit matter

Litigation and claims

Refer to notes 3, 33 and 34 of the consolidated financial statements.

The Group enters into individually significant contracts which may extend to many years and are often directly or indirectly associated with governments. As a result, the Group is subject to a number of material ongoing litigation actions and claims, therefore, the recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of litigation and claims requires significant judgement and accordingly is a key area of focus in our audit.

Our response to address the key audit matter

Our procedures included:

Evaluation of the Group's policies, procedures and controls in relation to litigations, claims and provision assessments. Furthermore, we obtained representations from the Group's legal counsel, made independent enquiries and obtained confirmations from external lawyers to understand the legal positions and exposure to the Group.

The outcome of our evaluation was used as a basis to determine the adequacy of the level of provisioning and disclosure in the consolidated financial statements.

Key audit matter

Taxation provisions

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby the Group has to estimate the tax effect of applying local legislation which can be complex, uncertain and involve cross border transactions, including transfer pricing arrangements.

Where the precise nature of the tax legislation is unclear, the Group has to make reasonable estimates of the likely tax charge that will arise.

FINANCIAL STATEMENT

Independent Auditors' Report continued
To the Shareholders of DP World Limited

Some of the Group's uncertain tax positions are at various stages of resolution, from preliminary discussions with tax authorities through to tax tribunal or court proceedings where the matters can take a number of years to resolve. Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities is at an amount materially different to the provision recognised.

Our response to address the key audit matter
Our procedures included:

We, together with our tax specialists, considered any large or unusual items affecting the effective tax rate and whether or not any current year items would result in an increased or reduced provision. We have assessed the Group's deferred tax position and ensured that any change in tax rates enacted as at the reporting date have been appropriately considered.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.

Key audit matter
Pensions
Refer to notes 3 and 20 of the consolidated financial statements.

The Group operates a number of defined benefit pension schemes. The valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the pension position. As a result of the size of the pension scheme deficit and the judgements inherent in the actuarial assumptions used in the valuation of the pension benefit obligations, we considered this to be an area of focus.

Our response to address the key audit matter
Our procedures included:

The Group engages an independent actuary to assist them in calculating the appropriate pension scheme position. We obtained the actuary's report and, with the assistance of our pension specialists, assessed the discount and inflation rates used in calculating the pension deficit to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

We assessed the adequacy of the disclosures in this area.

Other Information
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 2 of 2009 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 2 of 2009.

KPMG LLP
Rohit Rajvanshi
Dubai, United Arab Emirates

Date: 15 March 2018

FINANCIAL STATEMENT

Consolidated Statement of Profit or Loss

	Note	Year ended 31 December 2017 Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000	Year ended 31 December 2016 Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000
Revenue	5	**4,714,733**	**14,053**	**4,728,786**	4,163,325	68,243	4,231,568
Cost of sales		**(2,359,467)**	**(14,053)**	**(2,373,520)**	(2,010,490)	(68,243)	(2,078,733)
Gross profit		**2,355,266**	**–**	**2,355,266**	2,152,835	–	2,152,835
General and administrative expenses		**(693,878)**	**(14,699)**	**(708,577)**	(628,411)	(776)	(629,187)
Other income		**51,844**	**3,433**	**55,277**	49,301	3,878	53,179
Loss on disposal and change in ownership of business	9	**–**	**(28,234)**	**(28,234)**	(2,966)	(12,524)	(15,490)
Share of profit/ (loss) from equity-accounted investees (net of tax)	16	**123,592**	**4,172**	**127,764**	149,435	(2,957)	146,478
Results from operating activities		**1,836,824**	**(35,328)**	**1,801,496**	1,720,194	(12,379)	1,707,815
Finance income	7	**95,540**	**550**	**96,090**	100,247	47,462	147,709
Finance costs	7	**(425,410)**	**(98,100)**	**(523,510)**	(438,357)	(139,521)	(577,878)
Net finance costs		**(329,870)**	**(97,550)**	**(427,420)**	(338,110)	(92,059)	(430,169)
Profit before tax		**1,506,954**	**(132,878)**	**1,374,076**	1,382,084	(104,438)	1,277,646
Income tax expense	8	**(144,406)**	**101,076**	**(43,330)**	(122,579)	–	(122,579)
Profit for the year	6	**1,362,548**	**(31,802)**	**1,330,746**	1,259,505	(104,438)	1,155,067
Profit attributable to:							
Owners of the Company		**1,208,517**	**(31,802)**	**1,176,715**	1,126,554	(102,300)	1,024,254
Non-controlling interests		**154,031**	**–**	**154,031**	132,951	(2,138)	130,813
		1,362,548	**(31,802)**	**1,330,746**	1,259,505	(104,438)	1,155,067
Earnings per share							
Basic earnings per share – US cents	11	**145.60**		**141.77**	135.73		123.40
Diluted earnings per share – US cents	11	**141.58**		**141.77**	132.11		117.16

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENT

Consolidated Statement of Other Comprehensive Income

	Note	2017 USD'000	2016 USD'000
Profit for the year		**1,330,746**	1,155,067
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences – foreign operations*		**616,653**	(586,792)
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		**46,949**	48,913
Net change in fair value of available-for-sale financial assets		**(779)**	5,176
Share of other comprehensive income of equity-accounted investees	16	**3,988**	3,416
Cash flow hedges – effective portion of changes in fair value		**49,255**	(21,178)
Related tax on fair value of cash flow hedges		**(6,262)**	3,170
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations**	20	**131**	(204,987)
Related tax		**(1,026)**	5,699
Other comprehensive income for the year, net of tax		**708,909**	(746,583)
Total comprehensive income for the year		**2,039,655**	408,484
Total comprehensive income attributable to:			
Owners of the Company		**1,837,558**	282,472
Non-controlling interests		**202,097**	126,012

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

** 2016 includes re-apportionment of pension fund deficit contribution from a related party and increase in pension actuarial loss on account of the decrease in discount rate at the reporting date.

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENT

Consolidated Statement of Financial Position

	Note	2017 USD'000	2016 USD'000
Assets			
Non-current assets			
Property, plant and equipment	12	**8,697,371**	7,522,077
Investment properties	13	**1,323,179**	1,280,325
Intangible assets and goodwill	14	**7,920,654**	7,289,138
Investment in equity-accounted investees	16	**2,172,683**	1,951,658
Other investments		**72,759**	60,644
Accounts receivable and prepayments	17	**481,741**	428,627
Total non-current assets		**20,668,387**	18,532,469
Current assets			
Inventories		**90,282**	79,124
Accounts receivable and prepayments	17	**871,542**	793,345
Cash and cash equivalents	18	**1,483,679**	1,299,391
Total current assets		**2,445,503**	2,171,860
Total assets		**23,113,890**	20,704,329
Equity			
Share capital	27	**1,660,000**	1,660,000
Share premium		**2,472,655**	2,472,655
Shareholders' reserve		**2,000,000**	2,000,000
Retained earnings		**6,759,367**	5,495,181
Translation reserve		**(1,503,980)**	(2,124,021)
Other reserves	28	**(573,881)**	(705,964)
Equity attributable to owners of the Company		**10,814,161**	8,797,851
Non-controlling interests	22	**811,201**	721,834
Total equity		**11,625,362**	9,519,685
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	29	**7,437,270**	6,874,777
Accounts payable and accruals	21	**482,218**	392,127
Deferred tax liabilities	8	**907,860**	945,257
Employees' end of service benefits	19	**122,230**	112,594
Pension and post-employment benefits	20	**187,570**	314,691
Total non-current liabilities		**9,137,148**	8,639,446
Current liabilities			
Interest bearing loans and borrowings	29	**301,708**	743,482
Accounts payable and accruals	21	**1,947,781**	1,663,809
Income tax liabilities	8	**94,567**	129,722
Pension and post-employment benefits	20	**7,324**	8,185
Total current liabilities		**2,351,380**	2,545,198
Total liabilities		**11,488,528**	11,184,644
Total equity and liabilities		**23,113,890**	20,704,329

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue on 15 March 2018.

Sultan Ahmed Bin Sulayem
Chairman and Chief Executive Officer

Yuvraj Narayan
Chief Financial Officer

FINANCIAL STATEMENT

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company							
	Share capital and premium USD'000	Shareholders' reserve USD'000	Retained earnings USD'000	Translation reserve USD'000	Other reserves USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at 1 January 2016	4,132,655	2,000,000	4,722,382	(1,593,342)	(494,861)	8,766,834	367,764	9,134,598
Profit for the period	–	–	1,024,254	–	–	1,024,254	130,813	1,155,067
Other comprehensive income, net of tax	–	–		(530,679)	(211,103)	(741,782)	(4,801)	(746,583)
Transactions with owners, recognised directly in equity								
Dividends paid (refer to note 10)	–	–	(249,000)	–	–	(249,000)	–	(249,000)
Acquisition of non-controlling interests without change in control	–	–	(2,455)	–	–	(2,455)	722	(1,733)
Transactions with non-controlling interests, recognised directly in equity								
Contributions by non-controlling interests	–	–	–	–	–	–	2,000	2,000
Dividends paid	–	–	–	–	–	–	(25,222)	(25,222)
Acquisition of subsidiary with non-controlling interests	–	–	–	–	–	–	250,558	250,558
Balance as at 31 December 2016	**4,132,655**	**2,000,000**	**5,495,181**	**(2,124,021)**	**(705,964)**	**8,797,851**	**721,834**	**9,519,685**
Profit for the period	**–**	**–**	**1,176,715**	**–**	**–**	**1,176,715**	**154,031**	**1,330,746**
Other comprehensive income, net of tax	**–**	**–**	**–**	**620,041**	**40,802**	**660,843**	**48,066**	**708,909**
Transactions with owners, recognised directly in equity								
Change in ownership interests without change in control of subsidiaries (refer to note 24)	**–**	**–**	**403,497**	**–**	**–**	**403,497**	**119,890**	**523,387**
Pension obligation borne by Parent Company*	**–**	**–**	**–**	**–**	**91,281**	**91,281**	**–**	**91,281**
Dividends paid (refer to note 10)	**–**	**–**	**(315,400)**	**–**	**–**	**(315,400)**	**–**	**(315,400)**
Acquisition of non-controlling interests without change in control	**–**	**–**	**(626)**	**–**	**–**	**(626)**	**(4,191)**	**(4,817)**
Transactions with non-controlling interests, recognised directly in equity		**–**						
Contributions by non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**21,880**	**21,880**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(253,697)**	**(253,697)**
Acquisition of subsidiary with non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**3,388**	**3,388**
Balance as at 31 December 2017	**4,132,655**	**2,000,000**	**6,759,367**	**(1,503,980)**	**(573,881)**	**10,814,161**	**811,201**	**11,625,362**

* In 2016, Group accounted for USD 91,281 thousand additional defined benefit obligation in relation to the reapportionment of pension fund deficit from a related party. The re-apportioned liability was subsequently paid by the Parent company in the current year.

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENT

Consolidated Statement of Cash Flows

	Note	2017 USD'000	2016 USD'000
Cash flows from operating activities			
Gross cash flows from operations	18	**2,332,606**	2,115,609
Changes in:			
Inventories		**(3,844)**	(11,192)
Accounts receivable and prepayments		**71,583**	(62,671)
Accounts payable and accruals		**127,555**	52,784
Provisions, pensions and post-employment benefits		**(115,452)**	(92,907)
Cash provided by operating activities		**2,412,448**	2,001,623
Income taxes paid		**(204,575)**	(157,086)
Net cash provided by operating activities		**2,207,873**	1,844,537
Cash flows from investing activities			
Additions to property, plant and equipment	12	**(945,201)**	(1,073,725)
Additions to investment properties	13	**(98,884)**	(136,901)
Additions to port concession rights		**(45,566)**	(87,502)
Additions to/ advance towards other investments		**(28,026)**	(23,305)
Proceeds from disposal of property, plant and equipment and port concession rights		**42,579**	7,414
Proceeds from disposal of other investments		**–**	21,554
Proceeds from disposal of a subsidiary		**–**	6,965
Cash outflow on acquisition of subsidiaries (net of cash acquired)		**(179,114)**	(142,950)
Cash inflow on monetisation of stake in subsidiaries without change in control		**523,387**	–
Net cash outflow on acquisition of non-controlling interests without change in control		**(4,817)**	(1,733)
Interest received		**38,030**	32,140
Dividends received from equity-accounted investees		**114,695**	151,146
Additional investment in equity-accounted investees		**(4,415)**	(13,071)
Net loan from equity-accounted investees		**1,347**	1,091
Net cash used in investing activities		**(585,985)**	(1,258,877)
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		**(504,809)**	(1,287,412)
Drawdown of interest bearing loans and borrowings		**290,361**	1,262,089
Proceeds from issue of bonds (2023 Sukuk)		**–**	1,200,000
Redemption of issued bonds (2017 Sukuk)		**(387,300)**	(1,174,455)
Transaction cost paid on issuance of bonds (2023 Sukuk)		**–**	(10,505)
Interest paid		**(332,420)**	(418,769)
Dividend paid to the owners of the Company		**(315,400)**	(249,000)
Contribution by non-controlling interests		**21,880**	2,000
Dividend paid to non-controlling interests		**(253,697)**	(25,222)
Net cash used in financing activities		**(1,481,385)**	(701,274)
Net increase/ (decrease) in cash and cash equivalents		**140,503**	(115,614)
Cash and cash equivalents as at 1 January		**1,299,391**	1,436,595
Effect of exchange rate fluctuations on cash held		**43,785**	(21,590)
Cash and cash equivalents as at 31 December	18	**1,483,679**	1,299,391

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements

1. Corporate information

DP World Limited ("the Company") was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the Companies Law, DIFC Law No. 3 of 2006. The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, industrial parks and economic zones, logistics and ancillary services to technology-driven trade solutions.

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

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

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

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards ("IFRS") and the applicable provisions of the Companies Law pursuant to DIFC Law No. 2 of 2009.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, investment at fair value through profit or loss and available-for-sale financial assets which are measured at fair value.

a) Use of estimates and judgements

The management makes estimates and judgements affecting the application of accounting policies and reported numbers in the consolidated financial statements. The significant estimates and judgements are listed below:

i. Estimate of useful lives of property, plant and equipment and port concession rights with finite lives.
ii. Estimate of expected future cash flows and discount rate for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
iii. Judgement on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management's expectations on the date of acquisition.
iv. Estimate of collectible amount of accounts receivables where the collection of full amount is not probable.
v. Estimate of fair value of derivatives for which an active market is not available is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
vi. Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
vii. Estimate of level of probability of a contingent liability becoming an actual liability and resulting cash outflow based on the information available on the reporting date.
viii. Consolidation of entities in which the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding (refer to note 24).
ix. Significant judgement is required in determining the worldwide provision for income taxes.
x. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

b) New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning 1 January 2017, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i. IFRS 9 Financial Instruments (effective from 1 January 2018)

IFRS 9 sets out requirements for recognising, classifying and measuring financial assets and financial liabilities and introduces a new expected credit loss model. The new guidance has also substantially reformed the existing hedge accounting rules. It provides a more principles-based approach that aligns hedge accounting closely with risk management policies. The adoption of IFRS 9 will not affect the classification and measurement of the Group's financial instruments, and the new standard does not fundamentally change the hedging relationships. Management has assessed that the effect of change from the incurred loss model to the expected credit loss model is considered immaterial due to the low credit risk in the Group..

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

2. Basis of preparation of the consolidated financial statements (continued)

b) New standards and interpretations not yet effective (continued)

ii. IFRS 15 Revenue from contracts with customers (effective from 1 January 2018)

IFRS 15 replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard provides a single principles-based five-step model to be applied to all contracts with customers. The Group's current practices for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard and impact on the financial statements is considered immaterial.

iii. IFRS 16 Leases (effective from 1 January 2019)

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating lease incentives and SIC-27 Evaluating the substance of transaction involving the legal form of lease.

The new standard requires the lessee to recognise the operating lease commitment on the balance sheet. The Group, as a lessee, has substantial operating leases and commitments as disclosed in note 31. The standard would require future lease commitments to be recognised as a liability, with a corresponding right of use asset. This will impact the EBITDA and debt to equity ratios of the Group. In addition, depending on the stage of lease, there would be a different pattern of expense recognition on leases. Currently, lease expenses are recognised in cost of sales, however, in future the lease expense would be replaced by an amortisation charge and finance expense.

The Group is in the process of collating its leases and computing the impact. The impact of these standard's application is expected to be significant. The actual impact of applying IFRS 16 at 1 January 2019 will, among other factors, depend on future economic conditions – including the composition of the lease portfolio at that date as well as the level of time charter rates, incremental borrowing rates, etc.

c) New standards, amendments and interpretations adopted by the Group

i. Amendment to IAS 7, Statement of cash flows (effective from 1 January 2017)

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

ii. Amendments to IAS 12, Income taxes (effective from 1 January 2017)

The amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

3. Significant accounting policies

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

a) Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The acquisition method of accounting is used to account for business combinations by the Group on the date of acquisition.

ii. Business combination achieved in stages

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair values and any resulting gain or loss is recognised in profit or loss.

iii. Change in ownership interests in subsidiaries without loss of control

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed off in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

iv. Disposal of subsidiaries (loss of control)

On the loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

v. Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

3. Significant accounting policies (continued)

vi. Structured entities

The Group established DP World Crescent Limited (a limited liability company incorporated in the Cayman Islands) as a structured entity ("SE") for the issue of Sukuk Certificates. These certificates are listed on Nasdaq Dubai and London Stock Exchange. The Group does not have any direct or indirect shareholding in this entity.

The Group has also incorporated JAFZ Sukuk (2019) Limited as a SE for issuing New JAFZ Sukuk which are currently listed on Nasdaq Dubai and the Irish Stock Exchange.

The Group consolidates the above SE's based on an evaluation of the substance of its relationship with the Group. This relationship results in the majority of the benefits related to the SE's operations and net assets being received by the Group. It also exposes the Group to risks incident to the SE's activities and retains the majority of the residual or ownership risks related to the SE or its assets.

vii. Investments in associates and joint ventures (equity-accounted investees)

The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

viii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency

i. Functional and presentation currency

The functional currency of the Company is UAE Dirhams. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency). These consolidated financial statements are presented in USD, which is the Group's presentation currency.

ii. Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of each entity at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of each entity at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further re-measurement in future. Foreign currency differences are generally recognised in the profit or loss.

iii. Foreign operations

For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

3. Significant accounting policies (continued)

c) Financial instruments

i. Non-derivative financial assets

Initial recognition and subsequent measurement

The Group classifies non-derivative financial assets into the following categories: held to maturity financial assets, loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition. All non-derivative financial assets are recognised initially at fair value, plus, any directly attributable transaction costs. The Group's non-derivative financial assets comprise investments in an unquoted infrastructure fund, debt securities held to maturity, trade and other receivables, due from related parties and, cash and cash equivalents.

The subsequent measurement of non-derivative financial assets depends on their classification.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

ii. Non-derivative financial liabilities

Initial recognition and measurement

The Group's non-derivative financial liabilities consist of loans and borrowings, bank overdrafts, amounts due to related parties, and trade and other payables. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Subsequent measurement

The subsequent measurement of non-derivative financial liabilities are carried at their amortised cost using the effective interest method.

Convertible bond

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a non-derivative financial liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial derivative liability, represents the value of the option that bond holders can convert into ordinary shares. The Group has not recorded the embedded derivative within equity due to the existence of cash settlement terms with the Company.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

iii. Derivative financial instruments

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

Initial recognition

On initial designation of the derivatives as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and hedged risk together with the methods that will be used to assess the effectiveness of the hedging relationship

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Subsequent measurement

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

3. Significant accounting policies (continued)

Derecognition

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j) (i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

iii. Depreciation

Land and capital work in progress is not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	Useful life (years)
Buildings	5 – 50
Plant and equipment	3 – 25
Vessels	10 – 30
Dredging (included in Land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

iv. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time, the assets are substantially ready for their intended use or sale.

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

3. Significant accounting policies (continued)

e) Investment properties

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	Useful life (years)
Buildings	20 – 35
Infrastructure	5 – 50

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

f) Land use rights

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

g) Goodwill

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j) (i)). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

h) Port concession rights

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

i. Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(j)(i)). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.

3. Significant accounting policies (continued)

h) Port concession rights (continued)

i. Port concession rights arising on business combinations (continued)

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

ii. Port concession rights arising from Service Concession Arrangements (IFRIC 12)

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for port concession rights range within a period of 5 – 50 years (including the concession rights relating to equity-accounted investees).

i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i. Group as a lessee

Assets held by the Group under leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

ii. Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

iii. Leasing and sub-leasing transactions

Leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated statement of profit or loss based on its economic substance.

iv. Leases of land in port concession

Leases of land have not been classified as finance leases as the Group believes that the substantial risks and rewards of ownership of the land have not been transferred. Accordingly, these are accounted as operating leases. The existence of a significant exposure of the lessor to performance of the asset through contingent rentals is the basis of concluding that substantially all the risks and rewards of ownership have not passed.

j) Impairment

i. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's.

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

3. Significant accounting policies (continued)

j) Impairment (continued)

i. Non-financial assets (continued)

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ii. Financial assets

Financial assets not classified at fair value through profit or loss are assessed by management at each reporting date to determine whether there is objective evidence of impairment.

Loans and receivables and held to maturity investments

The Group considers evidence of impairment for loans and receivables and held to maturity investment securities at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Available-for-sale financial assets

A significant or prolonged decline in the fair value of an equity investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

k) Employee benefits

i. Pension and post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

ii. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. Significant accounting policies (continued)

l) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerised stevedoring, other containerised revenue, non-containerised revenue, service concession revenue and lease rentals. Non-containerised revenue mainly includes logistics and handling of break bulk cargo.

The following specific recognition criteria must also be met before revenue is recognised:

i. Rendering of services

Revenue from providing containerised stevedoring, other containerised services and non-containerised services is recognised on the delivery and completion of those services.

ii. Service concession arrangements (IFRIC 12)

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

iii. Lease rentals and related services

A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position. Revenue from administrative service, license, registration and consultancy is recognised as the service is provided.

n) Finance income and costs

Finance income comprises interest income on cash and cash equivalents and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3(b) (ii)).

o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

3. Significant accounting policies (continued)

p) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after adjusting for interest on the convertible bond and other consequential changes in income or expense that would result from the assumed conversion) by the weighted average number of ordinary shares outstanding during the year including the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (refer to note 11).

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors ('Chief Operating Decision Maker') to assess performance.

r) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4. Segment information

The Group has identified the following geographic areas as its basis of segmentation.

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

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

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA").

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

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

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

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2017 USD'000	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000
Revenue	**682,272**	501,496	**762,151**	659,020	**3,284,363**	3,071,052	**–**	–	**–**	–	**4,728,786**	4,231,568
Adjusted for separately disclosed items	**(14,053)**	(68,243)	**–**	–	**–**	–	**–**	–	**–**	–	**(14,053)**	(68,243)
Revenue before separately disclosed items	**668,219**	433,253	**762,151**	659,020	**3,284,363**	3,071,052	**–**	–	**–**	–	**4,714,733**	4,163,325
Adjusted EBITDA	**434,989**	316,476	**291,485**	293,052	**1,917,640**	1,791,269	**(175,080)**	(137,720)	**–**	–	**2,469,034**	2,263,077
Finance income	**–**	–	**–**	–	**–**	–	**95,540**	100,247	**–**	–	**95,540**	100,247
Finance costs	**–**	–	**–**	–	**–**	–	**(425,410)**	(438,357)	**–**	–	**(425,410)**	(438,357)
Tax expense	**–**	–	**–**	–	**–**	–	**(144,406)**	(122,579)	**–**	–	**(144,406)**	(122,579)
Depreciation and amortisation	**(101,760)**	(67,260)	**(94,046)**	(77,389)	**(427,169)**	(391,184)	**(9,235)**	(7,050)	**–**	–	**(632,210)**	(542,883)
Adjusted net profit/ (loss) before separately disclosed items	**333,229**	249,216	**197,439**	215,663	**1,490,471**	1,400,085	**(658,591)**	(605,459)	**–**	–	**1,362,548**	1,259,505
Adjusted for separately disclosed items	**(13,313)**	(6,284)	**(32,384)**	2,076	**10,369**	(8,171)	**3,526**	(92,059)	**–**	–	**(31,802)**	(104,438)
Profit/ (loss) for the year	**319,916**	242,932	**165,055**	217,739	**1,500,840**	1,391,914	**(655,065)**	(697,518)	**–**	–	**1,330,746**	1,155,067

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

4. Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2017 USD'000	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000
Segment assets	**4,576,571**	4,350,319	**3,103,562**	2,092,970	**18,062,307**	15,333,720	**9,345,615**	9,205,350	**(11,974,165)**	(10,278,030)	**23,113,890**	20,704,329
Segment liabilities	**661,767**	605,616	**643,515**	379,373	**4,042,232**	3,455,870	**8,693,264**	8,524,199	**(3,554,677)**	(2,855,393)	**10,486,101**	10,109,665
Tax liabilities*	**–**	–	**–**	–	**–**	–	**1,002,427**	1,074,979	**–**	–	**1,002,427**	1,074,979
Total liabilities	**661,767**	605,616	**643,515**	379,373	**4,042,232**	3,455,870	**9,695,691**	9,599,178	**(3,554,677)**	(2,855,393)	**11,488,528**	11,184,644
Capital expenditure	**87,670**	81,068	**163,999**	156,457	**835,695**	1,057,844	**2,287**	2,759	**–**	–	**1,089,651**	1,298,128
Depreciation	**43,022**	22,801	**64,801**	55,527	**339,645**	310,077	**9,234**	7,050	**–**	–	**456,702**	395,455
Amortisation/ impairment	**58,738**	44,459	**29,245**	21,862	**91,127**	81,883	**–**	–	**–**	–	**179,110**	148,204
Share of profit/(loss) of equity accounted investees before separately disclosed items	**117,365**	125,215	**(14,894)**	6,418	**21,121**	17,802	**–**	–	**–**	–	**123,592**	149,435
Tax expense	**–**	–	**–**	–	**–**	–	**43,330**	122,579	**–**	–	**43,330**	122,579

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

5. Revenue

	2017 USD'000	2016 USD'000
Revenue consists of:		
Containerised stevedoring revenue	**1,856,806**	1,535,059
Containerised other revenue	**1,450,110**	1,315,186
Non-containerised revenue	**821,751**	759,516
Service concession revenue (refer to note 9)	**14,053**	68,243
Lease rentals and related services	**586,066**	553,564
Total	**4,728,786**	4,231,568

6. Profit for the year

	2017 USD'000	2016 USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**933,712**	826,947
Depreciation and amortisation	**632,210**	542,883
Operating lease rentals	**399,968**	364,365
Impairment loss (refer to note 9)	**3,602**	776

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Notes to the Consolidated Financial Statements continued

7. Finance income and costs

	2017 USD'000	2016 USD'000
Finance income		
Interest income	**66,400**	56,420
Exchange gains	**29,140**	43,827
Finance income before separately disclosed items	**95,540**	100,247
Separately disclosed items (refer to note 9)	**550**	47,462
Finance income after separately disclosed items	**96,090**	147,709
Finance costs		
Interest expense	**(372,950)**	(375,065)
Exchange losses	**(46,550)**	(57,672)
Other net financing expense in respect of pension plans	**(5,910)**	(5,620)
Finance costs before separately disclosed items	**(425,410)**	(438,357)
Separately disclosed items (refer to note 9)	**(98,100)**	(139,521)
Finance costs after separately disclosed items	**(523,510)**	(577,878)
Net finance costs after separately disclosed items	**(427,420)**	(430,169)

8. Income tax

The major components of income tax expense for the year ended 31 December:

	2017 USD'000	2016 USD'000
Current tax on profits for the year	**193,987**	175,195
Adjustments for change in estimates related to prior years	**(24,506)**	(39,193)
	169,481	136,002
Deferred tax credit	**(126,151)**	(13,423)
Income tax expense	**43,330**	122,579
Share of income tax of equity-accounted investees	**48,963**	47,130
Total tax expense	**92,293**	169,709
Income tax balances included in the consolidated statement of financial position:		
Current income tax receivable (included within accounts receivable and prepayments)	**31,551**	32,318
Current income tax liabilities	**94,567**	129,722

8. Income tax (continued)

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2017 USD'000	2016 USD'000
Net profit before tax		**1,374,076**	1,277,646
Tax at the Company's domestic rate of 0% (2016: 0%)		**–**	–
Income tax on foreign earnings		**139,118**	121,342
Net current year tax losses incurred, on which deferred tax is not recognised		**15,699**	27,189
Tax charge on equity-accounted investees		**48,963**	47,130
Effect of rate change		**2,188**	(11,035)
Deferred tax in respect of fair value adjustments		**(15,198)**	(11,436)
Others		**20,971**	37,226
Tax expense before prior year adjustments		**211,741**	210,416
Change in estimates related to prior years:			
– current tax		**(24,507)**	(39,193)
– deferred tax		**6,135**	(1,514)
Total tax expense from operations before separately disclosed items	(A)	**193,369**	169,709
Separately disclosed items		**(101,076)**	–
Total tax expense		**92,293**	169,709
Net profit before tax		**1,374,076**	1,277,646
Separately disclosed items		**132,878**	104,438
Share of income tax of equity-accounted investees		**48,963**	47,130
Adjusted profit before tax and before separately disclosed items	(B)	**1,555,917**	1,429,214
Effective tax rate before separately disclosed items	(A/B)	**12.43%**	11.87%

Unrecognised deferred tax assets

Deferred tax assets are not recognised on trading losses of USD 786,799 thousand (2016: USD 656,449 thousand) where utilisation is uncertain, either because they have not been agreed with tax authorities, or because the likelihood of future taxable profits is not sufficiently certain, or because of the impact of tax holidays. Under current legislation, USD 598,892 thousand (2016: USD 420,692 thousand) of these trading losses can be carried forward indefinitely.

Deferred tax assets are also not recognised on capital and other losses of USD 208,342 thousand (2016: USD 221,394 thousand) as their utilisation is uncertain.

Group tax rates

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	Applicable corporate tax rate
Asia Pacific and Indian subcontinent	10% to 34.6%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 34.0%

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8. Income tax (continued)

Movement in temporary differences during the year:

	1 January 2017 USD'000	Recognised in consolidated statement of profit or loss USD'000	Acquisitions in the period USD'000	Translation and other movements USD'000	31 December 2017 USD'000
Deferred tax liabilities					
Property, plant and equipment	92,599	8,633	–	3,348	104,580
Investment in equity-accounted investees	47,458	(22,826)	–	(1,653)	22,979
Fair value of acquired intangibles	441,415	(15,980)	50,512	42,856	518,803
Others	410,768	(105,061)	(1,245)	1,423	305,885
Total before set off	992,240	(135,234)	49,267	45,974	952,247
Set off of deferred tax asset against liabilities	(46,983)	–	–	–	(44,387)
Net deferred tax liabilities	945,257	–	–	–	907,860
Deferred tax assets					
Pension and post-employment benefits	13,075	(3,068)	47	1,463	11,517
Financial instruments	8,366	(787)	–	(897)	6,682
Provisions	3,912	(760)	87	(872)	2,367
Tax value of losses carried forward recognised	21,630	418	–	1,773	23,821
Total before set off	46,983	(4,197)	134	1,467	44,387
Set off of deferred tax asset against liabilities	(46,983)	–	–	–	(44,387)
Net deferred tax assets (included within non-current account receivables and prepayments)	–	–	–	–	–

9. Separately disclosed items

	2017 USD'000	2016 USD'000
Revenue		
Construction contract revenue relating to service concessions	14,053	68,243
Cost of sales		
Construction contract costs relating to service concessions	(14,053)	(68,243)
General and administrative expenses		
Impairment of property, plant and equipment and investment properties	(3,602)	(776)
Acquisition related costs and restructuring provisions (net)	(11,097)	–
Other income	3,433	3,878
Loss on conversion of an associate to a subsidiary	(28,234)	(12,524)
Share of profit/ (loss) from equity-accounted investees	4,172	(2,957)
Finance income		
Change in fair value of convertible bond option	–	47,462
Ineffective swaps	550	–
Finance costs		
Change in fair value of convertible bond option	(77,034)	–
Finance costs related to convertible bond	(21,066)	(20,110)
Ineffective swaps	–	(3,432)
Sukuk redemption costs	–	(61,755)
Transaction costs	–	(54,224)
Income tax	101,076	–
Total	(31,802)	(104,438)

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

Impairment of property, plant and equipment and investment properties relates to subsidiaries in the 'Middle East, Europe and Africa' region.

Acquisition related costs and restructuring provisions represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group and reversal of excess restructuring provisions in a subsidiary in the 'Middle East, Europe and Africa' region.

9. Separately disclosed items (continued)

Other income represents non-recurring income in a subsidiary in the 'Middle East, Europe and Africa' region. (2016 represents the gain on sale of other investments in the 'Asia Pacific and Indian subcontinent' region and in the 'Middle East, Europe and Africa' region).

Loss on conversion of an associate to a subsidiary relates to the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Australia and Americas' region. (2016 relates to the loss on sale of a subsidiary in the 'Middle East, Europe and Africa' region and loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region).

Share of loss from equity-accounted investees relates to release of deferred tax liability of USD 15,985 thousand due to tax rate change in an equity-accounted investee in the 'Middle East, Europe and Africa' region offset by impairment of goodwill of USD 11,813 thousand in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region. (2016 represents the non-recurring expenses incurred in the 'Middle East, Europe and Africa' region).

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

Ineffective swaps relates to an ineffective element of cash flow hedge in a subsidiary in the 'Middle East, Europe and Africa' region. (2016: ineffective element of a cash flow hedge in a subsidiary in the 'Middle East, Europe and Africa' region and the loss on termination of interest rate swap in a subsidiary in the 'Australia and Americas' region).

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

Sukuk redemption costs represents the redemption premium paid on an early redemption of sukuk bond liability.

Transaction costs relates to costs on restructuring and termination of loans in subsidiaries in the 'Middle East, Europe and Africa' region.

Income tax credit relates to the release of deferred tax liability on account of a tax rate change.

10. Dividends

	2017 USD'000	2016 USD'000
Declared and paid during the year:		
Final dividend: 38 US cents per share/ 30 US cents per share	**315,400**	249,000
Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December):		
Final dividend: 41 US cents per share/ 38 US cents per share	**340,300**	315,400

11. Earnings per share

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

	2017 Before separately disclosed items USD'000	**2017 Adjusted for separately disclosed items USD'000**	2016 Before separately disclosed items USD'000	2016 Adjusted for separately disclosed items USD'000
Profit attributable to the ordinary shareholders of the Company (a)	**1,208,517**	**1,176,715**	1,126,554	1,024,254
Adjustment for costs/ (income) related to convertible bonds saved as a result of the conversion	**18,772**	**116,872**	18,666	(8,686)
Profit attributable to the ordinary shareholders of the Company after conversion (b)	**1,227,289**	**1,293,587**	1,145,220	1,015,568
Weighted average number of basic shares outstanding as at 31 December (c)	**830,000,000**	**830,000,000**	830,000,000	830,000,000
Weighted average numbers of shares due to conversion of convertible bond	**36,846,510**	**36,846,510**	36,846,510	36,846,510
Total weighted average number of ordinary shares (diluted) outstanding – (d)	**866,846,510**	**866,846,510**	866,846,510	866,846,510
Basic earnings per share US cents – (a/c)	**145.60**	**141.77**	135.73	123.40
Diluted earnings per share US cents – (b/d)	**141.58**	**141.77***	132.11	117.16
Anti-diluted earnings per share US cents – (b/d)	**–**	**149.23**	–	–

* Diluted earnings per share (adjusted for separately disclosed items) for the year ended 31 December 2017 is equal to basic earnings per share (adjusted for separately disclosed items) as it is antidilutive.

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Notes to the Consolidated Financial Statements continued

12. Property, plant and equipment

	Land and buildings USD'000	Plant and equipment USD'000	Vessels USD'000	Capital work- in- progress USD'000	Total USD'000
Cost					
As at 1 January 2016	3,884,675	3,927,182	279,549	1,056,958	9,148,364
Acquired through business combination	14,964	327,868	–	1,649	344,481
Additions during the year	11,324	62,225	2,960	997,216	1,073,725
Transfers from capital work-in-progress	381,421	282,300	2,013	(665,734)	–
Transfer from investment properties	–	270	–	–	270
Disposals	(30,296)	(48,649)	(2,455)	–	(81,400)
Translation adjustment	(90,513)	(285,415)	(3,817)	(64,484)	(444,229)
As at 31 December 2016	4,171,575	4,265,781	278,250	1,325,605	10,041,211
As at 1 January 2017	**4,171,575**	**4,265,781**	**278,250**	**1,325,605**	**10,041,211**
Acquired through business combination	**8,579**	**544,824**	**93,962**	**–**	**647,365**
Additions during the year	**33,332**	**65,452**	**20,267**	**826,150**	**945,201**
Transfers from capital work-in-progress	**346,474**	**573,461**	**42,404**	**(962,339)**	**–**
Transfer from investment properties	**–**	**892**	**–**	**–**	**892**
Disposals	**(14,897)**	**(79,407)**	**(7,494)**	**–**	**(101,798)**
Translation adjustment	**85,339**	**187,437**	**21,345**	**41,298**	**335,419**
As at 31 December 2017	**4,630,402**	**5,558,440**	**448,734**	**1,230,714**	**11,868,290**
Depreciation and impairment					
As at 1 January 2016	869,521	1,251,777	57,940	–	2,179,238
Acquired through business combination	1,289	125,875	–	–	127,164
Charge for the year	130,858	212,027	19,392	–	362,277
Impairment loss	4	772	–	–	776
On disposals	(21,966)	(44,699)	(1,370)	–	(68,035)
Translation adjustment	(10,479)	(70,089)	(1,718)	–	(82,286)
As at 31 December 2016	969,227	1,475,663	74,244	–	2,519,134
As at 1 January 2017	**969,227**	**1,475,663**	**74,244**	**–**	**2,519,134**
Acquired through business combination	**2,037**	**153,652**	**53,255**	**–**	**208,944**
Charge for the year	**144,389**	**252,720**	**21,826**	**–**	**418,935**
Impairment loss	**–**	**1,515**	**–**	**–**	**1,515**
On disposals	**(7,485)**	**(49,412)**	**(7,494)**	**–**	**(64,391)**
Translation adjustment	**20,160**	**56,008**	**10,614**	**–**	**86,782**
As at 31 December 2017	**1,128,328**	**1,890,146**	**152,445**	**–**	**3,170,919**
Net book value					
At 31 December 2016	3,202,348	2,790,118	204,006	1,325,605	7,522,077
At 31 December 2017	**3,502,074**	**3,668,294**	**296,289**	**1,230,714**	**8,697,371**

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group ("the Crane French Lease Arrangements"). At 31 December 2017, cranes with aggregate net book value amounting to USD 210,017 thousand (2016: USD 225,756 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

At 31 December 2017, property, plant and equipment with a carrying amount of USD 1,917,423 thousand (2016: USD 2,180,671 thousand) are pledged to bank loans (refer to note 29).

Borrowing costs capitalised to property, plant and equipment amounted to USD 5,121 thousand (2016: USD 20,510 thousand) with a capitalisation rate in the range of 0.16% to 0.53% per annum (2016: 2.27% to 3.84% per annum).

The fair value of property, plant and equipment recognised as a result of business combination was determined using the market approach model.

13. Investment properties

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
Cost				
As at 1 January 2016	30,378	970,094	205,016	1,205,488
Additions during the year	3,491	88,801	44,609	136,901
Transfers	–	11,716	(11,716)	–
Transfer to property, plant and equipment	–	–	(270)	(270)
Translation adjustment	(260)	–	(97)	(357)
As at 31 December 2016	33,609	1,070,611	237,542	1,341,762
As at 1 January 2017	**33,609**	**1,070,611**	**237,542**	**1,341,762**
Additions during the year	**2,450**	**–**	**96,434**	**98,884**
Transfers	**–**	**92,736**	**(92,736)**	**–**
Transfer to property, plant and equipment	**–**	**–**	**(892)**	**(892)**
Disposals	**(251)**	**(15,500)**	**(1,196)**	**(16,947)**
Translation adjustment	**1,609**	**–**	**54**	**1,663**
As at 31 December 2017	**37,417**	**1,147,847**	**239,206**	**1,424,470**
Depreciation and impairment				
As at 1 January 2016	–	28,259	–	28,259
Depreciation charge for the year	–	33,178	–	33,178
As at 31 December 2016	–	61,437	–	61,437
As at 1 January 2017	**–**	**61,437**	**–**	**61,437**
Depreciation charge for the year	**–**	**37,767**	**–**	**37,767**
Impairment loss	**–**	**1,746**	**341**	**2,087**
As at 31 December 2017	**–**	**100,950**	**341**	**101,291**
Net book value:				
As at 31 December 2016	33,609	1,009,174	237,542	1,280,325
As at 31 December 2017	**37,417**	**1,046,897**	**238,865**	**1,323,179**

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 466,677 thousand (2016: USD 460,865 thousand) while associated costs related to these investment properties amounted to USD 114,478 thousand (2016: USD 109,790 thousand).

Land:

At 31 December 2017, the fair value of land was estimated to be USD 76,900 thousand (2016: USD 65,941 thousand) compared to the carrying value of USD 37,417 thousand (2016: USD 33,609 thousand).

Buildings and infrastructure:

At 31 December 2017, the fair value of buildings and infrastructure was USD 2,271,513 thousand (2016: USD 2,107,291 thousand) compared to the carrying value of USD 1,046,897 thousand (2016: USD 1,009,174 thousand). The buildings and infrastructure are constructed on a land for which the Economic Zones and Logistics park business obtained land use rights for a period of 99 years.

Investment properties under development:

Investment properties under development mainly include infrastructure development, staff accommodation and office building in Jebel Ali Free Zone, UAE. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

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13. Investment properties continued

Key assumptions used in determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the investment properties has been performed using income capitalisation, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market. The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent (per square metre per annum)
- Rent growth per annum
- Historical and estimated long term occupancy rate
- Yields, discount rates and terminal capitalisation rates

The fair value of investment properties are categorised under level 3 hierarchy and the Group considers the current use of these properties as their highest and best use.

14. Intangible assets and goodwill

	Land use rights USD'000	Goodwill USD'000	Port concession rights and other intangible assets USD'000	Total USD'000
Cost				
As at 1 January 2016	2,677,717	1,460,386	4,042,167	8,180,270
Acquired through business combinations	–	61,519	498,400	559,919
Additions	–	–	87,502	87,502
Translation adjustment	–	(166,122)	(194,357)	(360,479)
As at 31 December 2016	2,677,717	1,355,783	4,433,712	8,467,212
As at 1 January 2017	**2,677,717**	**1,355,783**	**4,433,712**	**8,467,212**
Acquired through business combinations	**–**	**–**	**365,287**	**365,287**
Additions	**–**	**–**	**87,662**	**87,662**
Translation adjustment	**–**	**114,598**	**331,731**	**446,329**
As at 31 December 2017	**2,677,717**	**1,470,381**	**5,218,392**	**9,366,490**
Amortisation and impairment				
As at 1 January 2016	23,096	–	1,022,257	1,045,353
Charge for the year	29,212	–	118,216	147,428
Translation adjustment	–	–	(14,707)	(14,707)
As at 31 December 2016	52,308	–	1,125,766	1,178,074
As at 1 January 2017	**52,308**	**–**	**1,125,766**	**1,178,074**
Charge for the year	**29,200**	**–**	**146,308**	**175,508**
Translation adjustment	**–**	**–**	**92,254**	**92,254**
As at 31 December 2017	**81,508**	**–**	**1,364,328**	**1,445,836**
Net book value:				
As at 31 December 2016	2,625,409	1,355,783	3,307,946	7,289,138
As at 31 December 2017	**2,596,209**	**1,470,381**	**3,854,064**	**7,920,654**

Port concession rights include concession agreements which are mainly accounted for as part of business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

At 31 December 2017, port concession rights with a carrying amount of USD 374 thousand (2016: USD 11,790 thousand) are pledged to bank loans (refer to note 29).

15. Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units, for the purpose of impairment testing.

Impairment testing is done at an operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life			
	2017 USD'000	2016 USD'000	**2017 USD'000**	2016 USD'000	Discount rates	Perpetuity growth rate
Cash-generating units aggregated by operating segment						
Asia Pacific and Indian subcontinent	**233,570**	219,919	**–**	–	6.50% – 11.50%	2.50%
Australia and Americas	**342,650**	320,926	**–**	–	6.00% – 14.50%	2.50%
Middle East, Europe and Africa	**894,161**	814,938	**848,880**	776,919	6.00% – 16.00%	2.50%
Total	**1,470,381**	1,355,783	**848,880**	776,919		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

Discount rates – These represent the cost of capital adjusted for the risks associated with the cash flows of the CGU being valued. The Group uses the post-tax Weighted Average Cost of Capital that represents a market participant discount rate.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

Perpetuity growth rate – In management's view, the perpetuity growth rate is the minimum growth rate expected to be achieved beyond the eight year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in significant impairment. Similarly, an increase of 0.25% in discount rate and decrease of 0.25% in perpetuity growth rate would not result in significant impairment.

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Notes to the Consolidated Financial Statements continued

16. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using the income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	2017 USD'000	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000	**2017 USD'000**	2016 USD'000
Cash and cash equivalents	**619,948**	432,726	**138,293**	147,176	**239,142**	203,733	**997,383**	783,635
Other current assets	**186,374**	232,754	**106,289**	111,735	**265,891**	186,858	**558,554**	531,347
Non-current assets	**6,396,749**	6,167,755	**1,586,116**	2,146,178	**2,813,120**	2,459,574	**10,795,985**	10,773,507
Total assets	**7,203,071**	6,833,235	**1,830,698**	2,405,089	**3,318,153**	2,850,165	**12,351,922**	12,088,489
Current financial liabilities	**25,951**	–	**17,027**	595,272	**61,144**	37,734	**104,122**	633,006
Other current liabilities	**434,519**	317,386	**181,136**	170,598	**293,921**	249,081	**909,576**	737,065
Non-current financial liabilities	**973,497**	1,092,416	**1,282,768**	1,009,024	**579,555**	534,625	**2,835,820**	2,636,065
Other non-current liabilities	**430,311**	466,819	**17,105**	137,061	**583,467**	520,062	**1,030,883**	1,123,942
Total liabilities	**1,864,278**	1,876,621	**1,498,036**	1,911,955	**1,518,087**	1,341,502	**4,880,401**	5,130,078
Net assets (100%)	**5,338,793**	4,956,614	**332,662**	493,134	**1,800,066**	1,508,663	**7,471,521**	6,958,411
Group's share of net assets in equity-accounted investees							**2,172,683**	1,951,658
Revenue	**1,375,504**	1,489,325	**656,529**	599,720	**746,085**	587,559	**2,778,118**	2,676,604
Depreciation and amortisation	**(263,768)**	(292,542)	**(92,531)**	(107,201)	**(107,066)**	(93,828)	**(463,365)**	(493,571)
Other expenses	**(566,946)**	(605,441)	**(458,788)**	(410,974)	**(526,943)**	(448,606)	**(1,552,677)**	(1,465,021)
Interest expense	**(70,211)**	(70,090)	**(223,476)**	(241,971)	**(46,505)**	(42,015)	**(340,192)**	(354,076)
Other finance income	**21,225**	19,860	**51,386**	149,040	**(646)**	1,753	**71,965**	170,653
Income tax expense	**(138,080)**	(146,669)	**(26,530)**	(3,295)	**(17,487)**	25,503	**(182,097)**	(124,461)
Net profit/ (loss) (100%)	**357,724**	394,443	**(93,410)**	(14,681)	**47,438**	30,366	**311,752**	410,128
Group's share of profit (before separately disclosed items)							**123,592**	149,435
Dividends received							**114,695**	151,146
Group's share of other comprehensive income							**3,988**	3,416

17. Accounts receivable and prepayments

	2017 Non-current USD'000	**2017 Current USD'000**	2016 Non-current USD'000	2016 Current USD'000
Trade receivables (net)	**–**	**454,052**	–	410,334
Advances paid to suppliers	**–**	**69,776**	–	81,966
Other receivables and prepayments	**167,886**	**298,160**	137,789	220,515
Due from related parties (refer to note 25)	**313,855**	**49,554**	290,838	80,530
Total	**481,741**	**871,542**	428,627	793,345

The Group's exposure to credit and currency risks are disclosed in note 26.

18. Cash and cash equivalents

	2017 USD'000	2016 USD'000
Cash at banks and in hand	**651,675**	619,251
Short-term deposits	**815,854**	614,618
Deposits under lien	**16,150**	65,522
Cash and cash equivalents for consolidated statement of cash flows	**1,483,679**	1,299,391

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

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries.

18. Cash and cash equivalents (continued)

Cash flow information

	Note	2017 USD'000	2016 USD'000
Cash flows from operating activities			
Profit for the year		**1,330,746**	1,155,067
Adjustments for:			
Depreciation and amortisation	6	**632,210**	542,883
Impairment loss	6	**3,602**	776
Share of profit from equity-accounted investees (net of tax)		**(127,764)**	(146,478)
Finance costs	7	**523,510**	577,878
Gain on disposal of other investments		**–**	(3,878)
Gain on sale of property, plant and equipment		**(5,172)**	(999)
Loss on disposal and change in ownership of business	9	**28,234**	15,490
Finance income	7	**(96,090)**	(147,709)
Income tax expense	8	**43,330**	122,579
Gross cash flows from operations		**2,332,606**	2,115,609

19. Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2017 USD'000	2016 USD'000
As at 1 January	**112,594**	97,762
Acquired through business combinations	**–**	8,422
Provision made during the year*	**20,560**	17,647
Amounts paid during the year	**(12,607)**	(11,237)
Translation	**1,683**	–
As at 31 December	**122,230**	112,594

* The provision for expatriate staff gratuities, included in Employees' end of service benefits, is calculated in accordance with the regulations of the Jebel Ali Free Zone Authority. This is based on the liability that would arise if employment of all staff were terminated at the reporting date.

The UAE government had introduced Federal Labour Law No.7 of 1999 for pension and social security. Under this Law, employers are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

20. Pension and post-employment benefits

The Group participates in a number of pension schemes throughout the world.

a) P&O UK Scheme

This principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was at 31 March 2016 using the projected unit credit method. The deficit on a statutory funding objectives basis was USD 123,078 thousand. The Group agreed with the Trustee to a new monthly deficit payment plan effective from 1 April 2016 of USD 12,173 thousand until 31 March 2020, then increasing to a total of USD 13,863 thousand until 31 March 2024 and then increasing to USD 16,230 thousand a year until 30 November 2026.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

In December 2017, the Group entered into a Flexible Apportionment Arrangement which enabled a related party to withdraw as an employer from the P&O Pension Scheme, following which all current and future deficit liabilities of the Scheme were taken over by the Group with an additional cash contribution of USD 17,583 thousand.

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Notes to the Consolidated Financial Statements continued

20. Pension and post-employment benefits (continued)

b) Merchant Navy Officers' Pension Fund ("MNOPF")

The Group participates in various industry multi-employer schemes, the most significant of which is the MNOPF Scheme and is in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

It is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated.

The most recent formal actuarial valuation of the New Section of MNOPF scheme was carried out as at 31 March 2015. This resulted in a deficit of USD 4,058 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2015 actuarial valuation. The New Section closed to future accrual in April 2016.

Following earlier actuarial valuations in 2009 and 2012 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. In September 2017, the Trustee offered a settlement sum of USD 19,926 thousand to the Group which would clear the outstanding contributions (due payable bi-annually to September 2023) and save the Group USD 2,807 thousand in future interest payments. The Group agreed and settled the payment on 28 September 2017. There are no outstanding contributions due by Group in 2018.

In 2016, Group has accounted for an amount of USD 91,281 thousand as an additional defined benefit obligation with regards to reapportionment of deficit contribution from a related party. In April 2017, this liability was borne and paid by the Parent Company.

The Group's share of the net deficit of the New Section at 31 December 2017 is estimated at 5.36%.

c) Merchant Navy Ratings' Pension Fund ("MNRPF")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The Group's deficit contributions arising from the 31 March 2014 valuation totalled USD 38,276 thousand (equating to 7.0% share of the net deficit). The contributions due to the Scheme in respect of this valuation will be paid over the period to 31 October 2022. Deficit contributions of USD 4,795 thousand were paid into the Scheme in 2017. The Group's aggregated outstanding contributions from this valuation are payable as follows: 2018 to 2022 USD 4,797 thousand per annum.

The most recent formal actuarial valuation was carried out as at 31 March 2017. The Group's deficit contributions arising from this valuation totalled USD 11,796 thousand. A consultation regarding the valuation assumptions, factors and outcome is currently underway. The Group has submitted a response to the consultation. A final decision by the Trustee is expected to be communicated at the end of Q1 2018.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

d) Others

The Group also operates a number of smaller defined benefit and defined contribution schemes.

The board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

20. Pension and post-employment benefits (continued)

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2017 USD'000	2016 USD'000
Non-current		
Defined benefit schemes net liabilities	**187,037**	313,980
Liability in respect of long service leave	**331**	406
Liability for other non-current deferred compensation	**202**	305
	187,570	314,691
Current		
Liability for current deferred compensation	**7,324**	8,185
Net liabilities	**194,894**	322,876
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets (included within non-current receivables)	**–**	–
Employee benefits liabilities: Non-current	**187,570**	314,691
Employee benefits liabilities: Current	**7,324**	8,185

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2017 USD'000	2016 USD'000
Defined benefit schemes	**7,722**	6,617
Defined contribution schemes	**11,664**	10,215
Other employee benefits	**1,545**	11,623
Total	**20,931**	28,455

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2017 USD'000	2016 USD'000
Actuarial (gain)/loss recognised in the year	**(51,610)**	368,269
Return on plan assets greater/(lesser) than the discount rate	**(58,045)**	(150,722)
Change in share in multi-employer scheme	**643**	(270)
Movement in minimum funding liability	**108,881**	(12,290)
Total	**(131)**	204,987

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2017 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme 2017	MNOPF scheme 2017	Other schemes 2017	P&O UK scheme 2016	MNOPF scheme 2016	Other schemes 2016
Discount rates	**2.50%**	**2.50%**	**2.50%**	2.50%	2.50%	2.70%
Discount rates bulk annuity asset	**2.30%**	**–**	**–**	2.40%	–	–
Expected rates of salary increases	**–***	**–***	**2.4%**	–*	–*	3.00%
Pension increases:						
deferment	**3.00%**	**2.45%**	**2.80%**	3.00%	2.50%	3.20%
payment	**3.00%**	**3.35%**	**3.10%**	3.00%	3.40%	3.20%
Inflation	**3.45%**	**3.45%**	**3.30%**	3.50%	3.50%	3.30%

* The P&O UK Scheme and MNOPF were closed to future accrual as at 31 December 2016, so future pay increases are not relevant.

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Notes to the Consolidated Financial Statements continued

20. Pension and post-employment benefits (continued)

The assumptions for pensioner longevity under both the P&O UK scheme and the MNOPF scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
2017				
P&O UK scheme	**21.9**	**23.7**	**23.8**	**25.6**
MNOPF scheme	**23.0**	**26.0**	**26.4**	**29.3**
2016				
P&O UK scheme	22.3	24.5	24.3	26.6
MNOPF scheme	23.0	25.9	26.4	29.2

At 31 December 2017, the weighted average duration of the defined benefit obligation was 15.6 years (2016: 17.3 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2017 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	**5,400**
0.1% increase in inflation assumption and related assumptions	**2,200**
0.25% p.a. increase in the long term rate of mortality improvement	**2,600**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes fair value USD'000
2017				
Equities	**260,221**	**89,400**	**66,002**	**415,623**
Bonds	**349,486**	**164,735**	**184,887**	**699,108**
Other	**190,432**	**–**	**38,005**	**228,437**
Value of insured pensioner liability	**1,033,581**	**–**	**2,840**	**1,036,421**
Total	**1,833,720**	**254,135**	**291,734**	**2,379,589**
2016				
Equities	443,643	51,721	79,866	575,230
Bonds	188,987	74,928	144,424	408,339
Other	27,404	–	19,504	46,908
Value of insured pensioner liability	984,557	–	–	984,557
Total	1,644,591	126,649	243,794	2,015,034

With the exception of the insured pensioner liability, all material investments have quoted prices in active markets.

20. Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2017 and 31 December 2016:

	P&O UK scheme 2017 USD'000	MNOPF scheme 2017 USD'000	Other schemes 2017 USD'000	Total group schemes 2017 USD'000	P&O UK scheme 2016 USD'000	MNOPF scheme 2016 USD'000	Other schemes 2016 USD'000	Total group schemes 2016 USD'000
Present value of obligation at 1 January	**(1,763,587)**	**(223,797)**	**(317,436)**	**(2,304,820)**	(1,871,200)	(220,700)	(304,389)	(2,396,289)
Employer's interest cost	**(45,046)**	**(5,663)**	**(8,668)**	**(59,377)**	(61,450)	(7,293)	(10,345)	(79,088)
Employer's current service cost	**–**	**–**	**(4,118)**	**(4,118)**	–	–	(2,836)	(2,836)
Contributions by scheme participants	**–**	**–**	**(1,158)**	**(1,158)**	–	–	(1,215)	(1,215)
Effect of movement in exchange rates	**(164,505)**	**(20,534)**	**(30,484)**	**(215,523)**	331,852	40,661	61,238	433,751
Benefits paid	**92,022**	**10,811**	**10,167**	**113,000**	91,298	9,994	11,210	112,502
Experience gains/(losses) on scheme liabilities	**9,653**	**8,366**	**(1,287)**	**16,732**	29,577	135	810	30,522
Change in share in multi-employer scheme	**(7,979)**	**3,346**	**–**	**(4,633)**	–	(3,376)	–	(3,376)
Actuarial gain on scheme liabilities due to change in demographic assumptions	**33,977**	**–**	**2,574**	**36,551**	70,046	1,891	–	71,937
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	**3,089**	**386**	**(5,148)**	**(1,673)**	(353,710)	(45,109)	(71,909)	(470,728)
Present value of obligation at 31 December	**(1,842,376)**	**(227,085)**	**(355,558)**	**(2,425,019)**	(1,763,587)	(223,797)	(317,436)	(2,304,820)

Reconciliation of the opening and closing present value of fair value of scheme assets for the period ended 31 December 2017 and 31 December 2016:

	P&O UK scheme 2017 USD'000	MNOPF scheme 2017 USD'000	Other schemes 2017 USD'000	Total group schemes 2017 USD'000	P&O UK scheme 2016 USD'000	MNOPF scheme 2016 USD'000	Other schemes 2016 USD'000	Total group schemes 2016 USD'000
Fair value of scheme assets at 1 January	**1,644,591**	**126,649**	**243,794**	**2,015,034**	1,794,483	220,374	243,296	2,258,153
Interest income on assets	**42,214**	**5,148**	**6,821**	**54,183**	59,019	7,293	8,508	74,820
Return on plan assets greater/(lesser) than the discount rate	**45,432**	**3,346**	**9,267**	**58,045**	187,457	(68,338)	31,603	150,722
Contributions by employer	**28,958**	**116,217**	**17,375**	**162,550**	11,345	5,672	19,853	36,870
Contributions by scheme participants	**–**	**–**	**1,158**	**1,158**	–	–	1,215	1,215
Effect of movement in exchange rates	**159,013**	**17,704**	**24,516**	**201,233**	(314,254)	(31,464)	(48,391)	(394,109)
Benefits paid	**(92,022)**	**(10,811)**	**(10,167)**	**(113,000)**	(91,298)	(9,994)	(11,210)	(112,502)
Change in share in multi-employer scheme	**7,722**	**(3,732)**	**–**	**3,990**	–	3,646	–	3,646
Administration costs incurred during the year	**(2,188)**	**(386)**	**(1,030)**	**(3,604)**	(2,161)	(540)	(1,080)	(3,781)
Fair value of scheme assets at 31 December	**1,833,720**	**254,135**	**291,734**	**2,379,589**	1,644,591	126,649	243,794	2,015,034
Defined benefit schemes net liabilities	**(8,656)**	**27,050**	**(63,824)**	**(45,430)**	(118,996)	(97,148)	(73,642)	(289,786)
Minimum funding liability	**(103,872)**	**(27,050)**	**(10,685)**	**(141,607)**	–	(14,936)	(9,258)	(24,194)
Net liability recognised in the consolidated statement of financial position at 31 December	**(112,528)**	**–**	**(74,509)**	**(187,037)**	(118,996)	(112,084)*	(82,900)	(313,980)

* This includes reapportionment of pension fund deficit contribution from a related party at the reporting date.

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability:

	2017 USD'000	2016 USD'000
Minimum funding liability as on 1 January	**(24,194)**	(41,000)
Employer's interest cost	**(643)**	(1,350)
Actuarial (loss)/gain during the year	**(108,881)**	12,290
Effect of movement in exchange rates	**(7,889)**	5,866
Minimum funding liability as on 31 December	**(141,607)**	(24,194)

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Notes to the Consolidated Financial Statements continued

20. Pension and post-employment benefits (continued)

It is anticipated that the Group will make the following contributions to the pension schemes in 2018:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Pension scheme contributions	**12,173**	**–**	**12,443**	**24,616**

21. Accounts payable and accruals

	2017 Non-current USD'000	2017 Current USD'000	2016 Non-current USD'000	2016 Current USD'000
Trade payables	**–**	**197,946**	–	170,181
Other payables and accruals	**141,363**	**1,698,238**	112,047	1,420,813
Provisions*	**889**	**39,355**	1,313	56,767
Fair value of derivative financial instruments	**339,966**	**–**	278,767	6,144
Amounts due to related parties (refer to note 25)	**–**	**12,242**	–	9,904
As at 31 December	**482,218**	**1,947,781**	392,127	1,663,809

* During the current year, additional provision of USD 21,227 thousand was made (2016: USD 43,269 thousand) and an amount of USD 39,063 thousand was utilised (2016: USD 81,470 thousand).

22. Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	Middle East, Europe and Africa region 2017 USD'000	Asia Pacific and Indian subcontinent 2017 USD'000	Australia and Americas 2017 USD'000	Other individually immaterial subsidiaries* 2017 USD'000	Total 2017 USD'000	Middle East, Europe and Africa region 2016 USD'000	Asia Pacific and Indian subcontinent 2016 USD'000	Other individually immaterial subsidiaries* 2016 USD'000	Total 2016 USD'000
Balance sheet information:									
Non-current assets	**292,405**	**531,769**	**939,020**			302,327	472,361		
Current assets	**117,453**	**155,497**	**393,979**			320,003	113,765		
Non-current liabilities	**(912)**	**(20,163)**	**(851,750)**			(18,058)	(13,259)		
Current liabilities	**(19,565)**	**(31,056)**	**(325,951)**			(48,773)	(21,761)		
Net assets (100%)	**389,381**	**636,047**	**155,298**			555,499	551,106		
Carrying amount of fair value adjustments excluding goodwill	**–**	**205,144**	**170,147**			–	186,545		
Total	**389,381**	**841,191**	**325,445**			555,499	737,651		
Carrying amount of NCI as at 31 December	**259,837**	**285,727**	**146,450**	**119,187**	**811,201**	370,597	250,580	100,657	721,834
Statement of profit or loss information:									
Revenue	**237,235**	**224,141**	**310,274**			233,524	–		
Profit after tax	**130,309**	**63,569**	**30,233**			130,174	–		
Other comprehensive income, net of tax	**546**	**95,976**	**32,318**			2,994	–		
Total comprehensive income (100%), net of tax	**130,855**	**159,545**	**62,551**			133,168	–		
Profit allocated to NCI	**86,903**	**21,594**	**13,605**	**31,929**	**154,031**	86,798	–	44,015	130,813
Other comprehensive income attributable to NCI	**364**	**32,603**	**14,543**	**556**	**48,066**	1,996	–	(6,797)	(4,801)
Total comprehensive income attributable to NCI	**87,267**	**54,197**	**28,148**	**32,485**	**202,097**	88,794	–	37,218	126,012
Cash flow statement information:									
Cash flows from operating activities	**(30,806)**	**105,407**	**49,291**			149,437	–		
Cash flows from investing activities	**(10,072)**	**(64,858)**	**(99,666)**			(7,143)	–		
Cash flows from financing activities	**(151,995)**	**(50,425)**	**55,902**			(50,877)	–		
Dividends paid to NCI	**198,375**	**17,332**	**–**			–	–		

* There are no material subsidiaries with NCI in the other operating segments of the Group.

23. Business combinations

Acquisition of new subsidiaries

(a) On 26 July 2017, the Group acquired a 93% stake in Remolques y Servicios Maritimos, S.L. Group ("Reyser") Spanish business and a controlling stake in International business through an existing subsidiary Remolcadores de Puerto y Altura, S.A. ("Repasa"). The carrying value and fair value of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	10,398	44,719
Concession rights	308	145,684
Deferred tax assets	1,428	1,428
Investment in equity-accounted investees	14,273	36,625
Accounts receivables and prepayments	20,054	20,054
Inventory	890	890
Bank balances and cash	3,754	3,754
Liabilities		
Interest bearing loans and borrowings	(6,036)	(6,036)
Deferred tax liabilities	(49)	(50,561)
Accounts payable and accruals	(19,387)	(19,387)
Net assets	25,633	177,170
Less: Non-controlling interests		(3,388)
Total		173,782

From the date of acquisition, Reyser has contributed a loss of USD 3,359 thousand to the Group. If the acquisition had taken place at the beginning of the year, the profit of the Group would have decreased by USD 7,068 thousand and revenue would have increased by USD 56,333 thousand.

(b) On 30 November 2017, the Group acquired the remaining 66.67% stake in Empresa Brasileira de Terminais Portuarious S.A. ("Embraport") in Brazil from Odebrecht Transport S.A. increasing the shareholding in Embraport to 100%.

This acquisition has resulted in recognition of port concession rights of USD 219,603 thousand.

From the date of acquisition, Embraport has contributed revenue of USD 7,891 thousand and loss of USD 8,691 thousand. If the acquisition had taken place at the beginning of the year, the profit of the Group would have reduced by USD 28,218 thousand and revenue would have increased by USD 74,160 thousand.

24. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company

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Notes to the Consolidated Financial Statements continued

24. Significant group entities (continued)

b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A. (refer to note 23)	100%	Brazil	Container terminal operations
DP World (Canada) Inc.	55%*	Canada	Container terminal operations
DP World Prince Rupert Inc.	55%*	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	100%	Egypt	Container terminal operations
DP World Posorja S.A.	78%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A.	33.34%**	Republic of Djibouti #	Container terminal operations
Integra Port Services N.V.	60%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	60%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA	90%	Senegal	Container terminal operations
DP World Berbera	65%	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman Işletmeleri AS	100%	Turkey	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations

c) Associates and joint ventures – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
DP World Australia (Holding) Pty Ltd	25%	Australia	Container terminal operations
Antwerp Gateway N.V	60%***	Belgium	Container terminal operations
Caucedo Investments Inc.	50%	British Virgin Islands	Container terminal operations
Eurofos SARL	50%	France	Container terminal operations
Generale de Manutention Portuaire S.A	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	29%	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminals Co., Ltd	24.50%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Asian Terminals Inc	50.54%****	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

24. Significant group entities (continued)

d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Peru S.R.L.	100%	Peru	Terminal related activities
Port Secure FZCO	40%	Republic of Djibouti #	Port security services
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port management and operation
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
World Security FZE	100%	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks

* Ownership change from 100% to 55% effective 19 January 2017.

** Although the Group only has a 33.34% effective ownership interest in this entity, it is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

*** Although the Group has more than 60% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity-accounted investee. The underlying shareholder agreement does not provide control to the Group.

**** Although the Group has more than 50% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity-accounted investee. The underlying shareholder agreement does not provide control to the Group.

\# Refer note 34 (b).

25. Related party transactions

Other related party transactions

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

	Ultimate Parent Company 2017 USD'000	Equity-accounted investees 2017 USD'000	Other related parties 2017 USD'000	Total 2017 USD'000	Ultimate Parent Company 2016 USD'000	Equity-accounted investees 2016 USD'000	Other related parties 2016 USD'000	Total 2016 USD'000
Expenses charged:								
Concession fee	–	–	49,517	49,517	–	–	47,292	47,292
Shared services	–	–	736	736	–	–	931	931
Other services	–	–	19,923	19,923	–	–	18,864	18,864
Revenue earned:								
Management fee income	–	19,366	30,659	50,025	–	25,855	27,540	53,395
Interest income	–	28,368	–	28,368	–	24,276	–	24,276

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

	Due from related parties		Due to related parties	
	2017 USD'000	2016 USD'000	2017 USD'000	2016 USD'000
Ultimate Parent Company	2,217	2,220	219	361
Parent Company	902	18,972	5	194
Equity-accounted investees	347,289	336,722	3,107	2,168
Other related parties	13,001	13,454	8,911	7,181
Total	363,409	371,368	12,242	9,904

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 33(a).

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Notes to the Consolidated Financial Statements continued

25. Related party transactions (continued)

Compensation of key management personnel

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

	2017 USD'000	2016 USD'000
Short-term benefits and bonus	**13,658**	13,521
Post-retirement benefits	**451**	1,411
Total	**14,109**	14,932

26. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

a) credit risk
b) liquidity risk
c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

26. Financial risk management (continued)

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2017 USD'000	2016 USD'000
Other investments	**72,759**	60,644
Derivative assets	**8,952**	–
Trade and other receivables excluding prepayments	**1,218,037**	1,095,895
Cash and cash equivalents	**1,483,679**	1,299,391
Total	**2,783,427**	2,455,930

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:

	2017 USD'000	2016 USD'000
Asia Pacific and Indian subcontinent	**45,369**	50,169
Australia and Americas	**97,593**	62,303
Middle East, Europe and Africa	**311,090**	297,862
Total	**454,052**	410,334

The ageing of trade receivables (net) at the reporting date was:

	2017 USD'000	2016 USD'000
Neither past due nor impaired on the reporting date:	**247,923**	221,685
Past due on the reporting date		
Past due 0-30 days	**135,340**	107,788
Past due 31-60 days	**44,286**	42,957
Past due 61-90 days	**13,430**	22,880
Past due > 90 days	**13,073**	15,024
Total	**454,052**	410,334

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2017 USD'000	2016 USD'000
As at 1 January	**108,435**	67,032
Acquired through business combinations	**976**	340
Provision (reversed)/recognised during the year	**(2,726)**	41,063
As at 31 December	**106,685**	108,435

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 54% (2016: 59%) of the trade receivables.

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Notes to the Consolidated Financial Statements continued

26. Financial risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Non derivative financial liabilities						2016
Issued bonds	4,524,844	(7,551,859)	(642,102)	(230,727)	(1,703,519)	(4,975,511)
Convertible bonds	803,075	(1,131,250)	(17,500)	(17,500)	(52,500)	(1,043,750)
Bank loans	2,255,558	(3,186,388)	(452,062)	(397,504)	(648,790)	(1,688,032)
Loans from non-controlling shareholders	13,233	(13,233)	(13,233)	–	–	–
Finance lease liabilities	21,549	(28,728)	(8,551)	(6,227)	(4,311)	(9,639)
Trade and other payables	1,587,252	(1,587,543)	(1,495,597)	(55,064)	(22,562)	(14,320)
Financial guarantees and letters of credit*	–	(133,748)	–	–	–	–
Derivative financial liabilities						
Interest rate swaps used for hedging	111,431	(152,685)	(27,804)	(27,400)	(69,377)	(28,104)
Embedded derivative option	173,480	–	–	–	–	–
Total	9,490,422	(13,785,434)	(2,656,849)	(734,422)	(2,501,059)	(7,759,356)
Non derivative financial liabilities						**2017**
Issued bonds	**4,119,001**	**(6,903,324)**	**(230,552)**	**(857,756)**	**(1,014,968)**	**(4,800,048)**
Convertible bonds	**825,412**	**(1,113,750)**	**(17,500)**	**(17,500)**	**(52,500)**	**(1,026,250)**
Bank loans	**2,609,656**	**(3,977,590)**	**(400,133)**	**(198,386)**	**(645,307)**	**(2,733,764)**
Loans from non-controlling shareholders	**151,134**	**(151,134)**	**(151,134)**	**–**	**–**	**–**
Finance lease liabilities	**33,775**	**(41,794)**	**(11,437)**	**(7,344)**	**(15,441)**	**(7,572)**
Trade and other payables	**1,706,464**	**(1,711,148)**	**(1,589,903)**	**(26,387)**	**(30,119)**	**(64,739)**
Financial guarantees and letters of credit*	**–**	**(152,315)**	**–**	**–**	**–**	**–**
Derivative financial liabilities						
Interest rate swaps used for hedging	**89,453**	**(124,302)**	**(26,180)**	**(25,528)**	**(60,886)**	**(11,708)**
Embedded derivative option	**250,513**	**–**	**–**	**–**	**–**	**–**
Total	**9,785,408**	**(14,175,357)**	**(2,426,839)**	**(1,132,901)**	**(1,819,221)**	**(8,644,081)**

* Refer to note 33 for further details.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE Dirhams) is approximately 64.4% (2016: 63.5%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

26. Financial risk management (continued)

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD* USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	KRW USD'000	Others USD'000	2016 Total USD'000
Cash and cash equivalents	855,526	122,232	114,908	14,059	49,519	33,589	69,918	39,640	1,299,391
Trade receivables	226,038	39,131	46,093	4,960	14,248	42,025	31,812	6,027	410,334
Secured bank loans and debenture stock	(228,192)	(791,195)	(34,802)	–	–	(337,626)	–	(48,040)	(1,439,855)
Unsecured bank loans and loan stock	(734,308)	–	–	–	(81,395)	–	–	–	(815,703)
Loan from non-controlling shareholders	(2,083)	–	(11,150)	–	–	–	–	–	(13,233)
Unsecured bonds	(5,327,919)	–	–	–	–	–	–	–	(5,327,919)
Finance lease liabilities	–	(2,022)	(9,735)	(5,076)	–	(3,487)	–	(1,229)	(21,549)
Trade payables	(81,987)	(15,716)	(27,799)	(2,439)	(19,434)	(4,774)	(9,285)	(8,747)	(170,181)
Net consolidated statement of financial position exposures	(5,292,925)	(647,570)	77,515	11,504	(37,062)	(270,273)	92,445	(12,349)	(6,078,715)

	USD* USD'000	**GBP USD'000**	**EUR USD'000**	**AUD USD'000**	**INR USD'000**	**CAD USD'000**	**KRW USD'000**	**Others USD'000**	**2017 Total USD'000**
Cash and cash equivalents	**881,314**	**129,348**	**139,926**	**16,949**	**57,143**	**86,869**	**112,753**	**59,377**	**1,483,679**
Trade receivables	**207,503**	**49,201**	**72,528**	**4,589**	**13,635**	**61,282**	**27,629**	**17,685**	**454,052**
Secured bank loans and debenture stock	**(396,959)**	**(867,370)**	**(28,430)**	**–**	**–**	**(436,840)**	**–**	**(305,117)**	**(2,034,716)**
Unsecured bank loans and loan stock	**(475,907)**	**–**	**(242)**	**–**	**(98,791)**	**–**	**–**	**–**	**(574,940)**
Loan from non-controlling shareholders	**(1,491)**	**–**	**(21,399)**	**–**	**–**	**(128,244)**	**–**	**–**	**(151,134)**
Unsecured bonds	**(4,944,413)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,944,413)**
Finance lease liabilities	**(19,335)**	**(1,213)**	**(8,109)**	**(1,568)**	**–**	**(3,550)**	**–**	**–**	**(33,775)**
Trade payables	**(68,794)**	**(15,558)**	**(45,308)**	**(5,203)**	**(14,600)**	**(7,413)**	**(13,519)**	**(27,551)**	**(197,946)**
Net consolidated statement of financial position exposures	**(4,818,082)**	**(705,592)**	**108,966**	**14,767**	**(42,613)**	**(427,896)**	**126,863**	**(255,606)**	**(5,999,193)**

* The functional currency of the Company is UAE Dirham. UAE Dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

Sensitivity analysis

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		**Consolidated statement of other comprehensive income**	
	2017 USD'000	2016 USD'000	**2017 USD'000**	2016 USD'000
GBP	**4,657**	3,745	**(78,399)**	(71,952)
EUR	**7**	46	**12,107**	8,614
AUD	**(2)**	(5)	**1,641**	1,278
INR	**644**	195	**(4,735)**	4,118
CAD	**1,396**	489	**(47,544)**	(30,030)
KRW	**(139)**	–	**14,096**	10,272

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26. Financial risk management (continued)

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2017, after taking into account the effect of interest rate swaps, approximately 91% (2016: 94%) of the Group's borrowings are at a fixed rate of interest.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amounts	
	2017 USD'000	2016 USD'000
Fixed rate instruments		
Financial liabilities (loans and borrowings)	**(5,410,891)**	(5,570,832)
Interest rate swaps hedging floating rate debt	**(1,612,491)**	(1,611,585)
Total	**(7,023,382)**	(7,182,417)
Variable rate instruments		
Financial assets (short term deposits)	**832,004**	680,140
Financial liabilities (loans and borrowings)	**(2,328,087)**	(2,047,427)
Interest rate swaps hedging floating rate debt	**1,612,491**	1,611,585
Total	**116,408**	244,298

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase USD'000	100 bp decrease USD'000	100 bp increase USD'000	100 bp decrease USD'000
2017				
Variable rate instruments	**1,164**	**(1,164)**	**–**	**–**
Interest rate swaps	**(1,300)**	**1,300**	**14,825**	**(14,825)**
Cash flow sensitivity (net)	**(136)**	**136**	**14,825**	**(14,825)**
2016				
Variable rate instruments	2,443	(2,443)	–	–
Interest rate swaps	–	–	16,116	(16,116)
Cash flow sensitivity (net)	2,443	(2,443)	16,116	(16,116)

26. Financial risk management (continued)

d) Fair value

Fair value versus carrying amount

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

	Fair value hierarchy	2017 Carrying amount USD'000	2017 Fair value USD'000	2016 Carrying amount USD'000	2016 Fair value USD'000
Assets carried at fair value					
Available-for-sale financial assets	2	**70,452**	**70,452**	57,339	57,339
Financial assets at fair value through profit or loss	2	**2,307**	**2,307**	3,305	3,305
Interest rate swaps used for hedging	2	**8,952**	**8,952**	–	–
Assets carried at amortised cost					
Trade and other receivables**		**1,218,037**	**–**	1,095,895	–
Cash and cash equivalents*		**1,483,679**	**–**	1,299,391	–
Liabilities carried at fair value					
Interest rate swaps used for hedging	2	**(89,453)**	**(89,453)**	(111,431)	(111,431)
Embedded derivative option	2	**(250,513)**	**(250,513)**	(173,480)	(173,480)
Liabilities carried at amortised cost					
Issued bonds	1	**(4,119,001)**	**(4,618,701)**	(4,524,844)	(4,783,315)
Convertible bonds	2	**(825,412)**	**(796,170)**	(803,075)	(814,013)
Bank loans*		**(2,609,656)**	**–**	(2,255,558)	–
Loans from non-controlling shareholders*		**(151,134)**	**–**	(13,233)	–
Finance lease liabilities*		**(33,775)**	**–**	(21,549)	–
Trade and other payables**		**(1,706,464)**	**–**	(1,587,252)	–

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

** These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

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

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

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

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

27. Share capital

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

	2017 USD'000	2016 USD'000
Authorised		
1,250,000,000 of USD 2.00 each	**2,500,000**	2,500,000
Issued and fully paid		
830,000,000 of USD 2.00 each	**1,660,000**	1,660,000

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

28. Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Other reserves

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

	Hedging and other reserves USD'000	Actuarial reserve USD'000	Total other reserves USD'000
Balance as at 1 January 2016	(83,320)	(411,541)	(494,861)
Other comprehensive income, net of tax	(11,815)	(199,288)	(211,103)
Balance as at 31 December 2016	(95,135)	(610,829)	(705,964)
Balance as at 1 January 2017	**(95,135)**	**(610,829)**	**(705,964)**
Other comprehensive income, net of tax	**41,697**	**(895)**	**40,802**
Pension obligation borne by Parent Company	**91,281**	**–**	**91,281**
Balance as at 31 December 2017	**37,843**	**(611,724)**	**(573,881)**

Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on available-for-sale investments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

29. Interest bearing loans and borrowings

	2017 USD'000	2016 USD'000
Issued bonds*	**4,119,001**	4,524,844
Convertible bonds**	**825,412**	803,075
Bank loans	**2,609,656**	2,255,558
Loans from non-controlling shareholders	**151,134**	13,233
Finance lease liabilities	**33,775**	21,549
	7,738,978	7,618,259
of which:		
Classified as non-current	**7,437,270**	6,874,777
Classified as current	**301,708**	743,482
of which:		
Secured interest bearing loans and borrowings	**2,068,490**	1,461,405
Unsecured interest bearing loans and borrowings	**5,670,488**	6,156,854

29. Interest bearing loans and borrowings (continued)

The below table provides movement of interest bearing loans and borrowings:

	2017 USD'000	2016 USD'000
Balance at 1 January	**7,618,259**	7,670,278
Cash flow items		
Acquired through business combinations	**615,861**	–
Additional borrowings during the year	**290,361**	1,262,089
Proceeds from issue of bonds (2023 Sukuk)	**–**	1,200,000
Repayment of borrowings during the year	**(504,809)**	(1,287,412)
Redemption of issued bonds (2017 Sukuk)	**(387,300)**	(1,174,455)
Transaction cost paid on issuance of bonds (2023 Sukuk)	**–**	(10,505)
Other non-cash items		
Interest accretion on convertible bonds	**21,066**	20,110
Transaction cost on convertible bonds amortised during the year	**1,271**	1,166
Fair value adjustments and transaction cost on issued bonds amortised during the year	**(18,543)**	(20,280)
Translation adjustments	**102,812**	(42,732)
Balance at 31 December	**7,738,978**	7,618,259

* On 3 July 2017, the Group settled the remaining USD 387.3 million 6.25 percent 2017 Sukuk Trust Certificates.

** These 10 year USD 1 billion unsecured convertible bonds have an option of converting into 36.85 million ordinary shares of DP World Limited. These bonds are currently listed on the Frankfurt Stock Exchange with a coupon rate of 1.75% per annum. These bonds include an investor put option which can be exercised at par in June 2018 (Year 4) and in June 2021 (Year 7). There is also an issuer call option which can be exercised on or after July 2017 (Year 3), subject to a 130% trigger on the conversion price of USD 27.14.

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 12 and note 14). The deposits under lien amounting to USD 16,150 thousand (2016: USD 65,522 thousand) are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 18).

At 31 December 2017, the undrawn committed borrowing facilities of USD 2,055,686 thousand (2016: USD 2,101,827 thousand) were available to the Group, in respect of which all conditions precedent had been met.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 26.

30. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve and translation reserve. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

FINANCIAL STATEMENT

Notes to the Consolidated Financial Statements continued

30. Capital management (continued)

The key performance ratios as at 31 December are as follows:

	2017 USD'000	2016 USD'000
Total interest-bearing loans and borrowings (refer to note 29)	**7,738,978**	7,618,259
Less: cash and cash equivalents (refer to note 18)	**(1,483,679)**	(1,299,391)
Total net debt	**6,255,299**	6,318,868
Total equity	**11,625,362**	9,519,685
Adjusted EBITDA (refer to note 4)	**2,469,034**	2,263,077
Net finance cost before separately disclosed items	**329,870**	338,110
Net debt/equity	**0.54**	0.66
Net debt/adjusted EBITDA	**2.53**	2.79
Interest cover before separately disclosed items (Adjusted EBITDA/net finance cost before separately disclosed items)	**7.48**	6.69

31. Operating leases

Operating lease commitments – Group as a lessee

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

	2017 USD'000	2016 USD'000
Within one year	**326,223**	305,993
Between one to five years	**1,273,277**	1,168,634
Between five to ten years	**1,195,744**	1,218,846
Between ten to twenty years	**1,833,876**	1,746,874
Between twenty to thirty years	**1,396,953**	1,294,886
Between thirty to fifty years	**1,134,517**	1,143,660
Between fifty to seventy years	**914,908**	1,027,867
More than seventy years	**800,551**	846,290
Total	**8,876,049**	8,753,050

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In addition, there are also leases of plant, equipment and vehicles included above.

Operating lease commitments – Group as a lessor

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

	2017 USD'000	2016 USD'000
Within one year	**360,983**	335,327
Between one to five years	**816,391**	696,737
More than five years	**950,846**	791,775
Total	**2,128,220**	1,823,839

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

32. Capital commitments

	2017 USD'000	2016 USD'000
Estimated capital expenditure contracted for as at 31 December	**661,305**	732,378

33. Contingencies

a) The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2017 USD'000	2016 USD'000
Performance guarantees	**86,920**	83,276
Payment guarantees	**36,533**	23,000
Letters of credit	**3,025**	2,395
Guarantees issued on behalf of equity-accounted investees	**25,837**	25,077
Total	**152,315**	133,748

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

b) Chennai Port Trust ("CPT") had raised a demand for an amount of USD 18,709 thousand (2016: 17,609 thousand), from Chennai Container Terminal Limited ("CCTL"), a subsidiary of the Company, on the basis that CCTL had failed to fulfil its obligations in respect of non-transhipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 9,996 thousand (2016: USD 9,408 thousand) under dispute in 2008. CCTL had initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on November 26, 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by Madras High Court on 8 January 2014 and accordingly a provision has been recognised against the above receivable. CCTL lodged an appeal before the Division Bench of Madras High Court along with a stay petition on 31 January 2014. The Appeal was taken up for hearing and admitted on 3 February 2014. CPT also made a statement before the Court that no further action would be taken by CPT against CCTL. The Court has admitted the matter and is pending for final hearing and disposal before the Division Bench of Madras High Court. During 2017, CPT raised further demands amounting to USD 35,615 thousand towards its obligations in respect of non-transhipment containers for the years 2008 to 2014. With this the cumulative demand as of 31 December 2017 amounts to USD 54,324 thousand. The Group is confident that the case will be in favour of CCTL.

34. Subsequent events

a) On 11 January 2018, the Group acquired Maritime World LLC, the 100% owner of Dubai Maritime City (DMC), for a purchase consideration of USD 180,000 thousand and 100% of Drydocks World LLC (Drydocks) by means of a capital injection of USD 225,000 thousand from the ultimate parent company, Dubai World Corporation.

b) On 22 February 2018, the Government of Djibouti illegally seized control of Doraleh Container Terminal S.A. The Group has commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation.

Independent Auditors' Report
To the Shareholders of DP World Limited

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of DP World Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the applicable provisions of the Companies Law pursuant to DIFC Law No.2 of 2009.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Center, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter
Carrying Value of Goodwill and Port Concession Rights
Refer to notes 3 and 15 of the consolidated financial statements.

The Group has significant goodwill and port concession rights arising from the acquisition of businesses. The Group's annual impairment testing on goodwill and port concession rights with indefinite useful lives requires the Group to identify Cash Generating Units (CGUs) in accordance with the requirements of IAS 36 – Impairment of Assets. Impairment testing is then performed using free cash flow projections based on three year financial budgets approved by the Board and five year future forecasts estimated by the Group. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, along with the judgemental aspects of the assessment of appropriate CGUs, these are the key areas that our audit concentrated on.

Our Response to Address the Key Audit Matter
Our procedures included:

In respect of the assessment of CGUs: We challenged the assessment of CGUs and considered the operating and management structure with reference to our understanding of the business.

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their accuracy. To challenge the reasonableness of those cash flows, we assessed the historical accuracy of the Group's forecasting and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We conducted our own assessments to challenge other key inputs, such as the projected growth rate and perpetuity rate.

In respect of the discount rates: We compared the Group's assumptions to externally-derived data (for example, bond yields and inflation statistics) where appropriate. We used our own valuation specialists to assist us in assessing the adequacy of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We performed sensitivity analysis of discount rates and forecast cash flows as well as break-even analysis on the valuations of the CGUs' recoverable amounts. We also considered CGU specific and external market factors to assess reasonableness of management assumptions.

We assessed the adequacy of the Group's disclosure in these respects.

Key Audit Matter
Acquisition Accounting
Refer to notes 3 and 23 of the consolidated financial statements.

The Group has acquired an additional stake in Pusan Newport Company Limited during the year. The accounting involves estimating the fair value of the assets and liabilities at acquisition date and the identification and valuation of port concession rights and goodwill.

Significant judgement is involved in relation to the assumptions used in the valuation and purchase price allocation process.

Due to the inherent uncertainty involved in discounting future cash flows, there is a risk that these assumptions are inappropriate. Furthermore, an assessment is required to be made for an appropriate classification of an investment as a subsidiary, joint venture or associate based on whether the Group has determined to have control, joint control or significant influence respectively.

Our Response to Address the Key Audit Matter

Our audit procedures included:
Inspection of the key terms in the share purchase agreement to assess the appropriate control classification of the investment as per IFRS 10 – Consolidated Financial Statements. We assessed the accounting entries used to record the acquisition, the assets and liabilities at the acquisition date of the acquired entity and the fair value adjustments made thereto. We also challenged the Group's critical assumptions in relation to the identification and recognition of those assets and liabilities and the associated fair values by involving our valuation specialists to assess the reasonableness of the key assumptions used in the fair value and purchase price allocation as determined by the Group. We reviewed the resulting adjustments for reasonableness and assessed the appropriateness of the disclosures made.

Key Audit Matter

Litigation and Claims

Refer to notes 3 and 33 of the consolidated financial statements.

The Group enters into individually significant contracts which may extend to many years and are often directly or indirectly associated with governments. As a result, the Group is subject to a number of material ongoing litigation actions and claims, therefore, the recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of litigation and claims requires significant judgement and accordingly is a key area of focus in our audit.

Our Response to Address the Key Audit Matter

Our procedures included:
Evaluation of the Group's policies, procedures and controls in relation to litigations, claims and provision assessments. Furthermore, we obtained representations from the Group's legal counsel, made independent enquiries and obtained confirmations from external lawyers to understand the legal positions and exposure to the Group.

The outcome of our evaluation was used as a basis to determine the adequacy of the level of provisioning and disclosure in the consolidated financial statements.

Key Audit Matter

Taxation Provisions

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby the Group has to estimate the tax effect of applying local legislation which can be complex and involve cross border transactions, including transfer pricing arrangements.

Where the precise nature of the tax legislation is unclear, the Group has to make reasonable estimates of the likely tax charge that will arise.

Some of the Group's uncertain tax positions are at various stages of resolution, from preliminary discussions with tax authorities through to tax tribunal or court proceedings where the matters can take a number of years to resolve. Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with tax authorities is at an amount materially different to the provision recognised.

Our Response to Address the Key Audit Matter

Our procedures included:
We, together with our tax specialists, considered any large or unusual items affecting the effective tax rate and whether or not any current year items would result in an increased or reduced provision.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the industry in which the Group operates specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.

Key Audit Matter

Pensions

Refer to notes 3 and 20 of the consolidated financial statements.

The Group operates a number of defined benefit pension schemes. The valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the pension position. As a result of the size of the pension scheme deficit and the judgements inherent in the actuarial assumptions involved in the valuation of the pension benefit obligations, we considered this to be an area of focus.

Independent Auditors' Report continued
To the Shareholders of DP World Limited

Our Response to Address the Key Audit Matter

Our procedures included:
The Group engages an independent actuary to assist them in calculating the appropriate pension scheme position. We obtained the actuary's report and with the assistance of our pension specialists assessed the discount and inflation rates used in calculating the pension deficit to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess that the methodology used in arriving at the assumptions year on year was consistent.

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

We assessed the adequacy of the disclosures in this area.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therin, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No.2 of 2009 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the planning and performance of audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP
Rohit Rajvanshi
Dubai, United Arab Emirates

20 March 2017

Consolidated statement of profit or loss
for the year ended 31 December 2016

	Note	Year ended 31 December 2016 Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000	Year ended 31 December 2015 Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000
Revenue	5	**4,163,325**	**68,243**	**4,231,568**	3,967,739	75,171	4,042,910
Cost of sales		**(2,010,490)**	**(68,243)**	**(2,078,733)**	(2,009,145)	(75,171)	(2,084,316)
Gross profit		**2,152,835**	**–**	**2,152,835**	1,958,594	–	1,958,594
General and administrative expenses		**(628,411)**	**(776)**	**(629,187)**	(590,284)	(653)	(590,937)
Other income		**49,301**	**3,878**	**53,179**	26,979	16,867	43,846
Loss on disposal and change in ownership of business	9	**(2,966)**	**(12,524)**	**(15,490)**	–	(610)	(610)
Share of profit/ (loss) from equity-accounted investees (net of tax)	16	**149,435**	**(2,957)**	**146,478**	52,702	–	52,702
Results from operating activities		**1,720,194**	**(12,379)**	**1,707,815**	1,447,991	15,604	1,463,595
Finance income	7	**100,247**	**47,462**	**147,709**	104,969	9,705	114,674
Finance costs	7	**(438,357)**	**(139,521)**	**(577,878)**	(492,087)	(23,352)	(515,439)
Net finance costs		**(338,110)**	**(92,059)**	**(430,169)**	(387,118)	(13,647)	(400,765)
Profit before tax		**1,382,084**	**(104,438)**	**1,277,646**	1,060,873	1,957	1,062,830
Income tax expense	8	**(122,579)**	**–**	**(122,579)**	(90,988)	–	(90,988)
Profit for the year	6	**1,259,505**	**(104,438)**	**1,155,067**	969,885	1,957	971,842
Profit attributable to:							
Owners of the Company		**1,126,554**	**(102,300)**	**1,024,254**	882,576	355	882,931
Non-controlling interests		**132,951**	**(2,138)**	**130,813**	87,309	1,602	88,911
		1,259,505	**(104,438)**	**1,155,067**	969,885	1,957	971,842
Earnings per share							
Basic earnings per share – US cents	11	**135.73**		**123.40**	106.33		106.38
Diluted earnings per share – US cents	11	**132.11**		**117.16**	103.96		105.87

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive income
for the year ended 31 December 2016

	Note	2016 USD'000	2015 USD'000
Profit for the year		**1,155,067**	971,842
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences – foreign operations*		**(586,792)**	(541,752)
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		**48,913**	–
Net change in fair value of available-for-sale financial assets		**5,176**	(283)
Share of other comprehensive income of equity-accounted investees	16	**3,416**	(211)
Cash flow hedges – effective portion of changes in fair value		**(21,178)**	13,532
Related tax on fair value of cash flow hedges		**3,170**	(4,646)
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations**	20	**(204,987)**	(5,990)
Related tax		**5,699**	(1,030)
Other comprehensive income for the year, net of tax		**(746,583)**	(540,380)
Total comprehensive income for the year		**408,484**	431,462
Total comprehensive income attributable to:			
Owners of the Company		**282,472**	348,162
Non-controlling interests		**126,012**	83,300

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

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

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of financial position
as at 31 December 2016

	Note	**31 December 2016 USD'000**	31 December 2015 USD'000
Assets			
Non-current assets			
Property, plant and equipment	12	**7,522,077**	6,969,126
Investment properties	13	**1,280,325**	1,177,229
Intangible assets and goodwill	14	**7,289,138**	7,134,917
Investment in equity-accounted investees	16	**1,951,658**	2,408,321
Other investments		**60,644**	68,736
Accounts receivable and prepayments	17	**428,627**	249,056
Total non-current assets		**18,532,469**	18,007,385
Current assets			
Inventories		**79,124**	61,520
Accounts receivable and prepayments	17	**793,345**	753,627
Cash and cash equivalents	18	**1,299,391**	1,436,595
Total current assets		**2,171,860**	2,251,742
Total assets		**20,704,329**	20,259,127
Equity			
Share capital	27	**1,660,000**	1,660,000
Share premium		**2,472,655**	2,472,655
Shareholder reserve		**2,000,000**	2,000,000
Retained earnings		**5,495,181**	4,722,382
Translation reserve		**(2,124,021)**	(1,593,342)
Other reserves	28	**(705,964)**	(494,861)
Total equity attributable to equity holders of the Company		**8,797,851**	8,766,834
Non-controlling interests	22	**721,834**	367,764
Total equity		**9,519,685**	9,134,598
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	29	**6,874,777**	7,527,231
Accounts payable and accruals	21	**392,127**	463,057
Deferred tax liabilities	8	**945,257**	940,636
Employees' end of service benefits	19	**112,594**	97,762
Pension and post-employment benefits	20	**314,691**	180,887
Total non-current liabilities		**8,639,446**	9,209,573
Current liabilities			
Interest bearing loans and borrowings	29	**743,482**	143,047
Accounts payable and accruals	21	**1,663,809**	1,614,580
Income tax liabilities	8	**129,722**	147,320
Pension and post-employment benefits	20	**8,185**	10,009
Total current liabilities		**2,545,198**	1,914,956
Total liabilities		**11,184,644**	11,124,529
Total equity and liabilities		**20,704,329**	20,259,127

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements. The consolidated financial statements were authorised for issue on 20 March 2017.

Sultan Ahmed Bin Sulayem
Chairman and Chief Executive Officer

Yuvraj Narayan
Chief Financial Officer

Consolidated statement of changes in equity
for the year ended 31 December 2016

	Attributable to equity holders of the Company							
	Share capital and premium USD'000	Shareholders reserve USD'000	Retained Earnings USD'000	Translation reserve USD'000	Other reserves USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at 1 January 2015	4,132,655	2,000,000	3,918,177	(1,061,117)	(492,317)	8,497,398	529,262	9,026,660
Profit for the period	–	–	882,931	–	–	882,931	88,911	971,842
Other comprehensive income, net of tax	–	–	–	(532,225)	(2,544)	(534,769)	(5,611)	(540,380)
Transactions with owners, recognised directly in equity								
Dividends paid (refer to note 10)	–	–	(195,050)	–	–	(195,050)	–	(195,050)
Changes in ownership interests in subsidiaries without change of control								
Acquisition of non-controlling interests without change in control	–	–	116,324	–	–	116,324	(241,903)	(125,579)
Transactions with non-controlling interests, recognised directly in equity								
Dividends paid	–	–	–	–	–	–	(11,845)	(11,845)
Acquisition of subsidiary with non-controlling interests	–	–	–	–	–	–	8,950	8,950
Balance as at 31 December 2015	**4,132,655**	**2,000,000**	**4,722,382**	**(1,593,342)**	**(494,861)**	**8,766,834**	**367,764**	**9,134,598**
Profit for the period	**–**	**–**	**1,024,254**	**–**	**–**	**1,024,254**	**130,813**	**1,155,067**
Other comprehensive income, net of tax	**–**	**–**	**–**	**(530,679)**	**(211,103)**	**(741,782)**	**(4,801)**	**(746,583)**
Transactions with owners, recognised directly in equity								
Dividends paid (refer to note 10)	**–**	**–**	**(249,000)**	**–**	**–**	**(249,000)**	**–**	**(249,000)**
Changes in ownership interests in subsidiaries without change of control								
Acquisition of non-controlling interests without change in control	**–**	**–**	**(2,455)**	**–**	**–**	**(2,455)**	**722**	**(1,733)**
Transactions with non-controlling interests, recognised directly in equity								
Contributions by non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**2,000**	**2,000**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(25,222)**	**(25,222)**
Acquisition of subsidiary with non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**250,558**	**250,558**
Balance as at 31 December 2016	**4,132,655**	**2,000,000**	**5,495,181**	**(2,124,021)**	**(705,964)**	**8,797,851**	**721,834**	**9,519,685**

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2016

	Note	2016 USD'000	2015 USD'000
Cash flows provided by operating activities			
Gross cash flows from operations	18	**2,115,609**	1,875,187
Changes in:			
Inventories		**(11,192)**	(2,985)
Accounts receivable and prepayments		**(62,671)**	44,739
Accounts payable and accruals		**52,784**	119,121
Provisions, pensions and post-employment benefits		**(92,907)**	(107,843)
Cash provided by operating activities		**2,001,623**	1,928,219
Income taxes paid		**(157,086)**	(147,472)
Net cash provided by operating activities		**1,844,537**	1,780,747
Cash flows provided by investing activities			
Additions to property, plant and equipment	12	**(1,073,725)**	(1,167,395)
Additions to investment properties	13	**(136,901)**	(108,307)
Additions to port concession rights	14	**(87,502)**	(113,419)
Additions to/ advance towards other investments		**(23,305)**	–
Proceeds from disposal of property, plant and equipment and port concession rights		**7,414**	73,505
Proceeds from disposal of other investments		**21,554**	–
Proceeds from disposal of a subsidiary		**6,965**	–
Cash outflow on acquisition of subsidiaries (net of cash acquired)		**(142,950)**	(2,586,846)
Net cash outflow on acquisition of non-controlling interests without change in control		**(1,733)**	(125,579)
Interest received		**32,140**	34,399
Dividends received from equity-accounted investees		**151,146**	74,748
Additional investment in equity-accounted investees		**(13,071)**	(57,385)
Net loan from/ (advanced to) equity-accounted investees		**1,091**	(48,293)
Net cash used in investing activities		**(1,258,877)**	(4,024,572)
Cash flows provided by financing activities			
Repayment of interest bearing loans and borrowings		**(1,287,412)**	(714,417)
Drawdown of interest bearing loans and borrowings		**1,262,089**	1,282,644
Proceeds from issue of 2023 Sukuk		**1,200,000**	–
Redemption of 2017 Sukuk		**(1,174,455)**	–
Transaction cost paid on issuance of 2023 Sukuk		**(10,505)**	–
Interest paid		**(418,769)**	(373,117)
Dividend paid to the owners of the Company		**(249,000)**	(195,050)
Contribution by non-controlling interests		**2,000**	–
Dividend paid to non-controlling interests		**(25,222)**	(11,845)
Net cash used in financing activities		**(701,274)**	(11,785)
Net decrease in cash and cash equivalents		**(115,614)**	(2,255,610)
Cash and cash equivalents as at 1 January		**1,436,595**	3,723,073
Effect of exchange rate fluctuations on cash held		**(21,590)**	(30,868)
Cash and cash equivalents as at 31 December	18	**1,299,391**	1,436,595

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
(forming part of the financial statements)

1. Corporate information
DP World Limited ("the Company") was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the Companies Law, DIFC Law No. 3 of 2006. The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, industrial parks and economic zones, logistics and ancillary services to technology-driven trade solutions.

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

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

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

2. Basis of preparation of the consolidated financial statements
The consolidated financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards ("IFRS") and the applicable provisions of the Companies Law pursuant to DIFC Law No.2 of 2009.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, investment at fair value through profit or loss and available-for-sale financial assets which are measured at fair value.

a) Use of estimates and judgements
The management makes estimates and judgements affecting the application of accounting policies and reported numbers in the consolidated financial statements. The significant estimates and judgements are listed below:

i. Estimate of useful lives of property, plant and equipment and port concession rights with finite lives.
ii. Estimate of expected future cash flows and discount rate for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
iii. Judgement on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management's expectations on the date of acquisition.
iv. Estimate of collectible amount of accounts receivables where the collection of full amount is not probable.
v. Estimate of fair value of derivatives for which an active market is not available is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
vi. Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
vii. Estimate of level of probability of a contingent liability becoming an actual liability and resulting cash outflow based on the information available on the reporting date.
viii. Consolidation of entities in which the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding (refer to note 24).
ix. Significant judgement is required in determining the worldwide provision for income taxes.
x. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

b) New standards and interpretations not yet effective
A number of new standards, amendments to standards and interpretations are not effective for annual periods beginning 1 January 2016, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i. IFRS 9 Financial Instruments (effective from 1 January 2018)
IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces a new expected credit loss model. The new guidance has also substantially reformed the existing hedge accounting rules. It provides a more principles-based approach that aligns hedge accounting closely with risk management policies. The actual impact of adopting IFRS 9 on the Group's consolidated financial statements in 2018 is not known and cannot be reliably estimated because it will be dependent on financial instruments that the Group holds and economic conditions at that time as well as the elections and judgements it will make in the future.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

2. Basis for preparation of the consolidated financial statements (continued)
b) New standards and interpretations not yet effective (continued)
ii. IFRS 15 Revenue from contracts with customers (effective from 1 January 2018)
IFRS 15 replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard provides a single principles-based five-step model to be applied to all contracts with customers. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

iii. IFRS 16 Leases (effective from 1 January 2019)
IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating lease incentives and SIC -27 Evaluating the substance of transaction involving the legal form of lease.

The new standard requires the lessee to recognise the operating lease commitment on the balance sheet. The Group, as a lessee, has substantial operating leases and commitments as disclosed in note 31. The standard would require future lease commitments to be recognised as a liability, with a corresponding right of use asset. This will impact the EBITDA and debt to equity ratios of the Group. In addition, depending on the stage of lease, there would be a different pattern of expense recognition on leases. Currently, lease expenses are recognised in cost of sales, however, in future the lease expense would be an amortisation charge and finance expense.

The Group is in the process of collating its leases and computing the impact. The impact of this standard's application is expected to be significant.

iv. Amendment to IAS 7, Statement of cash flows (effective from 1 January 2017)
The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

v. Amendments to IAS 12, Income taxes (effective from 1 January 2017)
The amendments clarify the accounting for deferred tax assets for Unrealised losses on debt instruments measured at fair value. The adoption of this standard is not expected to have any significant impact on the Group's financial statements.

3. Significant accounting policies
The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statement throughout the Group to all the years presented, unless otherwise stated.

a) Basis of consolidation
i. Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The acquisition method of accounting is used to account for business combinations by the Group on the date of acquisition.

ii. Change in ownership interests in subsidiaries without loss of control
Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid and relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

iii. Disposal of subsidiaries (loss of control)
On the loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Non-controlling interests
For each business combination, the Group elects to measure any non-controlling interests at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

v. Structured entities
The Group has established DP World Sukuk Limited and DP World Crescent Limited (a limited liability company incorporated in the Cayman Islands) as a structured entity ("SE") for the issue of Sukuk Certificates. These certificates are listed on Nasdaq Dubai and London Stock Exchange. The Group does not have any direct or indirect shareholding in this entity.

3. Significant accounting policies (continued)

The Group has also incorporated JAFZ Sukuk (2019) Limited as a SE for issuing New JAFZ Sukuk which are currently listed on Nasdaq Dubai and the Irish Stock Exchange.

The Group consolidates the above SE's based on an evaluation of the substance of its relationship with the Group. This relationship results in the majority of the benefits related to the SE's operations and net assets being received by the Group. It also exposes the Group to risks incident to the SE's activities and retains the majority of the residual or ownership risks related to the SE or its assets.

vi. Investments in associates and joint ventures (equity-accounted investees)

The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses.

vii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency

i. Functional and presentation currency

These consolidated financial statements are presented in USD, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency).

ii. Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of each entity at the foreign exchange rate ruling on the date of the transaction. Foreign exchange gains and losses arising on transactions are recognised in the income statement. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of each entity at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further remeasurement in future.

iii. Foreign operations

For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are re-cycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are re-cycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

c) Financial instruments

i. Non-derivative financial assets

Initial recognition and subsequent measurement

The Group classifies non-derivative financial assets into the following categories: held to maturity financial assets, loans and receivables and available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition. All non-derivative financial assets are recognised initially at fair value, plus, any directly attributable transaction costs. The Group's non-derivative financial assets comprise investments in an unquoted infrastructure fund, debt securities held to maturity, trade and other receivables, due from related parties and, cash and cash equivalents.

The subsequent measurement of non-derivative financial assets depends on their classification.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

3. Significant accounting policies (continued)
c) Financial instruments (continued)
i. Non-derivative financial assets (continued)
Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

ii. Non-derivative financial liabilities
Initial recognition and measurement
The Group's non-derivative financial liabilities consist of loans and borrowings, bank overdrafts, amounts due to related parties, and, trade and other payables. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Subsequent measurement
The subsequent measurement of non-derivative financial liabilities are carried at their amortised cost using the effective interest method.

Convertible bond
Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a non-derivative financial liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial derivative liability, represents the value of the option that bond holders can convert into ordinary shares. The Group has not recorded the embedded derivative within equity due to the existence of cash settlement terms with the Company.

Derecognition
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

iii. Derivative financial instruments
The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

Initial recognition
On initial designation of the derivatives as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and hedged risk together with the methods that will be used to assess the effectiveness of the hedging relationship

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the consolidated statement of profit or loss when incurred. Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Subsequent measurement
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

Derecognition
If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

3. Significant accounting policies (continued)

d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j) (i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

iii. Depreciation

Land and capital work in progress is not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	Useful life (years)
Buildings	5 – 50
Plant and equipment	3 – 25
Vessels	10 – 30
Dredging (included in Land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

iv. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time, the assets are substantially ready for their intended use or sale.

e) Investment properties

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

3. Significant accounting policies (continued)

e) Investment properties (continued)

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	Useful life (years)
Buildings	20 – 35
Infrastructure	5 – 50

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

f) Land use rights

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

g) Goodwill

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j) (i)). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

h) Port concession rights

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

i. Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(j)(i)). Internally generated port concession rights, excluding capitalised development costs, are recognised in the consolidated statement of profit or loss as incurred. The useful lives of port concession rights are assessed to be either finite or indefinite. Port concession rights with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired.

The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight line basis. Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3. Significant accounting policies (continued)

ii. Port concession rights arising from Service Concession Arrangements (IFRIC 12)

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for port concession rights range within a period of 5 – 50 years (including the concession rights relating to equity-accounted investees).

i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i. Group as a lessee

Assets held by the Group under leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

ii. Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

iii. Leasing and sub-leasing transactions

Leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated statement of profit or loss based on its economic substance.

iv. Leases of land in port concession

Leases of land have not been classified as finance leases as the Group believes that the substantial risks and rewards of ownership of the land have not been transferred. Accordingly, these are accounted as operating leases. The existence of a significant exposure of the lessor to performance of the asset through contingent rentals is the basis of concluding that substantially all the risks and rewards of ownership have not passed.

j) Impairment

i. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

3. Significant accounting policies (continued)
j) Impairment (continued)
i. Non-financial assets (continued)
In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ii. Financial assets
Financial assets not classified at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Loans and receivables and held to maturity investments
The Group considers evidence of impairment for loans and receivables and held to maturity investment securities at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Available-for-sale financial assets
A significant or prolonged decline in the fair value of an equity investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be considered as prolonged.

k) Employee benefits

i. Pension and post-employment benefits
Defined contribution plans
A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

ii. Short-term service benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

l) Provisions
Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

3. Significant accounting policies (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly consists of containerized stevedoring, other containerized revenue, non-containerized revenue, service concession revenue and lease rentals. Non-containerized revenue mainly includes logistics and handling of break bulk cargo.

The following specific recognition criteria must also be met before revenue is recognised:

i. Rendering of services

Revenue from providing containerized stevedoring, other containerized services and non-containerized services is recognised on the delivery and completion of those services.

ii. Service concession arrangements (IFRIC 12)

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

iii. Lease rentals and related services

A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position. Revenue from administrative service, license, registration and consultancy is recognised as the service is provided.

n) Finance income and costs

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated statement of profit or loss.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3(b) (ii)).

o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

3. Significant accounting policies (continued)

p) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after adjusting for interest on the convertible bond and other consequential changes in income or expense that would result from the assumed conversion) by the weighted average number of ordinary shares outstanding during the year including the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (also refer to note 11).

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors ('Chief Operating Decision Maker') to assess performance.

r) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4. Segment information

The Group has identified the following geographic areas as its basis of segmentation.

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

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

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA").

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and port concession rights other than goodwill. Information regarding the results of each reportable segment is included below.

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

	Asia pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2016 USD'000	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000
Revenue	**501,496**	489,374	**659,020**	642,137	**3,071,052**	2,911,399	**–**	–	**–**	–	**4,231,568**	4,042,910
Adjusted for separately disclosed items	**(68,243)**	(75,171)	**–**	–	**–**	–	**–**	–	**–**	–	**(68,243)**	(75,171)
Revenue before separately disclosed items	**433,253**	414,203	**659,020**	642,137	**3,071,052**	2,911,399	**–**	–	**–**	–	**4,163,325**	3,967,739
Adjusted EBITDA	**316,476**	280,963	**293,052**	189,619	**1,791,269**	1,611,506	**(137,720)**	(153,972)	**–**	–	**2,263,077**	1,928,116
Finance income	**–**	–	**–**	–	**–**	–	**100,247**	104,969	**–**	–	**100,247**	104,969
Finance costs	**–**	–	**–**	–	**–**	–	**(438,357)**	(492,087)	**–**	–	**(438,357)**	(492,087)
Tax expense	**–**	–	**–**	–	**–**	–	**(122,579)**	(90,988)	**–**	–	**(122,579)**	(90,988)
Depreciation and amortisation	**(67,260)**	(68,423)	**(77,389)**	(68,683)	**(391,184)**	(335,228)	**(7,050)**	(7,791)	**–**	–	**(542,883)**	(480,125)
Adjusted net profit/ (loss) for the year before separately disclosed items	**249,216**	212,540	**215,663**	120,936	**1,400,085**	1,276,278	**(605,459)**	(639,869)	**–**	–	**1,259,505**	969,885
Adjusted for separately disclosed items	**(6,284)**	–	**2,076**	–	**(8,171)**	15,604	**(92,059)**	(13,647)	**–**	–	**(104,438)**	1,957
Profit/ (loss) for the year	**242,932**	212,540	**217,739**	120,936	**1,391,914**	1,291,882	**(697,518)**	(653,516)	**–**	–	**1,155,067**	971,842

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

4. Segment information (continued)

	Asia pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2016 USD'000	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000
Segment assets	**4,350,319**	3,798,105	**2,092,970**	1,992,483	**15,333,720**	14,922,804	**9,205,350**	9,823,975	**(10,278,030)**	(10,278,240)	**20,704,329**	20,259,127
Segment liabilities	**605,616**	344,585	**379,373**	569,667	**3,455,870**	3,433,642	**8,524,199**	8,935,589	**(2,855,393)**	(3,246,910)	**10,109,665**	10,036,573
Tax liabilities*	**–**	–	**–**	–	**–**	–	**1,074,979**	1,087,956	**–**	–	**1,074,979**	1,087,956
Total liabilities	**605,616**	344,585	**379,373**	569,667	**3,455,870**	3,433,642	**9,599,178**	10,023,545	**(2,855,393)**	(3,246,910)	**11,184,644**	11,124,529
Capital expenditure	**81,068**	81,705	**156,457**	74,052	**1,057,844**	1,230,470	**2,759**	2,894	**–**	–	**1,298,128**	1,389,121
Depreciation	**22,801**	24,941	**55,527**	53,422	**310,077**	269,776	**7,050**	7,791	**–**	–	**395,455**	355,930
Amortisation/ impairment	**44,459**	43,482	**21,862**	15,261	**81,883**	66,105	**–**	–	**–**	–	**148,204**	124,848
Share of profit/ (loss) of equity-accounted investees before separately disclosed items	**125,215**	111,113	**6,418**	(67,978)	**17,802**	9,567	**–**	–	**–**	–	**149,435**	52,702
Tax expense	**–**	–	**–**	–	**–**	–	**122,579**	90,988	**–**	–	**122,579**	90,988

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

5. Revenue

	2016 USD'000	2015 USD'000
Revenue consists of:		
Containerized stevedoring revenue	**1,535,059**	1,506,735
Containerized other revenue	**1,315,186**	1,239,744
Non-containerized revenue	**759,516**	802,314
Service concession revenue (refer to note 9)	**68,243**	75,171
Lease rentals and related services	**553,564**	418,946
Total	**4,231,568**	4,042,910

6. Profit for the year

	2016 USD'000	2015 USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**826,947**	818,203
Depreciation and amortization	**542,883**	480,125
Operating lease rentals	**364,365**	375,743
Impairment loss (refer to note 9)	**776**	653

Notes to the consolidated financial statements continued
(forming part of the financial statements)

7. Finance income and costs

	2016 USD'000	2015 USD'000
Finance income		
Interest income	**56,420**	53,469
Exchange gains	**43,827**	51,500
Finance income before separately disclosed items	**100,247**	104,969
Separately disclosed items (refer to note 9)	**47,462**	9,705
Finance income after separately disclosed items	**147,709**	114,674
Finance costs		
Interest expense	**(375,065)**	(381,951)
Exchange losses	**(57,672)**	(103,356)
Other net financing expense in respect of pension plans	**(5,620)**	(6,780)
Finance costs before separately disclosed items	**(438,357)**	(492,087)
Separately disclosed items (refer to note 9)	**(139,521)**	(23,352)
Finance costs after separately disclosed items	**(577,878)**	(515,439)
Net finance costs after separately disclosed items	**(430,169)**	(400,765)

8. Income tax

The major components of income tax expense for the year ended 31 December:

	2016 USD'000	2015 USD'000
Current tax on profits for the year	**175,195**	146,162
Adjustments for current tax of prior periods	**(39,193)**	(15,445)
	136,002	130,717
Deferred tax credit	**(13,423)**	(39,729)
Income tax expense	**122,579**	90,988
Share of income tax of equity-accounted investees	**47,130**	54,014
Total tax expense	**169,709**	145,002
Income tax balances included in the consolidated statement of financial position:		
Current income tax receivable (included within accounts receivable and prepayments)	**32,318**	24,731
Current income tax liabilities	**129,722**	147,320

8. Income tax (continued)

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2016 USD'000	2015 USD'000
Net profit before tax		**1,277,646**	1,062,830
Tax at the Company's domestic rate of 0% (2015: 0%)		**–**	–
Income tax on foreign earnings		**121,342**	124,289
Net current year tax losses (utilised)/ incurred, on which deferred tax is not recognised		**27,189**	7,874
Tax charge on equity-accounted investees		**47,130**	54,014
Effect of rate change		**(11,035)**	(34,341)
Deferred tax in respect of fair value adjustments		**(11,436)**	(6,696)
Others		**37,226**	15,675
Tax expense before prior year adjustments		**210,416**	160,815
Tax over provided in prior periods:			
- current tax		**(39,193)**	(15,445)
- deferred tax		**(1,514)**	(368)
Total tax expense from operations before separately disclosed items	(A)	**169,709**	145,002
Separately disclosed items		**–**	–
Total tax expense		**169,709**	145,002
Net profit before tax		**1,277,646**	1,062,830
Separately disclosed items		**104,438**	(1,957)
Share of income tax of equity-accounted investees		**47,130**	54,014
Adjusted profit before tax and before separately disclosed items	(B)	**1,429,214**	1,114,887
Effective tax rate before separately disclosed items	(A/B)	**11.87%**	13.01%

Unrecognised deferred tax assets

Deferred tax assets are not recognised on trading losses of USD 656,449 thousand (2015: USD 649,508 thousand) where utilisation is uncertain, either because they have not been agreed with tax authorities, or because the likelihood of future taxable profits is not sufficiently certain, or because of the impact of tax holidays. Under current legislation, USD 420,692 thousand (2015: USD 446,958 thousand) of these trading losses can be carried forward indefinitely.

Deferred tax assets are also not recognised on capital and other losses of USD 221,394 thousand (2015: USD 271,638 thousand) as their utilisation is uncertain.

Group tax rates

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	Applicable corporate tax rate
Asia Pacific and Indian subcontinent	16.5% to 34.6%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 34.0%

Notes to the consolidated financial statements continued
(forming part of the financial statements)

8. Income tax (continued)

Movement in temporary differences during the year:

	1 January 2016 USD'000	Recognised in consolidated statement of profit or loss USD'000	Acquisitions in the period USD'000	Translation and other movements USD'000	31 December 2016 USD'000
Deferred tax liabilities					
Property, plant and equipment	**106,667**	**256**	**10,580**	**(24,904)**	**92,599**
Investment in equity-accounted investees	**40,158**	**6,218**	**–**	**1,082**	**47,458**
Fair value of acquired intangibles	**425,169**	**(21,390)**	**54,850**	**(17,214)**	**441,415**
Others	**425,366**	**(1,513)**	**(139)**	**(12,946)**	**410,768**
Total before set off	**997,360**	**(16,429)**	**65,291**	**(53,982)**	**992,240**
Set off of tax	**(56,724)**	**–**	**–**	**–**	**(46,983)**
Net deferred tax liabilities	**940,636**	**–**	**–**	**–**	**945,257**
Deferred tax assets					
Pension and post-employment benefits	**7,185**	**594**	**677**	**4,619**	**13,075**
Financial instruments	**13,644**	**(1,791)**	**–**	**(3,487)**	**8,366**
Provisions	**2,839**	**398**	**881**	**(206)**	**3,912**
Tax value of losses carried forward recognised	**33,148**	**(2,671)**	**–**	**(8,847)**	**21,630**
Total before set off	**56,816**	**(3,470)**	**1,558**	**(7,921)**	**46,983**
Set off of tax	**(56,724)**	**–**	**–**	**–**	**(46,983)**
Net deferred tax assets (included within non-current account receivables and prepayments)	**92**	**–**	**–**	**–**	**–**

9. Separately disclosed items

	2016 USD'000	2015 USD'000
Revenue		
Construction contract revenue relating to service concessions	**68,243**	75,171
Cost of sales		
Construction contract costs relating to service concessions	**(68,243)**	(75,171)
General and administrative expenses		
Impairment of property, plant and equipment	**(776)**	(653)
Other income	**3,878**	16,867
Loss on disposal and change in ownership of business	**(12,524)**	(610)
Share of loss from equity-accounted investees	**(2,957)**	–
Finance income		
Change in fair value of convertible bond option	**47,462**	–
Net gain on restructuring of loan	**–**	9,705
Finance costs		
Finance costs related to convertible bond	**(20,110)**	(16,175)
Sukuk redemption costs	**(61,755)**	–
Transaction costs	**(54,224)**	(7,177)
Hedge costs	**(3,432)**	–
Total	**(104,438)**	1,957

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

Impairment of property, plant and equipment relates to a subsidiary in the 'Middle East, Europe and Africa' region.

Other income represents the gain on sale of other investments in the 'Asia Pacific and Indian subcontinent' region and in the 'Middle East, Europe and Africa' region. (2015 represents gain on sale of land in a subsidiary in the 'Middle East, Europe and Africa' region).

9. Separately disclosed items (continued)

Loss on disposal and change in ownership of business relates to the loss on sale of a subsidiary in the 'Middle East, Europe and Africa' region and loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Asia Pacific and Indian subcontinent' region. (2015 relates to the loss on sale of a subsidiary in the 'Middle East, Europe and Africa' region).

Share of loss from equity-accounted investees represents the non-recurring expenses incurred in the 'Middle East, Europe and Africa' region.

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

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

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

Sukuk redemption costs represents the redemption premium paid on an early redemption of sukuk bond liability.

Transaction costs relates to costs on restructuring and termination of loans in subsidiaries in the 'Middle East, Europe and Africa' region.

Hedge costs relates to the loss on termination of interest rate swap in a subsidiary in the 'Australia and Americas' region and an ineffective element of a cash flow hedge in a subsidiary in the 'Middle East, Europe and Africa' region.

10. Dividends

	2016 USD'000	2015 USD'000
Declared and paid during the year:		
Final dividend: 30 US cents per share/ 23.5 US cents per share	**249,000**	195,050
Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December):		
Final dividend: 38 US cents per share/ 30 US cents per share	**315,400**	249,000

11. Earnings per share

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

	2016 Before separately disclosed items USD'000	**2016 Adjusted for separately disclosed items USD'000**	2015 Before separately disclosed items USD'000	2015 Adjusted for separately disclosed items USD'000
Profit attributable to the ordinary shareholders of the Company (a)	**1,126,554**	**1,024,254**	882,576	882,931
Adjustment for costs/ (income) related to convertible bonds saved as a result of the conversion	**18,666**	**(8,686)**	18,599	34,774
Profit attributable to the ordinary shareholders of the Company after conversion (b)	**1,145,220**	**1,015,568**	901,175	917,705
Weighted average number of basic shares outstanding as at 31 December (c)	**830,000,000**	**830,000,000**	830,000,000	830,000,000
Weighted average numbers of shares due to conversion of convertible bond	**36,846,510**	**36,846,510**	36,846,510	36,846,510
Total weighted average number of ordinary share (diluted) outstanding – (d)	**866,846,510**	**866,846,510**	866,846,510	866,846,510
Basic earnings per share US cents – (a/c)	**135.73**	**123.40**	106.33	106.38
Diluted earnings per share US cents – (b/d)	**132.11**	**117.16**	103.96	105.87

Notes to the consolidated financial statements continued
(forming part of the financial statements)

12. Property, plant and equipment

	Land and buildings USD'000	Plant and equipment USD'000	Vessels USD'000	Capital work- in-progress USD'000	Total USD'000
Cost					
As at 1 January 2015	3,424,782	3,739,307	274,767	889,842	8,328,698
Acquired through business combination	27,809	27,153	–	12,723	67,685
Additions during the year	6,322	36,588	5,358	1,119,127	1,167,395
Transfers from capital work-in-progress	584,673	286,747	34,222	(905,642)	–
Transfer (to)/ from investment properties	(28,327)	–	–	82	(28,245)
Disposals	(51,204)	(44,373)	(20,058)	(36)	(115,671)
Translation adjustment	(79,380)	(118,240)	(14,740)	(59,138)	(271,498)
As at 31 December 2015	3,884,675	3,927,182	279,549	1,056,958	9,148,364
As at 1 January 2016	**3,884,675**	**3,927,182**	**279,549**	**1,056,958**	**9,148,364**
Acquired through business combination	**14,964**	**327,868**	**–**	**1,649**	**344,481**
Additions during the year	**11,324**	**62,225**	**2,960**	**997,216**	**1,073,725**
Transfers from capital work-in-progress	**381,421**	**282,300**	**2,013**	**(665,734)**	**–**
Transfer (to)/ from investment properties	**–**	**270**	**–**	**–**	**270**
Disposals	**(30,296)**	**(48,649)**	**(2,455)**	**–**	**(81,400)**
Translation adjustment	**(90,513)**	**(285,415)**	**(3,817)**	**(64,484)**	**(444,229)**
As at 31 December 2016	**4,171,575**	**4,265,781**	**278,250**	**1,325,605**	**10,041,211**
Depreciation and impairment					
As at 1 January 2015	782,140	1,130,022	60,376	–	1,972,538
Charge for the year	109,734	203,474	19,050	–	332,258
Impairment loss	–	653	–	–	653
Transfer to investment properties	(4,587)	–	–	–	(4,587)
On disposals	(963)	(42,709)	(15,693)	–	(59,365)
Translation adjustment	(16,803)	(39,663)	(5,793)	–	(62,259)
As at 31 December 2015	869,521	1,251,777	57,940	–	2,179,238
As at 1 January 2016	**869,521**	**1,251,777**	**57,940**	**–**	**2,179,238**
Acquired through business combination	**1,289**	**125,875**	**–**	**–**	**127,164**
Charge for the year	**130,858**	**212,027**	**19,392**	**–**	**362,277**
Impairment loss	**4**	**772**	**–**	**–**	**776**
On disposals	**(21,966)**	**(44,699)**	**(1,370)**	**–**	**(68,035)**
Translation adjustment	**(10,479)**	**(70,089)**	**(1,718)**	**–**	**(82,286)**
As at 31 December 2016	**969,227**	**1,475,663**	**74,244**	**–**	**2,519,134**
Net book value					
At 31 December 2015	3,015,154	2,675,405	221,609	1,056,958	6,969,126
At 31 December 2016	**3,202,348**	**2,790,118**	**204,006**	**1,325,605**	**7,522,077**

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group ("the Crane French Lease Arrangements"). At 31 December 2016, cranes with aggregate net book value amounting to USD 225,756 thousand (2015: USD 241,494 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

At 31 December 2016, property, plant and equipment with a carrying amount of USD 2,180,671 thousand (2015: USD 2,315,238 thousand) are pledged to bank loans (refer to note 29).

Borrowing costs capitalised to property, plant and equipment amounted to USD 20,510 thousand (2015: USD 20,299 thousand) with a capitalisation rate in the range of 2.27% to 3.84% per annum (2015: 2.94% to 5.13% per annum).

13. Investment properties

	Land USD'000	Buildings and infra-structure USD'000	Under develop-ment USD'000	Total USD'000
Cost				
As at 1 January 2015	–	–	–	–
Acquired through business combination	31,407	745,006	293,579	1,069,992
Additions during the year	–	108,307	–	108,307
Transfers	–	88,454	(88,454)	–
Transfer from/ (to) property, plant and equipment	–	28,327	(82)	28,245
Translation adjustment	(1,029)	–	(27)	(1,056)
As at 31 December 2015	30,378	970,094	205,016	1,205,488
As at 1 January 2016	**30,378**	**970,094**	**205,016**	**1,205,488**
Additions during the year	**3,491**	**88,801**	**44,609**	**136,901**
Transfers	**–**	**11,716**	**(11,716)**	**–**
Transfer from/ (to) property, plant and equipment	**–**	**–**	**(270)**	**(270)**
Disposals	**–**	**–**	**–**	**–**
Translation adjustment	**(260)**	**–**	**(97)**	**(357)**
As at 31 December 2016	**33,609**	**1,070,611**	**237,542**	**1,341,762**
Depreciation and impairment				
As at 1 January 2015	–	–	–	–
Depreciation charge for the year	–	23,672	–	23,672
Transfer from property, plant and equipment	–	4,587	–	4,587
As at 31 December 2015	–	28,259	–	28,259
As at 1 January 2016	**–**	**28,259**	**–**	**28,259**
Depreciation charge for the year	**–**	**33,178**	**–**	**33,178**
As at 31 December 2016	**–**	**61,437**	**–**	**61,437**
Net book value:				
As at 31 December 2015	30,378	941,835	205,016	1,177,229
As at 31 December 2016	**33,609**	**1,009,174**	**237,542**	**1,280,325**

Land:

At 31 December 2016, the fair value of land was estimated to be USD 65,941 thousand (2015: USD 65,069 thousand) compared to the carrying value of USD 33,609 thousand (2015: USD 30,378 thousand).

Building and infrastructure:

At 31 December 2016, the fair value of buildings and infrastructure was USD 2,107,291 thousand (2015: USD 1,942,275 thousand) compared to the carrying value of USD 1,009,174 thousand (2015: USD 941,835 thousand). The buildings and infrastructure are constructed on a land for which the Economic Zones and Logistics park business obtained land use rights for a period of 99 years.

Investment properties under development:

Investment properties under development mainly include infrastructure development, staff accommodation and the convention centre complex in Jebel Ali Free Zone, UAE. These properties will be capitalised upon completion and their fair value cannot be reliably determined as the properties are currently under development.

Notes to the consolidated financial statements continued
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13. Investment properties (continued)

Key assumptions used in determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the investment properties have been performed using income capitalization, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market. The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent (per square metre per annum)
- Rent growth per annum
- Historical and estimated long term occupancy rate
- Yields, discount rates and terminal capitalization rates

The fair value of investment properties are categorised under level 3 hierarchy and the Group considers the current use of these properties as their highest and best use.

14. Intangible assets and goodwill

	Land use rights USD'000	Goodwill USD'000	Port concession rights and other intangible assets USD'000	Total USD'000
Cost				
As at 1 January 2015	–	1,448,194	3,754,188	5,202,382
Acquired through business combinations	2,677,717	114,513	411,585	3,203,815
Additions	–	–	113,419	113,419
Disposals	–	–	(3,838)	(3,838)
Translation adjustment	–	(102,321)	(233,187)	(335,508)
As at 31 December 2015	2,677,717	1,460,386	4,042,167	8,180,270
As at 1 January 2016	**2,677,717**	**1,460,386**	**4,042,167**	**8,180,270**
Acquired through business combinations	**–**	**61,519**	**498,400**	**559,919**
Additions	**–**	**–**	**87,502**	**87,502**
Translation adjustment	**–**	**(166,122)**	**(194,357)**	**(360,479)**
As at 31 December 2016	**2,677,717**	**1,355,783**	**4,433,712**	**8,467,212**
Amortisation and impairment				
As at 1 January 2015	–	–	974,920	974,920
Charge for the year	23,096	–	101,099	124,195
On disposals	–	–	(3,733)	(3,733)
Translation adjustment	–	–	(50,029)	(50,029)
As at 31 December 2015	23,096	–	1,022,257	1,045,353
As at 1 January 2016	**23,096**	**–**	**1,022,257**	**1,045,353**
Charge for the year	**29,212**	**–**	**118,216**	**147,428**
Translation adjustment	**–**	**–**	**(14,707)**	**(14,707)**
As at 31 December 2016	**52,308**	**–**	**1,125,766**	**1,178,074**
Net book value:				
As at 31 December 2015	2,654,621	1,460,386	3,019,910	7,134,917
As at 31 December 2016	**2,625,409**	**1,355,783**	**3,307,946**	**7,289,138**

Port concession rights include concession agreements which are mainly accounted for as part of business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

At 31 December 2016, port concession rights with a carrying amount of USD 11,790 thousand (2015: USD 146,535 thousand) are pledged to bank loans (refer to note 29).

15. Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units, for the purpose of impairment testing.

Impairment testing is done at an operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life			
	2016 USD'000	2015 USD'000	**2016 USD'000**	2015 USD'000	**Discount rates**	**Perpetuity growth rate**
Cash-generating units aggregated by operating segment						
Asia Pacific and Indian subcontinent	**219,919**	161,427	**–**	–	7.50% - 13.00%	2.50%
Australia and Americas	**320,926**	314,325	**–**	–	6.50% - 17.50%	2.50%
Middle East, Europe and Africa	**814,938**	984,634	**776,919**	923,392	6.00% - 17.50%	2.50% -2.60%
Total	**1,355,783**	1,460,386	**776,919**	923,392		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

Discount rates – These represent the cost of capital adjusted for the risks associated with the cash flows of the CGU being valued. The Group uses the post-tax Weighted Average Cost of Capital that represents a market participant discount rate.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

Perpetuity growth rate – In management's view, the perpetuity growth rate is the minimum growth rate expected to be achieved beyond the eight year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in impairment. Similarly, an increase of 0.25% in discount rate and decrease of 0.25% in perpetuity growth rate would not result in impairment.

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16. Investment in equity-accounted investees

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

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	2016 USD'000	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000	**2016 USD'000**	2015 USD'000
Cash and cash equivalents	**432,726**	376,482	**147,176**	102,991	**203,733**	204,006	**783,635**	683,479
Other current assets	**232,754**	226,405	**111,735**	97,990	**186,858**	150,528	**531,347**	474,923
Non-current assets	**6,167,755**	7,092,949	**2,146,178**	2,078,861	**2,459,574**	2,440,019	**10,773,507**	11,611,829
Total assets	**6,833,235**	7,695,836	**2,405,089**	2,279,842	**2,850,165**	2,794,553	**12,088,489**	12,770,231
Current financial liabilities	**–**	10,780	**595,272**	84,154	**37,734**	36,187	**633,006**	131,121
Other current liabilities	**317,386**	350,156	**170,598**	200,634	**249,081**	199,323	**737,065**	750,113
Non-current financial liabilities	**1,092,416**	1,098,965	**1,009,024**	1,434,621	**534,625**	543,778	**2,636,065**	3,077,364
Other non-current liabilities	**466,819**	529,622	**137,061**	77,751	**520,062**	510,608	**1,123,942**	1,117,981
Total liabilities	**1,876,621**	1,989,523	**1,911,955**	1,797,160	**1,341,502**	1,289,896	**5,130,078**	5,076,579
Net assets (100%)	**4,956,614**	5,706,313	**493,134**	482,682	**1,508,663**	1,504,657	**6,958,411**	7,693,652
Group's share of net assets							**1,951,658**	2,408,321
Revenue	**1,489,325**	1,424,458	**599,720**	594,147	**587,559**	533,198	**2,676,604**	2,551,803
Depreciation and amortisation	**(292,542)**	(300,714)	**(107,201)**	(120,351)	**(93,828)**	(67,130)	**(493,571)**	(488,195)
Other expenses	**(605,441)**	(582,931)	**(410,974)**	(416,822)	**(448,606)**	(408,382)	**(1,465,021)**	(1,408,135)
Interest expense	**(70,090)**	(89,844)	**(241,971)**	(305,295)	**(42,015)**	(23,688)	**(354,076)**	(418,827)
Other finance income	**19,860**	27,003	**149,040**	10,846	**1,753**	3,842	**170,653**	41,691
Income tax expense	**(146,669)**	(118,342)	**(3,295)**	802	**25,503**	(20,319)	**(124,461)**	(137,859)
Net profit/ (loss) (100%)	**394,443**	359,630	**(14,681)**	(236,673)	**30,366**	17,521	**410,128**	140,478
Group's share of profit/ (loss) (before separately disclosed items)	**125,215**	111,113	**6,418**	(67,978)	**17,802**	9,567	**149,435**	52,702
Dividends received	**144,886**	47,153	**–**	14,124	**6,260**	13,471	**151,146**	74,748
Group's share of other comprehensive income							**3,416**	(211)

17. Accounts receivable and prepayments

	2016 Non-current USD'000	**2016 Current USD'000**	2015 Non-current USD'000	2015 Current USD'000
Trade receivables (net)	**–**	**410,334**	–	359,009
Advances paid to suppliers	**–**	**81,966**	–	62,010
Other receivables and prepayments	**137,789**	**220,515**	56,496	252,778
Employee benefits assets (refer to note 20)	**–**	**–**	60	–
Due from related parties (refer to note 25)	**290,838**	**80,530**	192,500	79,830
Total	**428,627**	**793,345**	249,056	753,627

The Group's exposure to credit and currency risks are disclosed in note 26.

18. Cash and cash equivalents

	2016 USD'000	2015 USD'000
Cash at banks and in hand	**619,251**	334,447
Short-term deposits	**614,618**	1,033,771
Deposits under lien	**65,522**	68,377
Cash and cash equivalents for consolidated statement of cash flows	**1,299,391**	1,436,595

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

18. Cash and cash equivalents (continued)

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries.

Cash flow information

	Note	2016 USD'000	2015 USD'000
Cash flows from operating activities			
Profit for the year		**1,155,067**	971,842
Adjustments for:			
Depreciation and amortization	6	**542,883**	480,125
Impairment loss	6	**776**	653
Share of profit from equity-accounted investees (net of tax)	16	**(146,478)**	(52,702)
Finance costs	7	**577,878**	515,439
Gain on disposal of other investments		**(3,878)**	–
Gain on sale of property, plant and equipment and port concession rights		**(999)**	(17,094)
Loss on disposal and change in ownership of business		**15,490**	610
Finance income	7	**(147,709)**	(114,674)
Income tax expense	8	**122,579**	90,988
Gross cash flows from operations		**2,115,609**	1,875,187

19. Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2016 USD'000	2015 USD'000
As at 1 January	**97,762**	74,127
Acquired through business combinations	**8,422**	7,892
Provision made during the year *	**17,647**	25,897
Amounts paid during the year	**(11,237)**	(10,154)
As at 31 December	**112,594**	97,762

* The provision for expatriate staff gratuities, included in Employees' end of service benefits, is calculated in accordance with the regulations of the Jebel Ali Free Zone Authority. This is based on the liability that would arise if employment of all staff were terminated at the reporting date.

The UAE government had introduced Federal Labour Law No.7 of 1999 for pension and social security. Under this Law, employers are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

20. Pension and post-employment benefits

The Group participates in a number of pension schemes throughout the world.

a) P&O UK Scheme

This principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the latest regular valuation report for the scheme being at 31 March 2016, using the projected unit credit method. The Group's deficit contributions arising from this valuation totalled USD 112,330 thousand. P&O is currently negotiating with the Trustees to agree to a monthly deficit payment plan.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

b) Merchant Navy Officers' Pension Fund ("MNOPF")

The Group participates in various industry multi-employer schemes, the most significant of which is the Merchant Navy Officers' Pension Fund (the "MNOPF Scheme") and is in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

Notes to the consolidated financial statements continued
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20. Pension and post-employment benefits (continued)

b) Merchant Navy Officers' Pension Fund ("MNOPF") (continued)

It is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated.

The scheme was divided into two sections, the Old Section and the New Section, both of which are closed to new members.

The Old Section completed a buy-out of all its members benefit obligations in July 2014, following which the Old Section was wound up. Therefore, no further liabilities were assigned to the Group in respect of the Old Section.

The most recent formal actuarial valuation of the New Section was carried out as at 31 March 2015. This resulted in a deficit of USD 3,703 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2015 actuarial valuation. The New Section closed to future accrual in April 2016.

Following earlier actuarial valuations in 2009 and 2012 the Trustee and Employers have agreed contributions, which will be paid to the Section by participating employers over the period to 30 September 2023. These contributions include an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share. The Group's aggregated outstanding contributions from these valuations are payable as follows: 2017 to 2020 USD 5,126 thousand per annum and 2021 to 2023 USD 961 thousand per annum.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the New Section at 31 December 2016 is estimated at 5.44%.

During the year, Group has accounted for an additional defined benefit obligation in regards to reapportionment of deficit contribution from a related party.

c) Merchant Navy Ratings' Pension Fund ("MNRPF")

The Merchant Navy Ratings' Pension Fund ("the MNRPF Scheme") is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual.

Certain Group companies, which are no longer current employers in the MNRPF had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustees could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The most recent formal actuarial valuation was carried out as at 31 March 2014. The Group's deficit contributions arising from this valuation totalled USD 34,934 thousand (equating to 7.0% share of the net deficit). The contributions due to the Scheme will be paid over the period to 31 October 2022. Deficit contributions of USD 13,500 thousand were paid into the Scheme in 2016. The Group's aggregated outstanding contributions from these valuations are payable as follows: 2017 to 2022 USD 4,378 thousand per annum

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

d) Others

The Group also operates a number of smaller defined benefit and defined contribution schemes.

The board of a pension fund in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans if appropriate.

These defined benefit funds expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

20. Pension and post-employment benefits (continued)

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position:

	2016 USD'000	2015 USD'000
Non-current		
Defined benefit schemes net liabilities	**313,980**	179,136
Liability in respect of long service leave	**406**	475
Liability for other non-current deferred compensation	**305**	1,216
	314,691	180,827
Current		
Liability for current deferred compensation	**8,185**	10,009
Net liabilities	**322,876**	190,836
Net liabilities		
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets (included within non-current receivables)	**–**	(60)
Employee benefits liabilities: Non-current	**314,691**	180,887
Employee benefits liabilities: Current	**8,185**	10,009

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2016 USD'000	2015 USD'000
Defined benefit schemes	**6,617**	8,200
Defined contribution schemes	**10,215**	11,500
Other employee benefits	**11,623**	14,758
Total	**28,455**	34,458

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2016 USD'000	2015 USD'000
Actuarial gain/ (loss) recognised in the year	**368,269**	(81,210)
Return on plan assets lesser/ (greater) than the discount rate	**(150,722)**	59,900
Change in share in multi-employer scheme	**(270)**	(1,400)
Movement in minimum funding liability	**(12,290)**	28,700
Total	**204,987**	5,990

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2016 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme 2016	**MNOPF scheme 2016**	**Other schemes 2016**	P&O 2015	MNOPF scheme 2015	Other schemes 2015
Discount rates	**2.50%**	**2.50%**	**2.70%**	3.70%	3.70%	3.90%
Discount rates bulk annuity asset	**2.40%**	**–**	**–**	3.50%	–	–
Expected rates of salary increases	**–***	**–***	**3.00%**	–	–	3.20%
Pension increases: deferment	**3.00%**	**2.50%**	**3.20%**	2.80%	2.20%	3.00%
payment	**3.00%**	**3.40%**	**3.20%**	2.80%	3.10%	3.00%
Inflation	**3.50%**	**3.50%**	**3.30%**	3.20%	3.20%	3.20%

* The P&O UK Scheme and MNOPF were closed to future accrual as at 31 December 2016, so future pay increases is not relevant.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

20. Pension and post-employment benefits (continued)

The assumptions for pensioner longevity under both the P&O UK scheme and the MNOPF scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
2016				
P&O UK scheme	22.3	24.5	24.3	26.6
MNOPF scheme	23.0	25.9	26.4	29.2
2015				
P&O UK scheme	23.4	26.5	25.8	28.9
MNOPF scheme	22.7	25.6	26.3	29.3

At 31 December 2016 the weighted average duration of the defined benefit obligation was 17.3 years (2015: 15.8 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2016 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	**21,200**
0.1% increase in inflation assumption and related assumptions	**12,800**
0.25% p.a. increase in the long term rate of mortality improvement	**17,800**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Group schemes fair value USD'000
2016				
Equities	**443,643**	**51,721**	**79,866**	**575,230**
Bonds	**188,987**	**74,928**	**144,424**	**408,339**
Other	**27,404**	**–**	**19,504**	**46,908**
Value of insured pensioner liability	**984,557**	**–**	**–**	**984,557**
Total	**1,644,591**	**126,649**	**243,794**	**2,015,034**
2015				
Equities	453,937	81,065	95,885	630,887
Bonds	178,658	139,309	113,621	431,588
Other	30,677	–	33,790	64,467
Value of insured pensioner liability	1,131,211	–	–	1,131,211
Total	1,794,483	220,374	243,296	2,258,153

20. Pension and post-employment benefits (continued)

With the exception of the insured pensioner liability all material investments have quoted prices in active markets.

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2016 and 31 December 2015:

	P&O UK scheme 2016 USD'000	**MNOPF scheme 2016 USD'000**	**Other scheme 2016 USD'000**	**Total group scheme 2016 USD'000**	P&O UK scheme 2015 USD'000	MNOPF scheme 2015 USD'000	Other scheme 2015 USD'000	Total group scheme 2015 USD'000
Present value of obligation at 1 January	**(1,871,200)**	**(220,700)**	**(304,389)**	**(2,396,289)**	(2,070,600)	(246,300)	(327,758)	(2,644,658)
Employer's interest cost	**(61,450)**	**(7,293)**	**(10,345)**	**(79,088)**	(71,200)	(8,600)	(11,722)	(91,522)
Employer's current service cost	**–**	**–**	**(2,836)**	**(2,836)**	(500)	–	(4,100)	(4,600)
Gain due to settlements	**–**	**–**	**–**	**–**	13,500	–	–	13,500
Contributions by scheme participants	**–**	**–**	**(1,215)**	**(1,215)**	–	–	(1,100)	(1,100)
Effect of movement in exchange rates	**331,852**	**40,661**	**61,238**	**433,751**	98,800	11,700	15,981	126,481
Benefits paid	**91,298**	**9,994**	**11,210**	**112,502**	97,800	10,900	10,400	119,100
Experience gains/(losses) on scheme liabilities	**29,577**	**135**	**810**	**30,522**	35,600	9,000	5,000	49,600
Change in share in multi-employer scheme	**–**	**(3,376)**	**–**	**(3,376)**	–	–	5,300	5,300
Actuarial gain/(loss) on scheme liabilities due to change in demographic assumptions	**70,046**	**1,891**	**–**	**71,937**	–	–	1,910	1,910
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	**(353,710)**	**(45,109)**	**(71,909)**	**(470,728)**	25,400	2,600	1,700	29,700
Present value of obligation at 31 December	**(1,763,587)**	**(223,797)**	**(317,436)**	**(2,304,820)**	(1,871,200)	(220,700)	(304,389)	(2,396,289)

Reconciliation of the opening and closing present value of fair value of scheme assets for the period ended 31 December 2016 and 31 December 2015:

	P&O UK scheme 2016 USD'000	**MNOPF scheme 2016 USD'000**	**Other scheme 2016 USD'000**	**Total group scheme 2016 USD'000**	P&O UK scheme 2015 USD'000	MNOPF scheme 2015 USD'000	Other scheme 2015 USD'000	Total group scheme 2015 USD'000
Fair value of scheme assets at 1 January	**1,794,483**	**220,374**	**243,296**	**2,258,153**	1,987,492	215,900	246,500	2,449,892
Interest income on assets	**59,019**	**7,293**	**8,508**	**74,820**	68,500	7,600	9,100	85,200
Return on plan assets (lesser)/ greater than the discount rate	**187,457**	**(68,338)**	**31,603**	**150,722**	(66,700)	8,600	(1,800)	(59,900)
Loss due to settlements	**–**	**–**	**–**	**–**	(12,800)	–	–	(12,800)
Contributions by employer	**11,345**	**5,672**	**19,853**	**36,870**	13,200	10,900	16,200	40,300
Contributions by scheme participants	**–**	**–**	**1,215**	**1,215**	–	–	1,100	1,100
Effect of movement in exchange rates	**(314,254)**	**(31,464)**	**(48,391)**	**(394,109)**	(94,809)	(11,026)	(12,504)	(118,339)
Benefits paid	**(91,298)**	**(9,994)**	**(11,210)**	**(112,502)**	(97,800)	(10,900)	(10,400)	(119,100)
Change in share in multi-employer scheme	**–**	**3,646**	**–**	**3,646**	–	–	(3,900)	(3,900)
Administration costs incurred during the year	**(2,161)**	**(540)**	**(1,080)**	**(3,781)**	(2,600)	(700)	(1,000)	(4,300)
Fair value of scheme assets at 31 December	**1,644,591**	**126,649**	**243,794**	**2,015,034**	1,794,483	220,374	243,296	2,258,153
Defined benefit schemes net liabilities	**(118,996)**	**(97,148)**	**(73,642)**	**(289,786)**	(76,717)	(326)	(61,093)	(138,136)
Minimum funding liability	**–**	**(14,936)**	**(9,258)**	**(24,194)**	–	(30,500)	(10,500)	(41,000)
Net liability recognised in the consolidated statement of financial position at 31 December	**(118,996)**	**(112,084)***	**(82,900)**	**(313,980)**	(76,717)	(30,826)	(71,593)	(179,136)

* This includes reapportionment of pension fund deficit contribution from a related party at the reporting date.

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

20. Pension and post-employment benefits (continued)

The below table shows the movement in minimum funding liability:-

	2016 USD'000	2015 USD'000
Minimum funding liability as on 1 January	**(41,000)**	(13,400)
Employer's interest cost	**(1,350)**	(458)
Actuarial gain/ (loss) during the year	**12,290**	(28,700)
Effect of movement in exchange rates	**5,866**	1,558
Minimum funding liability as on 31 December	**(24,194)**	(41,000)

It is anticipated that the Group will make the following contributions to the pension schemes in 2017:

	P&O UK scheme USD'000	**MNOPF scheme USD'000**	**Other schemes USD'000**	**Total group schemes USD'000**
Pension scheme contributions	**10,369**	**5,678**	**11,233**	**27,280**

21. Accounts payable and accruals

	2016 Non-current USD'000	**2016 Current USD'000**	2015 Non-current USD'000	2015 Current USD'000
Trade payables	**–**	**170,181**	–	186,872
Other payables and accruals	**112,047**	**1,420,813**	161,791	1,288,002
Provisions*	**1,313**	**56,767**	1,086	95,195
Fair value of derivative financial instruments	**278,767**	**6,144**	300,180	6,224
Amounts due to related parties (refer to note 25)	**–**	**9,904**	–	38,287
As at 31 December	**392,127**	**1,663,809**	463,057	1,614,580

* During the current year, additional provision of USD 43,269 thousand was made (2015: USD 41,303 thousand) and an amount of USD 81,452 thousand was utilised (2015: USD 38,703 thousand).

22. Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	2016 Middle East, Europe and Africa region USD'000	**2016 Asia pacific and Indian sub-continent USD'000**	**2016 Other individually immaterial subsidiaries* USD'000**	**2016 Total USD'000**	2015 Middle East, Europe and Africa region USD'000	2015 Asia pacific and Indian sub-continent USD'000	2015 Other individually immaterial subsidiaries* USD'000	2015 Total USD'000
Balance sheet information:								
Non-current assets	**302,327**	**472,361**			313,730	–		
Current assets	**320,003**	**113,765**			222,454	–		
Non-current liabilities	**(18,058)**	**(13,259)**			(40,807)	–		
Current liabilities	**(48,773)**	**(21,761)**			(73,058)	–		
Net assets (100%)	**555,499**	**551,106**			422,319	–		
Carrying amount of fair value adjustments excluding goodwill	**–**	**186,545**			–	–		
Total	**555,499**	**737,651**			422,319	–		
Carrying amount of NCI as at 31 December	**370,597**	**250,580**	**100,657**	**721,834**	281,795	–	85,969	367,764
Statement of profit or loss information:								
Revenue	**233,524**	**–**			366,272	–		
Profit after tax	**130,174**	**–**			115,953	–		
Other comprehensive income, net of tax	**2,994**	**–**			5,385	–		
Total comprehensive income (100%), net of tax	**133,168**	**–**			121,338	–		
Profit allocated to NCI	**86,798**	**–**	**44,015**	**130,813**	74,183	–	14,728	88,911
Other comprehensive income allocated to NCI	**1,996**	**–**	**(6,797)**	**(4,801)**	3,487	–	(9,098)	(5,611)
Total comprehensive income attributable to NCI	**88,794**	**–**	**37,218**	**126,012**	77,670	–	5,630	83,300
Cash flow statement information:								
Cash flows from operating activities	**149,437**	**–**			119,645	–		
Cash flows from investing activities	**(7,143)**	**–**			(2,803)	–		
Cash flows from financing activities	**(50,877)**	**–**			(53,123)	–		
Dividends paid to NCI	**–**	**–**			–	–		

* There are no material subsidiaries with NCI in the other operating segments of the Group.

23. Business combinations

Acquisitions of new subsidiaries

On 29 December 2016, DP World Group acquired an additional 23.94% stake in Pusan Newport Company Limited ("PNC") in South Korea from Samsung Corporation & Subsidiaries, increasing the shareholding in PNC to 66.03%.

	Acquiree's carrying amount USD'000	**Fair value recognised on acquisition USD'000**
Assets		
Property, plant and equipment	**217,317**	**217,317**
Port concession rights	**252,297**	**498,400**
Available-for-sale investments	**1,110**	**1,110**
Accounts receivables and prepayments	**38,027**	**38,027**
Inventory	**7,456**	**7,456**
Cash and cash equivalents	**69,918**	**69,918**
Liabilities		
Employees' end of service benefits	**(8,422)**	**(8,422)**
Income tax liabilities	**(6,276)**	**(6,276)**
Deferred tax liabilities	**(4,071)**	**(63,628)**
Accounts payable and accruals	**(16,251)**	**(16,251)**
Net assets	**551,105**	**737,651**
Goodwill arising on acquisition		**61,519**
Total		**799,170**

If the acquisition had taken place at the beginning of the year, the profit of the Group would have increased by USD 21,828 thousand and revenue would have increased by USD 190,714 thousand.

Notes to the consolidated financial statements continued
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24. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Ports Cooperative U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperative U.A.	100%	Netherlands	Holding company

b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World (Canada) Inc. (refer to note 34)	100%	Canada	Container terminal operations
DP World Prince Rupert Inc. (refer to note 34)	100%	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Sokhna SAE	100%	Egypt	Container terminal operations
Chennai Container Terminal Pvt. Limited	100%	India	Container terminal operations
India Gateway Terminal Private Limited	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Pvt. Limited	100%	India	Container terminal operations
Dubai Ports World - Middle East LLC	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Limited	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A.	33.33%*	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	60%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	60%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA	90%	Senegal	Container terminal operations
Pusan Newport Co., Ltd (refer to note 23)	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
DP World Fujairah FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations

24. Significant group entities (continued)

c) Associates and joint ventures – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
DP World Australia (Holding) Pty Limited	25%	Australia	Container terminal operations
Antwerp Gateway N.V	60%**	Belgium	Container terminal operations
Caucedo Investments Inc.	50%	British Virgin Islands	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	33.33%	Brazil	Container terminal operations
Eurofos SARL	50%	France	Container terminal operations
Generale de Manutention Portuaire S.A	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Limited	29%	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminals Co., Ltd	24.50%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Limited	12.50%	People's Republic of China	Container terminal operations
Asian Terminals Inc	50.54%***	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Limited	34.50%	Thailand	Container terminal operations

d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
DP World Germany B.V.	100%	Germany	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Port Secure FZCO	40%	Republic of Djibouti	Port security services
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port management and operation
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
World Security FZE	100%	United Arab Emirates	Security services
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks

* Although the Group only has a 33.33% effective ownership interest in Doraleh Container Terminal SARL, this entity is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

** Although the Group has more than 60% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity-accounted investee. The underlying shareholder agreement does not provide control to the Group.

*** Although the Group has more than 50% effective ownership interest in this entity, it is not treated as a subsidiary, but instead treated as an equity-accounted investee. The underlying shareholder agreement does not provide control to the Group.

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25. Related party transactions

Business combinations under common control

On 16 March 2015, the Group acquired 100% ownership of EZW from its Parent Company. This business combination was accounted using acquisition method as prescribed under IFRS 3 – Business combinations.

Other related party transactions

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

	Ultimate Parent Company USD'000	Equity-accounted investees USD'000	Other related parties USD'000	2016 Total USD'000	Ultimate Parent Company USD'000	Equity-accounted investees USD'000	Other related parties USD'000	2015 Total USD'000
Expenses charged:								
Concession fee	–	–	47,292	47,292	–	–	50,925	50,925
Shared services	–	–	931	931	–	–	699	699
Other services	–	–	18,864	18,864	–	–	44,621	44,621
Revenue earned:								
Management fee income	–	25,855	27,540	53,395	–	24,328	29,032	53,360
Interest income	–	24,276	–	24,276	–	19,244	–	19,244

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

	Due from related parties		Due to related parties	
	2016 USD'000	2015 USD'000	**2016 USD'000**	2015 USD'000
Ultimate Parent Company	**2,220**	2,222	**361**	210
Parent Company	**18,972**	19,868	**194**	312
Equity-accounted investees	**336,722**	226,937	**2,168**	27,218
Other related parties	**13,454**	23,303	**7,181**	10,547
Total	**371,368**	272,330	**9,904**	38,287

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 33(a).

Compensation of key management personnel

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

	2016 USD'000	2015 USD'000
Short-term benefits and bonus	**13,521**	10,621
Post-retirement benefits	**1,411**	831
Total	**14,932**	11,452

26. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

a) credit risk
b) liquidity risk
c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

26. Financial risk management (continued)

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances and always only for the Group's share of the obligation. The provision of guarantees always requires the approval of senior management.

i. Exposure to credit risk	**2016 USD'000**	2015 USD'000
The carrying amount of financial assets represents the maximum credit exposure as at 31 December:		
Other investments	**60,644**	68,736
Derivative assets	**–**	408
Trade and other receivables	**1,095,895**	861,112
Cash and cash equivalents	**1,299,391**	1,436,595
Total	**2,455,930**	2,366,851

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:		
Asia Pacific and Indian subcontinent	**50,169**	16,423
Australia and Americas	**62,303**	52,904
Middle East, Europe and Africa	**297,862**	289,682
Total	**410,334**	359,009

The ageing of trade receivables (net) at the reporting date was:		
Neither past due nor impaired on the reporting date:	**221,685**	204,134
Past due on the reporting date		
Past due 0-30 days	**107,788**	97,878
Past due 31-60 days	**42,957**	34,510
Past due 61-90 days	**22,880**	13,084
Past due > 90 days	**15,024**	9,403
Total	**410,334**	359,009

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Notes to the consolidated financial statements continued
(forming part of the financial statements)

26. Financial risk management (continued)

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2016 USD'000	2015 USD'000
As at 1 January	**67,032**	44,370
Acquired through business combinations	**340**	18,590
Provision recognized during the year	**41,063**	4,072
As at 31 December	**108,435**	67,032

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 59% (2015: 59%) of the trade receivables.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount USD'000	**Contractual cash flows USD'000**	**Less than 1 year USD'000**	**1 – 2 years USD'000**	**2 – 5 years USD'000**	**More than 5 years USD'000**
Non derivative financial liabilities						2015
Issued bonds	4,468,329	(7,370,790)	(276,009)	(1,729,655)	(1,624,421)	(3,740,705)
Convertible bonds	781,799	(1,149,479)	(17,500)	(17,500)	(52,500)	(1,061,979)
Bank loans	2,391,873	(2,929,914)	(280,687)	(742,450)	(951,800)	(954,977)
Finance lease liabilities	28,277	(37,489)	(9,242)	(4,052)	(16,207)	(7,988)
Trade and other payables	1,542,219	(1,544,057)	(1,403,426)	(92,936)	(23,647)	(24,048)
Financial guarantees and letters of credit	–	(217,229)	–	–	–	–
Derivative financial liabilities						
Interest rate swaps used for hedging	85,463	(172,143)	(35,518)	(27,908)	(66,831)	(41,886)
Embedded derivative option	220,941	–	–	–	–	–
Total	9,518,901	(13,421,101)	(2,022,382)	(2,614,501)	(2,735,406)	(5,831,583)
Non derivative financial liabilities						**2016**
Issued bonds	**4,524,844**	**(7,551,859)**	**(642,102)**	**(230,727)**	**(1,703,519)**	**(4,975,511)**
Convertible bonds	**803,075**	**(1,131,250)**	**(17,500)**	**(17,500)**	**(52,500)**	**(1,043,750)**
Bank loans	**2,268,791**	**(3,199,621)**	**(465,295)**	**(397,504)**	**(648,790)**	**(1,688,032)**
Finance lease liabilities	**21,549**	**(28,728)**	**(8,551)**	**(6,227)**	**(4,311)**	**(9,639)**
Trade and other payables	**1,587,252**	**(1,587,543)**	**(1,495,597)**	**(55,064)**	**(22,562)**	**(14,320)**
Financial guarantees and letters of credit*	**–**	**(307,432)**	**–**	**–**	**–**	**–**
Derivative financial liabilities						
Interest rate swaps used for hedging	**111,431**	**(152,685)**	**(27,804)**	**(27,400)**	**(69,377)**	**(28,104)**
Embedded derivative option	**173,480**	**–**	**–**	**–**	**–**	**–**
Total	**9,490,422**	**(13,959,118)**	**(2,656,849)**	**(734,422)**	**(2,501,059)**	**(7,759,356)**

* Refer to note 33 for further details.

26. Financial risk management (continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE Dirhams) is approximately 63.5% (2015: 64%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated and using cross currency swaps. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

Interest on borrowings is denominated in the currency of the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using forward foreign currency contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using forward contracts and currency swaps in order to fix the cost when converted to the functional currency. The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD'000							
	2016							
	USD *	**GBP**	**EUR**	**AUD**	**INR**	**CAD**	**Others**	**Total**
Cash and cash equivalents	**855,526**	**122,232**	**114,908**	**14,059**	**49,519**	**33,589**	**109,558**	**1,299,391**
Trade receivables	**226,038**	**39,131**	**46,093**	**4,960**	**14,248**	**42,025**	**37,839**	**410,334**
Secured bank loans and debenture stock	**(228,192)**	**(791,195)**	**(34,802)**	**–**	**–**	**(337,626)**	**(48,041)**	**(1,439,856)**
Unsecured bank loans and loan stock	**(736,391)**	**–**	**(11,149)**	**–**	**(81,395)**	**–**	**–**	**(828,935)**
Unsecured Bonds	**(5,327,919)**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,327,919)**
Finance lease liabilities	**–**	**(2,022)**	**(9,735)**	**(5,076)**	**–**	**(3,487)**	**(1,229)**	**(21,549)**
Trade payables	**(81,987)**	**(15,716)**	**(27,799)**	**(2,439)**	**(19,434)**	**(4,774)**	**(18,032)**	**(170,181)**
Net consolidated statement of financial position exposures	**(5,292,925)**	**(647,570)**	**77,516**	**11,504**	**(37,062)**	**(270,273)**	**80,095**	**(6,078,715)**

	USD'000							
	2015							
	USD *	GBP	EUR	AUD	INR	CAD	Others	Total
Cash and cash equivalents	926,858	189,988	100,199	69,784	61,362	30,112	58,292	1,436,595
Trade receivables	218,107	38,913	45,079	5,024	10,858	33,456	7,572	359,009
Secured bank loans and mortgage debenture stock	(307,414)	(806,312)	(59,638)	–	–	–	(54,288)	(1,227,652)
Unsecured bank loans and loan stock	(963,997)	–	(11,320)	–	(92,161)	(89,619)	(7,124)	(1,164,221)
Unsecured bonds	(5,250,128)							(5,250,128)
Finance Lease Liabilities		(2,022)	(9,735)	(5,076)	–	(3,487)	(7,957)	(28,277)
Trade payables	(109,942)	(24,589)	(24,183)	(2,231)	(20,316)	(1,949)	(3,662)	(186,872)
Net consolidated statement of financial position exposures	(5,486,516)	(604,022)	40,402	67,501	(40,257)	(31,487)	(7,167)	(6,061,546)

* The functional currency of the Company is UAE Dirham. UAE Dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

Notes to the consolidated financial statements continued
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26. Financial risk management (continued)

Sensitivity analysis

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group determines its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	2016 USD'000	2015 USD'000	**2016 USD'000**	2015 USD'000
GBP	**3,745**	3,900	**(71,952)**	(76,254)
EUR	**46**	214	**8,614**	5,571
AUD	**(5)**	(5)	**1,278**	8,064
INR	**195**	174	**4,118**	(4,473)
CAD	**489**	407	**(30,030)**	(3,111)

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2016, after taking into account the effect of interest rate swaps, approximately 94% (2015: 90%) of the Group's borrowings are at a fixed rate of interest.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amounts	
	2016 USD'000	2015 USD'000
Fixed rate instruments		
Financial assets	**–**	8,198
Financial liabilities (loans and borrowings)	**(5,570,832)**	(5,345,426)
Interest rate swaps hedging floating rate debt	**(1,611,585)**	(1,550,076)
Total	**(7,182,417)**	(6,887,304)
Variable rate instruments		
Financial assets (short term deposits)	**680,140**	1,102,148
Financial liabilities (loans and borrowings)	**(2,047,427)**	(2,324,852)
Interest rate swaps	**1,611,585**	1,550,076
Total	**244,298**	327,372

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

26. Financial risk management (continued)

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase USD'000	100 bp decrease USD'000	100 bp increase USD'000	100 bp decrease USD'000
2016				
Variable rate instruments	**2,443**	**(2,443)**	**–**	**–**
Interest rate swaps	**–**	**–**	**16,116**	**(16,116)**
Cash flow sensitivity (net)	**2,443**	**(2,443)**	**16,116**	**(16,116)**
2015				
Variable rate instruments	3,273	(3,273)	–	–
Interest rate swaps	2,942	(2,942)	15,501	(15,501)
Cash flow sensitivity (net)	6,215	(6,215)	15,501	(15,501)

d) Fair value

Fair value versus carrying amount

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

	Fair value hierarchy	2016 Carrying amount USD'000	2016 Fair value USD'000	2015 Carrying amount USD'000	2015 Fair value USD'000
Assets carried at fair value					
Available-for-sale financial assets	**1**	**–**	**–**	9,202	9,202
Available-for-sale financial assets	**2**	**57,339**	**57,339**	51,336	51,336
Financial assets at fair value through profit or loss	**2**	**3,305**	**3,305**	–	–
Forward foreign currency contracts	**2**	**–**	**–**	408	408
Assets carried at amortised cost					
Held to maturity investments	**2**	**–**	**–**	8,198	8,137
Trade and other receivables *		**1,095,895**	**–**	861,112	–
Cash and cash equivalents *		**1,299,391**	**–**	1,436,595	–
Liabilities carried at fair value					
Interest rate swaps used for hedging	**2**	**(111,431)**	**(111,431)**	(85,463)	(85,463)
Embedded derivative option	**2**	**(173,480)**	**(173,480)**	(220,941)	(220,941)
Liabilities carried at amortised cost					
Issued bonds	**1**	**(4,524,844)**	**(4,783,315)**	(4,468,329)	(4,624,106)
Convertible bonds	**2**	**(803,075)**	**(814,013)**	(781,799)	(813,764)
Bank loans *		**(2,268,791)**	**–**	(2,391,873)	–
Finance lease liabilities *		**(21,549)**	**–**	(28,277)	–
Trade and other payables *		**(1,587,252)**	**–**	(1,542,219)	–

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

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

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

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

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

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27. Share capital

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

	2016 USD'000	2015 USD'000
Authorised		
1,250,000,000 of USD 2.00 each	**2,500,000**	2,500,000
Issued and fully paid		
830,000,000 of USD 2.00 each	**1,660,000**	1,660,000

28. Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Other reserves

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

	Hedging and other reserves USD'000	**Actuarial reserve USD'000**	**Total other reserves USD'000**
Balance as at 1 January 2015	(88,245)	(404,072)	(492,317)
Other comprehensive income, net of tax	4,925	(7,469)	(2,544)
Balance as at 31 December 2015	(83,320)	(411,541)	(494,861)
Balance as at 1 January 2016	**(83,320)**	**(411,541)**	**(494,861)**
Other comprehensive income, net of tax	**(11,815)**	**(199,288)**	**(211,103)**
Balance as at 31 December 2016	**(95,135)**	**(610,829)**	**(705,964)**

Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on available-for-sale investments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

29. Interest bearing loans and borrowings

	2016 USD'000	2015 USD'000
Issued bonds	**4,524,844**	4,468,329
Convertible bonds	**803,075**	781,799
Bank loans	**2,268,791**	2,391,873
Finance lease liabilities	**21,549**	28,277
	7,618,259	7,670,278
of which:		
Classified as non-current	**6,874,777**	7,527,231
Classified as current	**743,482**	143,047
of which:		
Secured interest bearing loans and borrowings	**1,461,405**	1,255,929
Unsecured interest bearing loans and borrowings	**6,156,854**	6,414,349

In March 2016, loans amounting to USD 812 million (GBP 568 million) relating to London Gateway Port with an original repayment schedule of 2019-2024, were refinanced for a tenure of 30 years, with a revised repayment schedule of 2026-2045.

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

The issued bonds includes 10 year USD 1 billion unsecured convertible bonds convertible into 36.85 million ordinary shares of DP World Limited. These bonds are currently listed on the Frankfurt Stock Exchange with a coupon rate of 1.75% per annum. These bonds include investor put option which can be exercised at par in June 2018 (Year 4) and in June 2021 (Year 7). There is also an issuer call option which can be exercised on or after July 2017 (Year 3), subject to a 130% trigger on the conversion price of USD 27.14

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 12 and note 14). The deposits under lien amounting to USD 65,522 thousand (2015: USD 68,377 thousand) are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 18).

At 31 December 2016, the undrawn committed borrowing facilities of USD 2,101,827 thousand (2015: USD 2,861,930 thousand) were available to the Group, in respect of which all conditions precedent had been met.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 26.

30. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve and translation reserve. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

	2016 USD'000	2015 USD'000
Total interest bearing loans and borrowings (refer to note 29)	**7,618,259**	7,670,278
Less: cash and cash equivalents (refer to note 18)	**(1,299,391)**	(1,436,595)
Total net debt	**6,318,868**	6,233,683
Total equity	**9,519,685**	9,134,598
Adjusted EBITDA (refer to note 4)	**2,263,077**	1,928,116
Net finance cost before separately disclosed items	**338,110**	387,118
Net debt/ equity	**0.66**	0.68
Net debt/ adjusted EBITDA	**2.79**	3.23
Interest cover before separately disclosed items (Adjusted EBITDA/ Net finance cost before separately disclosed items)	**6.69**	5.00

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(forming part of the financial statements)

31. Operating leases

Operating lease commitments – Group as a lessee

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

	2016 USD'000	2015 USD'000
Within one year	**305,993**	311,551
Between one to five years	**1,168,634**	1,226,541
Between five to ten years	**1,218,846**	1,341,951
Between ten to twenty years	**1,746,874**	1,960,524
Between twenty to thirty years	**1,294,886**	1,446,799
Between thirty to fifty years	**1,143,660**	1,238,454
Between fifty to seventy years	**1,027,867**	1,034,857
More than seventy years	**846,290**	892,035
Total	**8,753,050**	9,452,712

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In addition, there are also leases of plant, equipment and vehicles included above.

Operating lease commitments – Group as a lessor

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

	2016 USD'000	2015 USD'000
Within one year	**335,327**	334,035
Between one to five years	**696,737**	632,029
More than five years	**791,775**	643,717
Total	**1,823,839**	1,609,781

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

32. Capital commitments

	2016 USD'000	2015 USD'000
Estimated capital expenditure contracted for as at 31 December	**732,378**	671,637

33. Contingencies

a) The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2016 USD'000	2015 USD'000
Payment guarantees	**158,497**	37,367
Performance guarantees	**106,529**	126,658
Letters of credit	**2,395**	749
Guarantees issued on behalf of equity-accounted investees	**40,011**	52,455
Total	**307,432**	217,229

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet these targets.

33. Contingencies (continued)

b) Chennai Port Trust ("CPT") had raised a demand for an amount of USD 17,609 thousand (2015: USD 18,059 thousand) from Chennai Container Terminal Limited ("CCTL"), a subsidiary of the Company, on the basis that CCTL had failed to fulfil its obligations in respect of non-transhipment containers for a period of four consecutive years from 1 December 2003. CCTL had subsequently paid USD 9,408 thousand (2015: USD 9,648 thousand) under dispute in 2008. CCTL had initiated arbitration proceedings against CPT in this regard. The arbitral tribunal passed its award on November 26, 2012 ruling in favour of CCTL. However, CPT appealed against this order, which was upheld by Madras High Court on 8 January 2014 and accordingly a provision has been recognised against the above receivable. CCTL lodged an appeal before the Division Bench of Madras High Court along with a stay petition on 31 January 2014. The Appeal was taken up for hearing and admitted on 3 February 2014. CPT also made a statement before the Court that no further action would be taken by CPT against CCTL. The Court has admitted the matter and is pending for final hearing and disposal before the Division Bench of Madras High Court. The Group is confident that the case will be in favour of CCTL.

34. Subsequent events

The Group has set up an investment platform by entering into a partnership with Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers to invest in ports and terminals globally (excluding the UAE). Effective 19 January 2017, the investment vehicle is seeded with two of the Group's Canadian container terminals, located on the Pacific Coast in Vancouver and Prince Rupert, with CDPQ acquiring a 45% stake of the combined assets for US$ 640 million. The Group will continue to consolidate the results of these two terminals as the control remains with the Group.

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