PROSPECTUS



TDIC SUKUK LIMITED

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

U.S.$1,450,000,000
Trust Certificate Issuance Programme

Under the trust certificate issuance programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), TDIC Sukuk Limited (in its capacity as issuer and trustee, the "**Trustee**") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue trust certificates (the "**Certificates**") denominated in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below).

Certificates may only be issued in registered form. The maximum aggregate nominal amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.$1,450,000,000 (or its equivalent in other currencies calculated as provided for in the Dealer Agreement described herein), subject to increase as described herein.

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(s) appointed under the Programme from time to time by the Trustee and TDIC (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**relevant Dealer(s)**" 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 to such Certificates.

An investment in Certificates issued under the Programme involves certain risks. For a discussion of the principal risk factors that may affect the abilities of the Trustee to fulfil its obligations under the Certificates, see "*Risk Factors*" beginning on page 31.

Each Series (as defined herein) of Certificates will be constituted by: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 1 October 2009 entered into by, amongst others, the Trustee, Tourism Development & Investment Company P.J.S.C. ("**TDIC**") and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (each, a "**Supplemental Declaration of Trust**") in relation to the relevant Series. Certificates of each Series confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**"). The Trustee will declare a trust over, *inter alia*, its rights, title, interest and benefit in, to and under a Musataha (as described in the applicable final terms relating to a particular Series (the "**applicable Final Terms**")) and in the master musataha agreement dated 1 October 2009 (the "**Master Musataha Agreement**") entered into between the Trustee and TDIC (in its capacity as owner, the "**Owner**") as supplemented by a supplemental musataha agreement (each, a "**Supplemental Musataha Agreement**") entered into between the Trustee and the Owner (such assets and the other assets referred to herein being the "**Trust Assets**" for the relevant Series).

Application has been made to the United Kingdom Financial Services Authority (the "**U.K. Listing Authority**") in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "**FSMA**") for Certificates issued under the Programme during the period of 12 months from the date of this 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**").

References in this Prospectus to Certificates being "**listed**" (and all related references) shall mean that such Certificates have been admitted to trading on the Regulated Market and have been admitted to the Official List. The Regulated Market is a regulated market for the purpose of the Market in Financial Instruments Directive 2004/39/EC. The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, TDIC and the relevant Dealer(s). The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market.

Notice of the aggregate nominal amount of Certificates and any other terms and conditions not contained herein which are applicable to each Series of Certificates will be set out in the applicable Final Terms which, with respect to Certificates to be listed on the London Stock Exchange, will be delivered to the U.K. Listing Authority and the London Stock Exchange.

The Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in 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**")) unless the Certificates are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "*Form of the Certificates*" for a description of the manner in which Certificates will be issued. Certificates are subject to certain restrictions on transfer. See "*Subscription and Sale*".

The Trustee and TDIC may agree with any Dealer(s) that Certificates may be issued in a form not contemplated by the Terms and Conditions of the Certificates herein, in which event a supplemental prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

Arrangers and Dealers

Abu Dhabi Commercial Bank **HSBC** **Standard Chartered Bank**

The date of this Prospectus is 1 October 2009



This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") and for the purpose of giving information with regard to the Trustee and TDIC and its subsidiaries and affiliates taken as a whole (the "Group") and the Certificates which, according to the particular nature of the Trustee, TDIC, 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, TDIC and the Group.

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

The Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Series (as defined herein) of Certificates, should be read and construed together with the applicable Final Terms.

Copies of the applicable Final Terms will be available from the registered office of the Trustee and the specified office set out below of the Principal Paying Agent (as defined below), save that, if the relevant Certificates are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Certificates and such Certificateholder must produce evidence satisfactory to the Trustee or, as the case may be, the Principal Paying Agent as to its holding of such Certificates and identity.

Certain information under the heading "*Book Entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. Each of the Trustee and TDIC confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Arrangers and Dealers have not independently verified the information contained herein.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers, the Dealers or the Delegate as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Trustee or TDIC in connection with the Programme. No Arranger, Dealer or Delegate accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Trustee and TDIC in connection with the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Certificates are the persons named in the applicable Final Terms as the relevant Dealer(s) or the Managers, as the case may be.

No person is or has been authorised by the Trustee or TDIC to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any other information supplied by the Trustee or TDIC in connection with the Programme or the Certificates or such other information as is in the public domain 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, TDIC, the Delegate or any of the Arrangers or Dealers.

To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Delegate accept any responsibility for the contents of this Prospectus, or for any other statement made or purported to be made by any Arranger, Dealer or Delegate or on its behalf in connection with the Trustee, TDIC, the Programme or the issue and offering of the Certificates. Each Arranger, each Dealer and the Delegate accordingly disclaims all and any liability whether arising in tort or contract or which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus,

any applicable Final Terms 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, TDIC, the Delegate or any of the Arrangers or Dealers that any recipient of this Prospectus, any applicable Final Terms 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 TDIC. Neither this Prospectus, any applicable Final Terms nor any other information supplied in connection with the Programme or the issue of any Certificates constitutes an offer or invitation by or on behalf of the Trustee, TDIC, the Delegate or any of the Arrangers or Dealers to any person to subscribe for or to purchase any Certificates.

Neither the delivery of this Prospectus, any applicable Final Terms nor the offering, sale or delivery of any Certificates shall in any circumstances imply that the information contained herein concerning the Trustee or TDIC is correct at any time subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers and the Delegate expressly do not undertake to review the financial condition or affairs of the Trustee or TIDC throughout the life of the Programme or to advise any investor in the Certificates of any information coming to their attention.

This 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 Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. The Trustee, TDIC, the Delegate, the Arrangers and the Dealers do not represent that this 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, TDIC, the Delegate, the Arrangers or the Dealers which is intended to permit a public offering of any Certificates or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Prospectus and the offer, sale and transfer of Certificates in the Cayman Islands, the Dubai International Financial Centre, the European Economic Area, Hong Kong, Japan, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Kuwait, Malaysia, Singapore, the State of Qatar, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States of America. See "*Subscription and Sale*".

This Prospectus has been prepared on the basis that any offer of Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Certificates. Accordingly any person making or intending to make an offer in that Relevant Member State of Certificates which are the subject of an offering contemplated in this Prospectus as completed by the applicable Final Terms in relation to the offer of those Certificates may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer and neither the Trustee nor any Dealer have authorised, nor do they authorise, the making of any offer of

Certificates in circumstances in which an obligation arises for the Trustee or any Dealer to publish or supplement a prospectus for such offer.

In the case of any Certificates which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the Certificates).

In making an investment decision, investors must rely on their own, independent examination of the Trustee and TDIC and the terms of the Certificates being offered, including the merits and risks involved. The Certificates have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

No comment is made or advice given by the Trustee, TDIC, the Delegate, the Arrangers or the Dealers in respect of taxation matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws.

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

NOTICE TO UK RESIDENTS

The Certificates represent interests in a collective investment scheme (as defined in the FSMA) which has not been authorised, recognised or otherwise approved by the Financial Services Authority. Accordingly, this Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Prospectus, any applicable Final Terms and any other marketing materials relating to the Certificates: (A) if effected by a person who is not an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); and (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 (B) if effected by a person who is an authorised person under the FSMA, is being addressed to, or directed at, 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 made in accordance with the Promotion of CISs Order. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus, any applicable Final Terms or any other marketing materials in relation to the Certificates.

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

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

NOTICE TO BAHRAIN RESIDENTS

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

NOTICE TO STATE OF QATAR RESIDENTS

This Prospectus is not intended to constitute an offer, sale or delivery of bonds or other debt financing instruments under the laws of the State of Qatar. The Certificates will not be offered to investors domiciled or resident in the State of Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (5) of 2002 (the "Commercial Companies Law") or otherwise under any laws of the State of Qatar.

KINGDOM OF SAUDI ARABIA NOTICE

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

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

CAYMAN ISLANDS NOTICE

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Certificates and this Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for the Certificates.

Presentation of Financial Information

The Trustee is a newly established company in the Cayman Islands and accordingly no financial statements for any period have been prepared in respect of the Trustee.

TDIC prepared its consolidated annual financial statements as at 31 December 2006 and for the period from 25 October 2005 to 31 December 2006 (the "**fourteen-month period ended 31 December 2006 Financial Statements**") and as at and for the financial years ended 31 December 2007 and 31 December 2008 (the "**2007-2008 Financial Statements**" and, together with the fourteen-month period ended 31 December 2006 Financial Statements, the "**Year-End Financial Statements**"), in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board.

TDIC has prepared its unaudited condensed consolidated financial statements as at 30 June 2009 and for the six-month periods ended 30 June 2009 and 30 June 2008 in accordance with International Accounting Standard No. 34, Interim Financial Reporting (IAS 34) (the "**Interim Financial Statements**" and, together with the Year-End Financial Statements, the "**Financial Statements**").

The Year-End Financial Statements and the Interim Financial Statements are included in this Prospectus. TDIC adopted IAS 1 (revised 2007) "Presentation of Financial Statements" and IFRS 8 "Operating Segments" on 1 January 2009. As a result of the adoption of these standards, the Interim Financial Statements differ from the Year-End Financial Statements as follows:

- the balance sheet has been renamed a statement of financial position and a statement of other comprehensive income has been added to the financial statements; and
- additional information in relation to TDIC's reportable segments has been recorded.

TDIC began its operations in October 2005. Therefore, the fourteen-month period ended 31 December 2006 Financial Statements include its results of operations since its inception on 25 October 2005 through 31 December 2006. TDIC's financial year ends on 31 December.

References in this Prospectus to the "**financial year ended 31 December 2006**" are to the fourteen-month period from 25 October 2005 through 31 December 2006. References in this Prospectus to the "**financial year ended 31 December 2008**" and the "**financial year ended 31 December 2007**" are to the 12 month period ended on 31 December of such year.

Presentation of Statistical Information

The statistical information in this Prospectus has been derived from a number of different identified sources. Certain information under the headings "*Overview of the U.A.E. and Abu Dhabi*" has been extracted from information provided by The International Monetary Fund, The Organisation of the Petroleum Exporting Countries ("**OPEC**"), The U.A.E. Central Bank, Abu Dhabi National Oil Company ("**ADNOC**"), the U.A.E. Ministry of Economy and the Abu Dhabi Department of Planning and Economy. In addition, certain information under the heading "*Overview of the U.A.E. and Abu Dhabi – Recent Developments in the Abu Dhabi Real Estate Market*" has been derived from research published by DTZ Holdings Plc and Jones Lang LaSalle.

Each of the Trustee and TDIC confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information published by each of the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The data set out in this Prospectus relating to Abu Dhabi's gross domestic product ("**GDP**") for 2008 is preliminary and subject to change. In addition, GDP data for 2007 is not final and may be subject

to revision in future periods and certain other historical statistical data set out in this Prospectus may be subject to future adjustment.

Certain Defined Terms and Conventions

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

- references to "**Abu Dhabi**" herein are to the Emirate of Abu Dhabi; and references to the "**U.A.E.**" herein are to the United Arab Emirates; and
- references to the "**Government**" herein are to the government of Abu Dhabi.

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

All references in this Prospectus to "**U.S. dollars**", "**U.S.$** " and "**$**" refer to United States dollars being the legal currency for the time being of the United States of America, all references to "**EUR**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to "**£**", "**Pounds Sterling**" and "**Sterling**" are to the legal currency for the time being of the United Kingdom and all references to "**dirham**" and "**AED**" refer to the United Arab Emirates dirham being the legal currency for the time being of the U.A.E.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The midpoint between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.$1.00.

References to a billion are to a thousand million.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

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

- TDIC's ability to secure significant financing from the Government to fund its existing and future developments;
- TDIC's ability to achieve and manage the growth of its business;
- TDIC's ability to realise the benefits it expects from its existing and future projects;
- changes in political, social, legal or economic conditions in the markets in which TDIC operates;
- greater than anticipated competitive activity, from both existing competitors and new market entrants; and
- the performance of the markets in Abu Dhabi in which TDIC operates.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Forward-looking statements speak only as of the date of this Prospectus and TDIC expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Prospectus to reflect any change in TDIC's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, TDIC cannot guarantee that projected results or events will be achieved and cautions potential investors not to place undue reliance on these statements.

SUPPLEMENTS

Following the publication of this Prospectus a supplement may be prepared by the Trustee and TDIC and approved by the U.K. Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The Trustee and TDIC will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Certificates, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Certificates.

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In connection with the issue of any Series, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Certificates or effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the issue date in respect of the relevant Series (and provided that adequate public disclosure of the terms of the offer of the relevant Series has been 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 and 60 days after the date of the allotment of the relevant Series. Any stabilisation action or over allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) in accordance with applicable laws and rules.

OVERVIEW

The following overview of TDIC does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.

Introduction

TDIC plays a central role in the implementation of Abu Dhabi's long-term strategy to diversify its economy away from its reliance on oil and gas revenues through its master development of infrastructure, cultural, hospitality, leisure, commercial and residential projects that enhance Abu Dhabi's high-end tourism market. This strategy is detailed in the Government's Policy Agenda 2007-2008 (the "**Policy Agenda**"), Economic Vision 2030 (the "**2030 Economic Vision**") and Plan Abu Dhabi 2030 – Urban Structure Framework Plan (the "**Urban Framework Plan**"). The Policy Agenda recognises TDIC as the entity responsible for the development of many of the assets in Abu Dhabi that are being put in place to meet expected tourist demand. TDIC serves as the implementation arm of the Abu Dhabi Tourism Authority ("**ADTA**"), a Government authority that is TDIC's sole shareholder. See "*The Abu Dhabi Government's Development Strategy*", "*Relationship with the Government*" and "*Shareholder and Related Party Transactions – Sole Shareholder of TDIC*".

TDIC is currently master developing over 55 projects with, as at 30 June 2009, an estimated consolidated total capital cost of over AED 124 billion. These projects can be grouped into the following three key areas:

- **Saadiyat Island** is a 27 square kilometre island located directly off the coast of Abu Dhabi island and is approximately one-quarter of the size of Abu Dhabi island, which is currently the main metropolitan area of the city of Abu Dhabi. Saadiyat Island is envisioned by the Policy Agenda and the 2030 Economic Vision as becoming a regional cultural centre and one of Abu Dhabi's flagship tourist destinations. Saadiyat Island is designed to include various museums, including the Guggenheim Abu Dhabi Museum and the Louvre Abu Dhabi Museum; a performing arts centre; two golf courses; several marinas; approximately 492,000 square metres of retail space; approximately 30 hotels; approximately 2,500 villas and town houses; and approximately 48,000 apartments, as well as a high standard of civic and community infrastructure such as schools, hospitals, fire and police departments and extensive recreation, cultural and education facilities. Saadiyat Island is designed to house approximately 150,000 residents, is expected to be substantially completed around 2023 and, as at 30 June 2009, represented approximately 74 per cent. of TDIC's budgeted capital costs. See "*Business Description of TDIC – Overview of Significant Projects – Saadiyat Island*".

- **The Desert Islands** are a grouping of seven islands situated approximately 200 kilometres west of Abu Dhabi island, which are being developed as a single tourist destination. Sir Bani Yas Island, the Desert Islands' largest island, is an 87 square kilometre island, representing an area approximately as large as Abu Dhabi island. The Desert Islands are presently designed to include 11 resorts and spas (consisting of 1,444 rooms), 528 branded residential villas, a golf course, 666 villas and apartments, two palaces, 22,000 square metres of commercial and retail space (including restaurants), an airport, ferries and transport facilities, a cruise ship terminal, heritage and cultural sites, educational and learning centres and recreation parks. The Desert Islands project is expected to be completed in 2015 and, as at 30 June 2009, represented approximately 13 per cent. of TDIC's budgeted capital costs. See "*Business Description of TDIC – Overview of Significant Projects – The Desert Islands*".

- **Other Projects in Abu Dhabi** currently under development include: (i) Qasr Al Sarab; (ii) Angsana Resort and Spa Eastern Mangroves; (iii) Abu Dhabi Golf Resort; (iv) TDIC and ADTA Headquarters; (v) Hodariyat Crossing; and (vi) Qasr Al Ain Hotel. As at 30 June 2009, these other projects represented approximately 13 per cent. of TDIC's budgeted capital costs. See "*Business Description of TDIC – Overview of Significant Projects – Other Projects*".

TDIC's Relationship with the Government

TDIC was formed in October 2005 as a wholly-owned subsidiary of ADTA, the Government authority mandated to support the Government's vision of economic diversification in Abu Dhabi through tourism development. Formed as an independent organisation, TDIC is mandated to implement the strategy of ADTA. The Government's goal is to ensure that assets and attractions of the highest quality are in place to meet expected tourist demand and TDIC has been established to develop many of these assets. TDIC has already been instructed by the Government to work on several of the most prominent and strategic projects encompassed in the 2030 Economic Vision, including the development of Saadiyat Island and the Desert Islands.

Although TDIC has autonomy in the execution of individual projects, its mandate is to implement ADTA's development initiatives and each project TDIC is currently developing has been mandated by the Government. TDIC has also directly partnered with the government of the U.A.E. in the development of certain of its projects. For example, in connection with TDIC's development of the Louvre Abu Dhabi Museum, TDIC is responsible for executing the terms of an intergovernmental agreement between the government of the U.A.E. and the government of France, which sets the groundwork for the creation of the Louvre Abu Dhabi Museum. See "*Material Contracts – Museum Contracts – Louvre Abu Dhabi Museum – L'Etablissement Public du Musée du Louvre*".

TDIC receives a significant amount of Government contributions to support its operations. From inception to 30 June 2009, Government contributions consisted of AED 18.7 billion in capital contributions (consisting of the initial equity contribution of AED 100.0 million and contributions of land and other assets of AED 18.6 billion) and monetary grants of AED 4.976 billion. In the future, TDIC expects to receive significant financial support from the Government.

All of TDIC's directors serve in prominent positions in the Government and/or as officers and directors of entities that are wholly-owned by the Government or the government of the U.A.E. TDIC's Chairman, H.H. Sheikh Sultan bin Tahnoon al Nahyan, is also the Chairman of ADTA and a member of the Executive Council of Abu Dhabi, which is the principal executive authority below the Ruler and the Crown Prince. TDIC's directors serve as officers or directors of, amongst others, the Abu Dhabi Investment Authority ("**ADIA**"), the Abu Dhabi Environment Agency ("**ADEA**"), the Abu Dhabi Economic Council ("**EDEC**"), the Abu Dhabi Urban Planning Council (the "**Urban Planning Council**"), the Emirates Telecommunications Corporation ("**Etisalat**"), Etihad Airways, Abu Dhabi National Exhibition Centre ("**ADNEC**"), the Abu Dhabi Water and Electricity Authority ("**ADWEA**"), the Supervision Committee of the Expansion of the Abu Dhabi International Airport and Gulf Air. In addition, one of TDIC's directors has been appointed as the General Manager of the Municipality of Abu Dhabi. See "*Management – Members of the Board of Directors*".

Strategies

TDIC intends to enhance its competitive position by pursuing, amongst other things, the following key strategies:

Enhance TDIC's position as the Government's trusted partner for development projects

TDIC was established by the Government in October 2005 to further the economic development and diversification of Abu Dhabi by developing world-class, large-scale infrastructure and tourism projects. TDIC has already been instructed by the Government to work on several of the most prominent and strategic projects encompassed in the 2030 Economic Vision, including the development of Saadiyat Island and the Desert Islands, and may receive additional Government mandates as development in Abu Dhabi progresses. In particular, the Government has envisaged the development of Saadiyat Island for many years and has determined that TDIC is the appropriate body to manage its development.

Through a focus on execution excellence, TDIC works to meet the Government's expectations with respect to those projects that TDIC has been awarded in order to achieve excellence and demonstrate

TDIC's skills in both master developing and general project execution. TDIC continues to look for opportunities to enhance its overall relationship with the Government by reinforcing its role as an essential component and trusted partner in the realisation of the Government's vision.

Successfully execute world-class projects to further establish Abu Dhabi's position as a premier international tourist destination

TDIC is focused on creating world-class projects and is dedicated to excellence in its execution. TDIC is currently master developing over 55 projects that include a diverse range of infrastructure, cultural, hospitality/leisure, residential and commercial/mixed-use developments. Whilst TDIC has developed a strong reputation as a master developer, it must ensure that, in order to enhance its own commercial position and to further the reputation of Abu Dhabi, each project it completes is a success. To this end, TDIC continues to seek to realise the best possible execution of all of its projects with the goal of establishing them as world-class attractions that further establish Abu Dhabi as a premier international tourist destination. TDIC believes that, in addition to strengthening the global image and brand of Abu Dhabi, its projects will enhance Abu Dhabi's position as a cultural centre and highlight Abu Dhabi's cultural heritage, and thereby serve as a means to promote international dialogue and multicultural understanding and ultimately ensure TDIC's success.

Continue to build execution capacity and enhance TDIC's team through strategic growth

Whilst TDIC has significant internal resources and plans to maintain its streamlined and flexible structure in the future, TDIC is nevertheless growing quickly due to the fact that it has continually taken on additional projects throughout its history. Accordingly, as TDIC continues to execute additional projects from its existing pipeline of projects, TDIC expects to continue to actively recruit new talent for all lines of its business. TDIC will, however, focus on managing its size and, where possible and efficient, expects to opportunistically strengthen and complement its internal capabilities through its various relationships with both local and international organisations with specific expertise.

TDIC seeks to attract and retain highly experienced and committed professionals in order to enhance its capacity to successfully implement its corporate strategy, complete its projects and reinforce its position as an efficient and integrated master developer. Furthermore, TDIC believes that the current market environment provides it with an excellent opportunity to hire experienced, talented and qualified individuals with which to bolster its team. In order to ensure that TDIC hires only the best candidates, TDIC has developed thorough and rigorous assessment procedures to screen candidates' experience and aptitude, and to generally ensure that they fit well within TDIC's corporate culture.

Continue to develop existing strategic relationships and to seek new strategic relationships

TDIC has sought to develop key strategic relationships in order to manage its project pipeline, maintain its flexible structure and help to ensure that its projects are successful, regardless of their size. In addition, TDIC benefits from partnerships, including with the Government, that it and its affiliates have entered into. TDIC believes that such relationships allow it to reduce its exposure to the risks related to the development and operation of individual projects, as many of its partners take on such risks when they agree to act as the sub-developers or operators of TDIC's properties. Furthermore, TDIC believes that its relationships with internationally recognised partners such as the Guggenheim, the Louvre, Gary Player, St. Regis, Westin, Troon Golf, Angsana, Gehry Partners LLP, Foster + Partners Ltd. and Ateliers Jean Nouvel provide it with excellent additional execution and operational capacity and that such relationships enhance TDIC's credibility throughout the U.A.E., the Gulf region and internationally. In addition, in connection with TDIC's development of the Louvre Abu Dhabi Museum, TDIC is responsible for executing the terms of an intergovernmental agreement between the government of the U.A.E. and the government of France, which sets the groundwork for the creation of the Louvre Abu Dhabi Museum.

TDIC takes a detailed interest in its strategic relationships and, therefore, whenever TDIC forms an association or contractual agreement, TDIC carefully evaluates each potential partner, even in those situations where TDIC has no financial interest in their developments, in order to ensure the success of TDIC's overall master developments. TDIC believes that through finding and developing strong partners in and from Abu Dhabi it can further assist in improving and enhancing the overall commercial and business environment of Abu Dhabi and fulfil its mandate under the Policy Agenda to support the development of local enterprises. TDIC will seek to continue to establish strategic relationships with pre-eminent partners both from Abu Dhabi and abroad in order to enhance its operations and developments.

Risk Factors

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

TDIC's registered office is P.O. Box 126888, Abu Dhabi, United Arab Emirates. TDIC's website address is www.tdic.ae. The information contained in TDIC's website is not incorporated by reference into, or otherwise included in, this Prospectus.

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 Prospectus and, in relation to the terms and conditions of any particular Series, the applicable Final Terms. The Trustee and any relevant Dealer(s) 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 listed Certificates only and, if appropriate, a supplemental prospectus will be published.

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 "*Form of the Certificates*" and "*Terms and Conditions of the Certificates*" shall have the same meanings in this overview.

Trustee:	TDIC Sukuk Limited, as trustee for and on behalf of the Certificateholders and, in such capacity, as issuer of the Certificates, an exempted company with limited liability incorporated on 3 June 2009 in accordance with the Companies Law (2007 Revision) and formed and registered in the Cayman Islands with company registration number 226705 with its registered office at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, 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.
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 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held on trust by Maples Finance Limited, with registered office at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands under the terms of a trust for charitable purposes.
Administration of the Trustee:	The affairs of the Trustee are managed by Maples Finance Limited, a licensed trust company in the Cayman Islands (the "**Trustee Administrator**"), who will provide, amongst other things, corporate administrative services, director services and act as share trustee for and on behalf of the Trustee pursuant to the corporate services agreement dated 1 October 2009 made between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**").
Musataha:	For each Series, TDIC (as Owner) will grant to the Trustee (as *Musateh*) a *musataha* (a right to use and develop) over certain land pursuant to the Master Musataha Agreement and, in respect of each Series, a Supplemental Musataha Agreement.
Lease:	In accordance with the Master Ijara Agreement and, in respect of each Series, a Supplemental Ijara Agreement, TDIC (in such capacity, the "**Lessee**") will lease from the

	Trustee (in such capacity, the "**Lessor**") the Lease Assets for the life of the relevant Series.
Servicing Agent:	TDIC (in such capacity, the "**Servicing Agent**"). Under the Master Ijara Agreement, and in respect of each Series, a Supplemental Ijara Agreement, the Trustee (as Lessor) will be responsible for, to the extent applicable, insuring the Lease Assets for each Series, paying proprietary and other taxes and performing all major maintenance and structural repairs. The Trustee will delegate this responsibility to the Servicing Agent in accordance with the Servicing Agency Agreement and, in respect of each Series, a Confirmation of Servicing Agent Appointment Notice.
Arranger(s):	Abu Dhabi Commercial Bank P.J.S.C., HSBC Bank plc and Standard Chartered Bank.
Dealer(s):	Abu Dhabi Commercial Bank P.J.S.C., HSBC Bank plc and Standard Chartered Bank.
Delegate:	Deutsche Trustee Company Limited (the "**Delegate**"). In accordance with the Master Declaration of Trust, the Trustee will 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 of the Master Declaration of Trust in accordance with the terms of the Master Declaration of Trust.
Principal Paying Agent and Replacement Agent:	Deutsche Bank AG, London Branch.
Registrar and Transfer Agent:	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Certificates may 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 recorded in a final terms document (the "**applicable Final Terms**").
Initial Programme Size:	Up to U.S.$1,450,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The size of the Programme may be increased in accordance with the terms of the Dealer Agreement.
Distribution:	Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, TDIC and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, TDIC and the relevant Dealer, 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 Specified Currency.

Issue Price: Certificates may be issued at the issue price specified in the applicable Final Terms.

Status of the Certificates: Each Certificate will represent an undivided beneficial ownership interest in the Trust Assets of the relevant Series, will be a 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 of Certificates: The Certificates will be issued in registered form as described in the section entitled "*Form of the Certificates*".

Periodic Distribution Amounts: Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.

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

Cross-Default: In respect of TDIC, the Certificates will have the benefit of a cross-default provision, as described in Condition 15 (*Dissolution Events*).

The Trust Assets: Pursuant to the Master Declaration of Trust, as supplemented by a Supplemental Declaration of Trust for each Series, the Trustee will declare that it will hold, for each Series, certain assets (the "**Trust Assets**"), consisting of:

(i) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Musataha;

(ii) all of the Trustee's rights, title, interest and benefit, present and future, in and to the Transaction Documents (excluding: (i) any representations given to the Trustee by TDIC pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to Clause 18.1 of the Master Declaration of Trust);

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

(iv) any other assets, rights, cash or investments as may be specified in the applicable Final Terms,

in each case, in respect of the relevant Series, and all proceeds of the foregoing which are held by the Trustee upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each holder for the relevant Series.

Dissolution on the Scheduled Dissolution Date:

Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem each Certificate at the relevant Dissolution Distribution Amount and the Trust in relation to the relevant Series will be dissolved by the Trustee on the relevant Scheduled Dissolution Date for such Series.

Dissolution Distribution Amount:

Means, in relation to each Certificate of a Series, either:

(i) the aggregate of:

(a) the outstanding face amount of such Certificate;

(b) any accrued but unpaid Periodic Distribution Amounts for such Certificate; and

(c) any Additional Dissolution Distribution Amount relating to such Certificate; or

(ii) such other amount specified in the applicable Final Terms as being payable upon dissolution of the Certificates of the relevant Series.

Early Dissolution of the Trust:

The Trust may only be dissolved (in whole or in part) prior to the Scheduled Dissolution Date upon the:

(i) occurrence of a Dissolution Event;

(ii) exercise of an Optional Dissolution Right (if applicable to the relevant Series);

(iii) exercise of a Certificateholder Put Option (if applicable to the relevant Series);

(iv) exercise of a Change of Control Put Option (if applicable to the relevant Series);

(v) occurrence of a Tax Event; or

(vi) occurrence of a Total Loss Event.

In each case (other than sub-paragraph (vi)), the Certificates will be redeemed pursuant to the exercise of the rights under the Purchase Undertaking (in respect of the occurrence of a Dissolution Event), the Redemption Undertaking (in respect of the exercise of a Certificateholder Put Option or a Change of Control Put Option) or, as the case may be, the Sale Undertaking (in respect of the exercise of an Optional Dissolution Right or the occurrence of a Tax Event).

The Exercise Price (in the case of the Purchase Undertaking and the Sale Undertaking) or, as the case may be, the Surrender Price (in the case of the Redemption Undertaking) payable under these undertakings will be used to fund the redemption of the relevant Certificates.

	Upon the occurrence of a Total Loss Event, the Certificates will be redeemed in accordance with Condition 11(g) (*Capital Distributions of the Trust - Dissolution following a Total Loss Event*).
Dissolution Events:	The Dissolution Events are described in Condition 15 (*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 Dissolution Distribution Amount in the manner described in Condition 15 (*Dissolution Events*).
Early Dissolution for Tax Reasons:	Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates as a result of a change in the laws of the Cayman Islands or TDIC has or will become obliged to pay any additional amounts pursuant to the terms of the Master Ijara Agreement and the relevant Supplemental Ijara Agreement as a result of a change in the laws of the U.A.E., and such obligation cannot be avoided by the Trustee or TDIC, as applicable, taking reasonable measures available to it, the Trustee will, following receipt of an Exercise Notice under the Sale Undertaking, redeem the Certificates in whole but not in part at an amount equal to the relevant Dissolution Distribution Amount on the relevant Tax Redemption Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable the Tax Redemption Date must be a Periodic Distribution Date.
Optional Dissolution Right:	If so specified in the applicable Final Terms, TDIC has the right to require the Trustee to sell, transfer and convey, upon receipt of an Exercise Notice under the Sale Undertaking, all of the Trustee's interest, rights, benefits and entitlements in and to the relevant Unexpired Musataha Assets in exchange for payment of the relevant Exercise Price specified in the relevant Exercise Notice, which shall be used by the Trustee to fund the redemption in whole but not in part of the Certificates of the relevant Series at the relevant Optional Dissolution Amount on the Optional Dissolution Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable, the Optional Dissolution Date must be a Periodic Distribution Date. If applicable to the relevant Series, the Optional Dissolution Date(s) will be specified in the applicable Final Terms. No Optional Dissolution Date may occur within one year of the relevant Issue Date.
Certificateholder Put Option:	If so specified in the applicable Final Terms, and provided that a Certificateholder Put Option Exercise Notice has been served on the Trustee by Certificateholders holding at least 5 per cent. of the then aggregate face amount of the Certificates outstanding of

the relevant Series, Certificateholders may elect to redeem their Certificates on any Certificateholder Put Option Date(s) specified in the applicable Final Terms at an amount equal to the relevant Optional Dissolution Amount in accordance with Condition 11(e) (*Capital Distributions of the Trust - Dissolution at the Option of the Certificateholders (Certificateholder Put Option)*). Under the terms of the Redemption Undertaking, TDIC has granted to the Trustee the right, following the exercise of a Certificateholder Put Option and the service by Certificateholders of a Certificateholder Put Option Exercise Notice, to require TDIC to accept the surrender of all of the Trustee's interest, rights, benefits and entitlements in and to the Surrendered Musataha Area (to be designated by TDIC in accordance with the Redemption Undertaking) in consideration for payment by TDIC to the Trustee of the Surrender Price thereunder, which shall be used by the Trustee to fund the redemption of the relevant Certificates.

No Certificateholder Put Option Date may occur within one year of the relevant Issue Date and may only occur on a Periodic Distribution Date.

Change of Control Put Option:

If so specified in the applicable Final Terms, upon the occurrence of a Change of Control and provided that a Change of Control Exercise Notice has been served on the Trustee by Certificateholders holding at least 5 per cent. of the then aggregate face amount of the Certificates outstanding of the relevant Series, Certificateholders may elect to redeem their Certificates on any Change of Control Put Option Date at an amount equal to the relevant Change of Control Dissolution Amount in accordance with Condition 11(d) (*Capital Distributions of the Trust - Dissolution at the Option of the Certificateholders (Change of Control Put)*). Under the terms of the Redemption Undertaking, TDIC has granted to the Trustee the right, following the Change of Control and the service by Certificateholders of a Change of Control Exercise Notice, to require TDIC to accept the surrender of all of the Trustee's interests, rights, benefits and entitlements in and to the Surrendered Musataha Area (to be designated by TDIC in accordance with the Redemption Undertaking) in consideration for payment by TDIC to the Trustee of the Surrender Price thereunder, which shall be used by the Trustee to fund the redemption of the relevant Certificates.

A "**Change of Control**" shall occur each time the Government of the Emirate of Abu Dhabi (the "**Government**") or any other department, agency or authority wholly-owned by the Government:

(i) sells, transfers or otherwise disposes of any of the issued share capital of TDIC, other than to an

entity, directly or indirectly, wholly-owned by the Government; or

(ii) otherwise ceases to control (directly or indirectly) TDIC.

Total Loss Event:

The occurrence of a Total Loss Event will result in the redemption of a particular Series and the consequent dissolution of the relevant Trust.

The Servicing Agent is responsible, to the extent consistent with general industry practice by prudent owners of substantially similar assets, for ensuring that the land which is the subject of the relevant Lease Assets is properly insured. If a Total Loss Event occurs, the Servicing Agent will be obliged to ensure that all insurance proceeds in respect thereof are paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event.

If a Total Loss Event occurs and an amount (if any) less than the Full Reinstatement Value is credited to the Transaction Account (the difference between the Full Reinstatement Value and the amount credited to the relevant Transaction Account being the "**Total Loss Shortfall Amount**"), then the Servicing Agent will undertake to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly into the Transaction Account as soon as practicable and in any event by no later than close of business in Abu Dhabi on the 31st day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the 31st day following the occurrence of a Total Loss Event, represents the aggregate of the insurance proceeds payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount funded by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

Rentals shall cease to accrue under the relevant Lease with effect from the date on which a Total Loss Event (if any) occurs, and no additional payment shall be made in respect of the period between the date on which the Total Loss Event occurred and the date on which the Total Loss Shortfall Amount is paid into the relevant Transaction Account.

See Condition 11(g) (*Capital Distributions of the Trust - Dissolution following a Total Loss Event*).

"**Full Reinstatement Value**" means, in relation to the land which is the subject of the relevant Lease Assets for a particular Series, the amount specified as such in the relevant Supplemental Ijara Agreement, as the same may be reduced from time to time in accordance with the

Redemption Undertaking and any Deed of Surrender of Part and Variation.

"**Total Loss Event**" means, in relation to a Series:

(i) the total loss or destruction of, or damage to the whole of the land which is the subject of the relevant Lease Assets or any event or occurrence that renders the whole of the land which is the subject of the relevant Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the relevant land which is subject of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical; or

(ii) the expropriation, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the land which is the subject of the relevant Lease Assets.

Asset Substitution:

Pursuant to a Substitution Undertaking executed on 1 October 2009 by the Trustee in favour of TDIC (the "**Substitution Undertaking**"), TDIC has the right to require the Trustee to sell all of the relevant Unexpired Musataha Assets in respect of any Series (the "**Substituted Assets**") in consideration for the grant to the Trustee, by way of a new Supplemental Musataha Agreement, of a new *musataha* over new assets (the "**New Musataha**"). TDIC will be obliged to certify that the value of the New Musataha is not less than the then aggregate face amount of the Certificates outstanding of the relevant Series (as determined by reference to an internal management valuation conducted by TDIC in accordance with prevailing market practice at the relevant time).

In order to effect the substitution, the Trustee and TDIC will enter into a Sale Agreement to effect the sale of the Substituted Assets and, in respect of the New Musataha, enter into a new Supplemental Musataha Agreement and, in respect of the grant of a Lease over the land underlying the New Musataha, enter into a new Supplemental Ijara Agreement.

Cancellation of Certificates held by TDIC and/or any of its Subsidiaries:

TDIC and/or any of its subsidiaries may at any time purchase Certificates in the open market or otherwise. Should TDIC wish to cancel any Certificates so purchased, it will deliver a Cancellation Notice to the Trustee under the terms of the Master Declaration of Trust, whereupon TDIC shall, in accordance with the terms of the Redemption Undertaking, and following delivery by the Trustee of a Surrender Notice thereunder, be required to accept the surrender and delivery of all of the Trustee's interest, rights, benefits and entitlements in and to the Surrendered Musataha Area in accordance

with the relevant Deed of Surrender of Part and Variation in return for which no cash consideration shall be payable.

Following the surrender of the Surrendered Musataha Area and the entry by TDIC and the Trustee into the relevant Deed of Surrender of Part and Variation, the Trustee shall be obliged to cancel the relevant Certificates in accordance with the terms of the Master Declaration of Trust.

Limited Recourse:

Each Certificate of a particular Series will represent an undivided beneficial 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 TDIC (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 Agent 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 TDIC shall be extinguished.

Denomination of Certificates:

The Certificates will be issued in such denominations as may be agreed between the Trustee, TDIC and the relevant Dealer(s), save that the minimum denomination of each Certificate will be such amount 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 Specified Currency and save that the minimum denomination of each Certificate admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area, in circumstances which require the publication of a prospectus under the Prospectus Directive, will be at least EUR 50,000 (or, if the Certificates are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the Issue Date of such Series).

Form and Delivery of the Certificates:

The Certificates will be issued in registered form only. The Certificates of each Series will be represented on issue by beneficial interests in a Global Certificate (the "**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 S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be

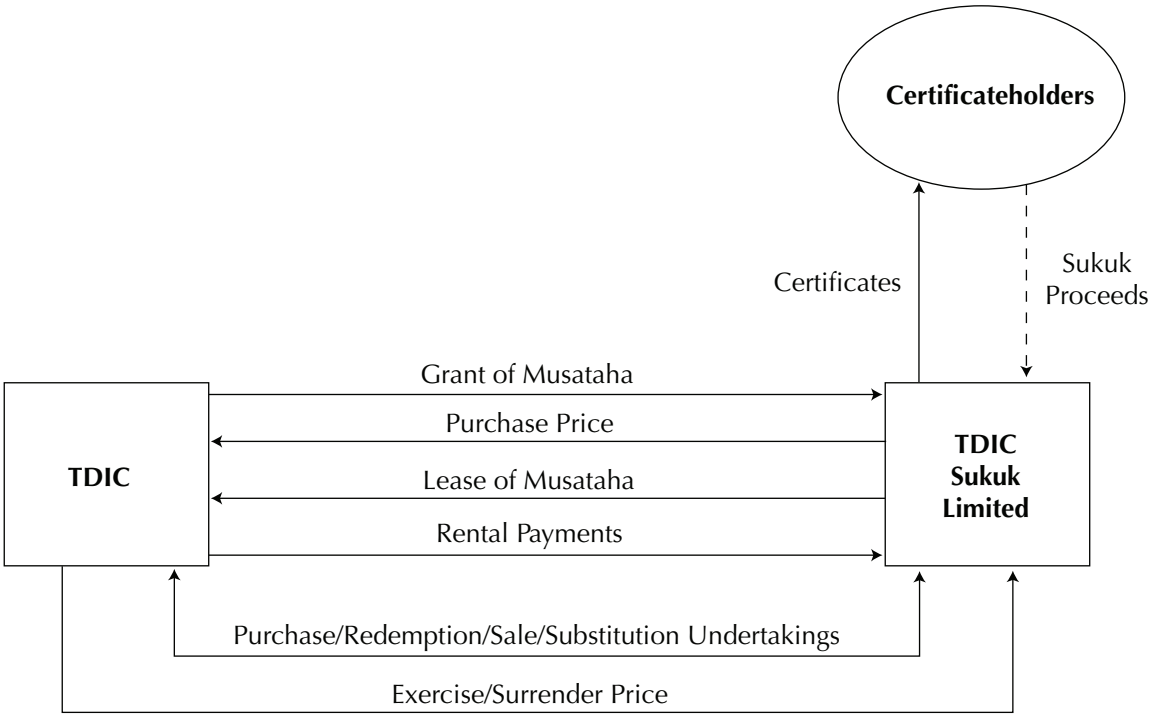
	shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. See the section entitled "*Book Entry Clearance Systems*". Individual Certificates evidencing holdings of Certificates will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances.
Clearance and Settlement:	Holders of the Certificates must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg, as specified in the applicable Final Terms. Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.
Withholding Tax:	All payments by TDIC 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 U.A.E. (or any political sub-division or any authority thereof or therein having power to tax). In the event that any such deduction is made, TDIC will be required, pursuant to the relevant Transaction Documents, to pay to the Trustee additional amounts so that the Trustee will receive the full amount which otherwise would have been due and payable under the relevant Transaction Documents. All payments by the Trustee in respect of the Certificates shall be made without withholding or deduction for, or on account of, Taxes imposed in the Cayman Islands or any political sub-division or any authority thereof or therein having power to tax. TDIC has agreed in the Transaction Documents that, if the Trustee is required to make any payment under the Certificates after deduction or withholding for: (i) Taxes; or (ii) as otherwise required by applicable law and is required to pay additional amounts in respect thereof, TDIC will pay to the Trustee additional amounts to cover the amounts so deducted as would have been paid had no such deduction or withholding been required.
Listing:	Application has been made to the UK Listing Authority for each Series of the 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. Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, TDIC and the relevant Dealer(s) in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued.
Certificateholder Meetings:	A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their

	interests as such is set out in Condition 19 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*).
Tax Considerations:	See the section entitled "*Taxation*" for a description of certain tax considerations applicable to the Certificates.
Governing Law:	The Master Musataha Agreement, each Supplemental Musataha Agreement, the Master Ijara Agreement, each Supplemental Ijara Agreement, each sale agreement entered into in connection with the Purchase Undertaking, the Sale Undertaking and the Substitution Undertaking (each, a "**Sale Agreement**") and each Deed of Surrender of Part and Variation entered into in connection with the Redemption Undertaking will be governed by, and construed in accordance with, Abu Dhabi law and, to the extent applicable, the federal laws of the U.A.E. The Purchase Undertaking, the Redemption Undertaking, the Sale Undertaking, the Substitution Undertaking, the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Servicing Agency Agreement, the Certificates, the Dealer Agreement and any Subscription Agreement 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 Master Musataha Agreement, each Supplemental Musataha Agreement, the Master Ijara Agreement, each Supplemental Ijara Agreement, the Purchase Undertaking, the Redemption Undertaking, the Sale Undertaking, the Substitution Undertaking, the Servicing Agency Agreement, the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Certificates and the Dealer Agreement.
Rating:	The rating(s) of any Series to be issued under the Programme, which is to be rated, will be specified in the applicable Final Terms. *A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to suspension, reduction or withdrawal at any time by the assigning rating organisation.*
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Certificates in the Cayman Islands, the Dubai International Financial Centre, the European Economic Area, Hong Kong, Japan, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Kuwait, Malaysia, Singapore, the State of Qatar, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States of America and such other restrictions as may be required in connection with

	the offering and sale of the Certificates. See "*Subscription and Sale*".
Waiver of Sovereign Immunity:	TDIC acknowledges in the Transaction Documents to which it is a party that to the extent that it may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution before judgment or otherwise or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, TDIC represents and agrees that it will not claim and irrevocably and unconditionally waives to the fullest extent possible under applicable law such immunity in relation to any proceedings.

STRUCTURE DIAGRAM AND CASHFLOWS

The following is a simplified overview of the structure and principal cashflows relating to each Series of Certificates. This overview does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus. Potential investors should read the entire Prospectus and the applicable Final Terms, especially the risks in relation to investing in the Certificates discussed under "Risk Factors".



Grant of Musataha Interest and Ijara

On the Issue Date of each Series, TDIC will, by way of a master musataha agreement (the "**Master Musataha Agreement**") and a supplemental musataha agreement (each, a "**Supplemental Musataha Agreement**"), grant to the Trustee a *musataha* right, being the grant of the exclusive right to use, develop and benefit from the land identified in the Supplemental Musataha Agreement (the "**Musataha**"), in consideration of the payment by the Trustee of the amount specified in the relevant Supplemental Musataha Agreement (the "**Musataha Consideration**"). In relation to each Series, the Musataha Consideration paid by the Trustee will be an amount equal to the net proceeds received by the Trustee in connection with the issue of the relevant Series of Certificates by it.

The Trustee will lease the relevant land that is the subject of the Musataha for the life of the relevant Certificates (the "**Lease Assets**") to TDIC (in such capacity the "**Lessee**") by way of a master ijara agreement (the "**Master Ijara Agreement**") and a supplemental ijara agreement (each, a "**Supplemental Ijara Agreement**") for the relevant Series. The Lessee will pay agreed lease rental payments in respect of the relevant Lease Assets in such amounts as are at least equal to the Periodic Distribution Amounts due under the Certificates on each Periodic Distribution Date.

Servicing of the Musataha and of the Lease Assets

The Trustee and TDIC have entered into a servicing agency agreement (the "**Servicing Agency Agreement**") whereby the Trustee (in its capacity as Lessor) will appoint TDIC as its servicing agent for each and every Series (in such capacity, the "**Servicing Agent**") to carry out certain of the Lessor's obligations under the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement, in particular, to the extent applicable, the obligation to carry out major maintenance and

structural repairs in respect of the relevant Lease Assets, insure the relevant Lease Assets and pay any ownership taxes. To the extent that the Servicing Agent incurs any costs and expenses in performing these obligations (the "**Services Charge Amount**"), the Services Charge Amount will be the supplementary rental (the "**Supplementary Rental**") payable under the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement. The Supplementary Rental due from the Lessee to the Lessor will be set-off against the obligations of the Trustee to pay the Services Charge Amount to the Servicing Agent.

Redemption of the Certificates

Pursuant to a purchase undertaking (the "**Purchase Undertaking**"), the Trustee may, on maturity of the relevant Series, or prior thereto following the occurrence of a Dissolution Event, exercise its rights under the relevant Purchase Undertaking and require TDIC to purchase the unexpired part of, and remaining value in, the relevant Musataha (the "**Unexpired Musataha Assets**"). The price payable by TDIC upon exercise of the Purchase Undertaking shall be, in relation to a Series, the aggregate of: (i) the aggregate face amount of the Certificates then outstanding; plus (ii) all accrued but unpaid rental payments (or part thereof) relating to the Lease Assets (if any), to the extent not received by the Trustee in its capacity as Lessor under the Master Ijara Agreement and the relevant Supplemental Ijara Agreement, plus (iii) an amount equal to any outstanding Services Charge Amount relating to the Lease Assets, provided that an invoice or a certified estimate has been submitted in accordance with the Servicing Agency Agreement; plus (iv) without duplication or double-counting, an amount representing any prior ranking claims (as described in items (i) and (ii) of Condition 6(b)) in accordance with Condition 6(b) (*Trust – Application of Proceeds from Trust Assets*); plus (v) without duplication or double-counting, any other amount specified in the applicable Final Terms as being due and payable upon the dissolution of the Certificates (collectively, the "**Exercise Price**"). An amount equal to the Services Charge Amount to be paid by TDIC as part of any Exercise Price and any Services Charge Amount to be paid by the Trustee in accordance with the Servicing Agency Agreement which has not been paid by way of payment of Supplementary Rental under the Master Ijara Agreement shall be set off against one another.

Pursuant to a redemption undertaking (the "**Redemption Undertaking**"), TDIC will grant to the Trustee the right, following the occurrence of a Change of Control (if applicable to the relevant Series) or, as the case may be, the exercise of a Certificateholder Put Option (if applicable to the relevant Series), and the service by Certificateholders holding at least five per cent. of the aggregate face amount of the relevant Certificates on the Trustee of a Change of Control Exercise Notice or, as the case may be, a Certificateholder Put Option Exercise Notice, to require TDIC to accept the surrender and delivery of all of the Trustee's interest, rights, benefits and entitlements in and to the Surrendered Musataha Area (to be designated by TDIC in accordance with the Redemption Undertaking). The price payable by TDIC upon exercise of the Redemption Undertaking shall be, in relation to the Certificates being redeemed (the "**Redeemed Certificates**") at a particular time, the aggregate of: (i) an amount equal to the aggregate face amount of the Redeemed Certificates; plus (ii) such proportionate share of any accrued but unpaid rental payments (or part thereof) relating to the Lease Assets (if any) as the Redeemed Certificates represent, to the extent not received by the Trustee in its capacity as Lessor under the Master Ijara Agreement and the relevant Supplemental Ijara Agreement; plus (iii) only to the extent that all of the Certificates in a Series are being redeemed, an amount equal to any outstanding Services Charge Amount relating to the Lease Assets, provided that an invoice or a certified estimate has been submitted in accordance with the Servicing Agency Agreement; plus (iv) without duplication or double-counting, an amount representing any prior ranking claims (as described in items (i) and (ii) of Condition 6(b)) in accordance with Condition 6(b) (*Trust – Application of Proceeds from Trust Assets*); plus (v) without duplication or double-counting, any other amount specified in the applicable Final Terms as being payable in respect of the Redeemed Certificates (collectively, the "**Surrender Price**"). An amount equal to the Services Charge Amount to be paid by TDIC as part of any Surrender Price and any Services Charge Amount to be paid by the Trustee in accordance with the Servicing Agency Agreement which has not been paid by way of payment of Supplementary Rental under the Master Ijara Agreement shall be set off against one another.

Pursuant to a sale undertaking (the "**Sale Undertaking**"), TDIC may, in the event of certain tax gross-ups being required or, in the event that TDIC exercises an Optional Dissolution Right (if applicable to the relevant Series), exercise its rights under the relevant Sale Undertaking to require the Trustee to sell the relevant Unexpired Musataha Assets to TDIC. The price payable by TDIC upon exercise of the Sale Undertaking shall be equal to the Exercise Price payable under the Purchase Undertaking, as described above. An amount equal to the Services Charge Amount to be paid by TDIC as part of any Exercise Price and any Services Charge Amount to be paid by the Trustee in accordance with the Servicing Agency Agreement which has not been paid by way of payment of Supplementary Rental under the Master Ijara Agreement shall be set off against one another.

Substitution of the Lease Assets

Pursuant to a substitution undertaking (the "**Substitution Undertaking**"), TDIC has the right to require the Trustee to sell all of the relevant Unexpired Musataha Assets in respect of any Series (the "**Substituted Assets**") to TDIC in consideration for the grant to the Trustee, by way of a new Supplemental Musataha Agreement, of a new *musataha* over new assets (the "**New Musataha**"). TDIC will be obliged to certify that the value of the New Musataha is not less than the then aggregate face amount of the Certificates outstanding of the relevant Series (as determined by reference to an internal management valuation conducted by TDIC in accordance with prevailing market practice at the relevant time).

In order to effect the substitution, the Trustee and TDIC will enter into a Sale Agreement to effect the sale of the Substituted Assets and, in respect of the New Musataha, enter into a new Supplemental Musataha Agreement and, in respect of the grant of a Lease over the land underlying the New Musataha, enter into a new Supplemental Ijara Agreement.

Cancellation of Certificates held by TDIC and/or any of its subsidiaries

TDIC and/or any of its subsidiaries may at any time purchase Certificates in the open market or otherwise. Should TDIC wish to cancel any Certificates so purchased, it will deliver a Cancellation Notice to the Trustee under the terms of the Master Declaration of Trust, whereupon TDIC shall, in accordance with the terms of the Redemption Undertaking, and following delivery by the Trustee of a Surrender Notice thereunder, be required to accept the surrender and delivery of all of the Trustee's interest, rights, benefits and entitlements in and to the Surrendered Musataha Area in accordance with the relevant Deed of Surrender of Part and Variation in return for which no cash consideration shall be payable.

Following the surrender of the Surrendered Musataha Area and the entry by TDIC and the Trustee into the relevant Deed of Surrender of Part and Variation, the Trustee shall be obliged to cancel the relevant Certificates in accordance with the terms of the Master Declaration of Trust.

RISK FACTORS

Any investment in the Certificates is subject to a number of risks and uncertainties. Before making any investment decision, prospective investors should consider carefully the risks and uncertainties associated with the Trustee's and TDIC's business and any investment in the Certificates, together with all of the information that is included in this Prospectus and should form their own view before making an investment decision with respect to any Certificates. In particular, prospective investors should evaluate the risks and uncertainties referred to or described below, which may have a material adverse effect on the Trustee's and TDIC's business, financial condition, results of operations or prospects. Should one or more of the following events or circumstances occur at the same time or separately, the value of the Certificates could decline and an investor might lose part or all of its investment.

TDIC believes that the factors described below represent the principal risks inherent in investing in Certificates issued under the Programme, but the inability of the Trustee or, as the case may be, TDIC, to pay any amounts on or in connection with any Certificates may occur for other reasons and TDIC does not represent that the statements below regarding the risks of holding any Certificates are exhaustive. Additional risks not presently known to TDIC or that TDIC currently deems immaterial may also impair TDIC's business operations.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. TDIC's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by TDIC described below and elsewhere in this Prospectus. See "Cautionary Statement Regarding Forward Looking Statements".

RISK FACTORS RELATING TO THE TRUSTEE

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

At the date of this Prospectus, the Trustee is a newly established exempted company with limited liability incorporated under the laws of the Cayman Islands on 3 June 2009 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 as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the Transaction Documents. Because the Trustee is a Cayman Islands company, it may not be possible for Certificateholders to effect service of process on it outside the Cayman Islands.

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 the obligation of the Lessee to make payments under the Master Ijara Agreement and each Supplemental Ijara Agreement and the obligation of TDIC to make payments under the Purchase Undertaking, the Redemption Undertaking or, as the case may be, the Sale Undertaking to the Trustee. Therefore, the Trustee is subject to all the risks to which TDIC is subject to the extent that such risks could limit TDIC's ability to satisfy in full and on a timely basis its obligations under the Master Ijara Agreement, each Supplemental Ijara Agreement, the Purchase Undertaking, the Redemption Undertaking and the Sale Undertaking. See "*Risk Factors relating to TDIC's Business and The Master Developer Industry*" below for a further description of these risks.

The ability of the Trustee to pay amounts due on the Certificates will be dependent upon receipt by the Trustee from TDIC of all amounts due under the Master Ijara Agreement, each Supplemental Ijara Agreement, the Purchase Undertaking, the Redemption Undertaking and the Sale Undertaking, respectively (which in aggregate may not be sufficient to meet all claims under the Certificates and the Transaction Documents).

The Certificates are limited recourse

Each Certificate represents solely an undivided ownership interest in the Trust Assets relating to that Series. Recourse to the Trustee is limited to the Trust Assets of the relevant Series and the proceeds of the Trust Assets of the relevant Series are the sole source of payments on the Certificates. Upon the occurrence of a Dissolution Event, the only remedy available to Certificateholders will be to require the Trustee to serve an Exercise Notice and exercise the option under the Purchase Undertaking to require TDIC to purchase the Unexpired Musataha Assets of the relevant Series at the Exercise Price. TDIC is obliged to make payments under the Transaction Documents to which it is a party directly to the Trustee, and the Trustee, as trustee for the benefit of the Certificateholders, will have direct recourse against TDIC to recover payment due to the Trustee from TDIC pursuant to the Transaction Documents to which TDIC is a party. Accordingly, Certificateholders have no direct recourse to TDIC and there can be no assurance that the proceeds of the realisation of, or the enforcement with respect to, the Trust Assets of a particular Series will be sufficient to make all payments due in respect of the Certificates of that Series.

By purchasing Certificates, each Certificateholder is deemed to have agreed that in accordance with Condition 4 (*Status and Limited Recourse*):

- no payment of any amount shall be made by the Trustee or the Delegate or any of their respective agents on their behalf except to the extent funds are available from the relevant Trust Assets;
- no recourse shall be had for the payment of any amount owing under the Conditions or under any Transaction Document, whether for the payment of any fee or other amount or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee or the Delegate to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished;
- 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 (including, for the avoidance of doubt, under all Series which have been issued under the Programme), it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and
- no recourse (whether by institution or enforcement of any legal proceeding or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee shall be had against any shareholder, officer or director of the Trustee in their capacity as such and any and all personal liability of every such shareholder, officer or director in their capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is expressly waived and excluded to the extent permitted by law.

RISK FACTORS RELATING TO TDIC'S BUSINESS AND THE MASTER DEVELOPER INDUSTRY

TDIC has significant funding requirements and is currently reliant on the Government for a major part of its funding

To date, TDIC has required, and anticipates that it will continue to require, significant funding to finance its committed and anticipated capital expenditures to support the future growth of its business and/or to refinance existing obligations. Although TDIC intends to primarily finance its commercial projects through internally generated cash flow and commercial borrowings, historically TDIC has relied substantially on Government monetary grants to meet its funding requirements for strategic and/or non-commercial projects, such as those related to infrastructure and culture, as well as certain commercial projects which require significant infrastructure investment. TDIC anticipates that it will continue to rely substantially on such Government monetary grants and other forms of Government financial support in the future. For more information on the financial support TDIC receives from the

Government, please see "*Business Description of TDIC – Funding Principles and Requests for Government Financial Support*". From inception to 30 June 2009, TDIC received AED 4.976 billion of Government monetary grants. As at 30 June 2009, TDIC had received AED 547 million of Government loans.

While the Government has historically provided adequate monetary grants to TDIC to support its strategic and/or non-commercial projects, the Government is not legally obliged to fund any of TDIC's projects and accordingly may choose not do so, even if the Government has previously approved the proposed budget for the project concerned. Accordingly, there can be no guarantee that TDIC will continue to receive adequate financial support from the Government. In the event that the Government does not provide financial support for TDIC's projects, it is unlikely that TDIC will be able to obtain commercial funding, on acceptable terms or at all, to meet its financing requirements. Furthermore, the Government is not guaranteeing any of TDIC's obligations in respect of the Certificates and the Certificateholders therefore do not benefit from any legally enforceable claim against the Government.

In the event that TDIC does not receive adequate financial support from the Government, TDIC's business, financial condition and results of operations could be materially adversely affected, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

The Government may alter its overall development strategy or its relationship with TDIC

Although TDIC is recognised in the Policy Agenda as the entity responsible for the development of many of the assets in Abu Dhabi that are being put in place to meet expected tourist demand, the Government could: (i) alter the scope of the Policy Agenda; or (ii) for any reason, appoint a different entity to implement aspects of TDIC's projects or the Policy Agenda relating to tourism development or infrastructure in Abu Dhabi or otherwise. See "*The Abu Dhabi Government's Development Strategy*". Any such action by the Government could, amongst other things, limit TDIC's mandate for current or future development projects, limit the amount of land grants TDIC receives from the Government and/or lead the Government to reclaim or expropriate land or other assets previously granted to TDIC. In addition, changes in the Government's strategy or relationship with TDIC could impact the Government's funding of TDIC's operations. See "*— TDIC has significant funding requirements and is currently reliant on the Government for a major part of its funding*". Any one of these factors could have a material adverse effect on TDIC's business, financial condition, results of operations and cash flows, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

The Government may have other financing obligations, which could affect the amount of financing available to TDIC

In the past the Government has provided financial support to companies such as TDIC in which it has ownership interests and other systemically important entities, including, most recently, AED 16 billion in capital injections to five major banks in Abu Dhabi. Although it has no legal obligation to do so, the Government may also choose to provide financial support to other Government-owned companies or other companies deemed important by the Government if they are faced with difficulties that threaten the reputation or economic health of Abu Dhabi or the U.A.E. Such support could be significant and may limit the amount of financing the Government extends to TDIC, which could have a material adverse effect on TDIC's business, financial condition, results of operations and cash flows, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

The interests of the Abu Dhabi Tourism Authority, TDIC's only shareholder, may, in certain circumstances, be different from the interests of the Certificateholders

By virtue of its ownership of all of the shares of TDIC, ADTA has the power to appoint the Board of Directors of TDIC. Accordingly, ADTA has a direct influence over TDIC's operations. See "*Management – Management of TDIC – Board of Directors*". As a Governmental authority, ADTA's key objective is the implementation of the Government's tourism strategy and not the optimisation of TDIC's results of operations. In particular, for example, ADTA (and the Government) has in the past required, and could in the future require, TDIC to focus on projects that are not economically attractive, thereby diverting TDIC's management's focus from more commercial and potentially economically attractive projects, which could impact TDIC's ability to fund its obligations, including its obligations under the Transaction Documents to which it is a party, which, in turn, would affect the Trustee's ability to perform its obligations in respect of the Certificates. Accordingly, the interests of ADTA and the Board of Directors of TDIC (and those of the Government) may be different from those of TDIC's creditors and may be influenced by the need to consider the social benefit of any investment to Abu Dhabi and its nationals.

TDIC is a recently formed company with a limited operating history and no completed large-scale master development projects

TDIC commenced operations in October 2005 and has only a limited history of operating as a corporate entity. As a result of TDIC's limited operating history, to date, TDIC has not completed any of its large-scale master planned projects and has only completed a limited number of individual stand-alone projects. Accordingly, prospective investors only have limited information with which to evaluate the quality of TDIC's projects and TDIC's current or future prospects or financial results and performance. Furthermore, as a result of TDIC's limited operating history, its historic financial statements are unlikely to be indicative of its future cash flows, results of operations or rate of growth. TDIC's business prospects and financial performance must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development.

In light of the risks, uncertainties, expenses and difficulties that TDIC faces as a company in the early stages of its development with a limited operating history, including challenges in planning and forecasting accurately as a result of limited historical data, TDIC's past results cannot be relied upon as an indication of future performance. TDIC's inability to successfully identify and address these risks and difficulties and to successfully implement its business plan could have a material adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC generally develops large-scale master development projects that require long-term development commitments

As a master developer, TDIC's projects are generally large in their scale (for example, Saadiyat Island encompasses an area of approximately 27 square kilometres and Sir Bani Yas Island encompasses an area of approximately 80 square kilometres) and require long-term development commitments (Saadiyat Island, for example, will require over a decade to develop). These projects are extremely complicated and require extensive planning and management and, as a result, expose TDIC to a significant amount of project risk. Given the size and scope of TDIC's projects, there is limited precedent on how such projects progress and what risks they may entail. In addition, as a result of the scale and duration of TDIC's projects, TDIC is exposed to risks such as changes in economic climate, market preferences and overall attractiveness of its developments. As the majority of TDIC's projects are still in their early stages, TDIC may be exposed to additional risks that may not be apparent to it at the present time, such as those associated with the operation of complicated assets such as Saadiyat Island. In the event that TDIC is unable to manage all of the complex aspects of its

master developments or TDIC is unable to successfully anticipate and plan for risks associated with the later stages of its projects, its business, financial condition and results of operations could be materially adversely affected, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC is subject to a range of development and construction risks

TDIC currently has over 55 projects under master development. These projects typically require substantial capital expenditures throughout their development and construction and may take years before they become operational and begin generating revenue and cash flow, during which time TDIC is subject to a number of development, financing, operating and other risks beyond its control, including, but not limited to:

- delays or refusals in obtaining all necessary zoning, land use, building, occupancy and other required governmental and regulatory permits, approvals and authorisations;
- requirements to make significant current capital expenditures for certain properties without receiving revenue from these properties until future periods;
- possible shortage or non-availability of cash (either in the form of Government funding or otherwise) to fund development projects;
- uncertainties as to market demand or a loss of market demand after construction has begun; and
- fluctuations in occupancy rates at newly completed development projects due to a number of factors, including market and economic conditions that may result in TDIC's investment not being profitable.

There can be no assurance that any or all of TDIC's current or future projects will be completed in the anticipated timeframe, within budgeted amounts or at all, whether as a result of the factors specified above or for any other reason. Any inability to complete a project in the anticipated timeframe, within budgeted amounts or at all, could have a material adverse effect on TDIC's business, financial condition, results of operations and cash flows, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

Although TDIC does not undertake construction itself, TDIC's projects are exposed to a number of construction risks, including, but not limited to, the following:

- an inability to find a suitable contractor or sub-contractors either at the commencement of a project or following a default by an appointed contractor;
- default or failure by its contractors or sub-contractors to finish projects or parts of projects on time or within budget;
- disruption in service and access to third parties, such as architects, engineers, interior designers or other service providers;
- defective materials or building methods;
- shortages or escalating costs of construction materials and global commodity prices; and
- other shortages or increases in the cost, such as those relating to equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, accidents, changes in governmental priorities and other unforeseen circumstances.

While certain of these risks are ultimately passed on to the contractors whom TDIC engages to complete its projects, TDIC still remains exposed to a number of these risks, any one of which could

have a material adverse effect on TDIC's reputation as a master developer, could materially delay the completion of a project or materially increase the costs associated with a project, which could have a material adverse effect on TDIC's business, financial condition, results of operations and cash flows, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC's counterparties may default on their contractual obligations

TDIC enters into contracts with contractors, sub-developers, architects, engineers, interior designers, operators and other service providers and faces the possibility that a counterparty will be unable or unwilling to honour its contractual obligations. Such counterparties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Such counterparty risk is more acute in difficult market conditions where the risk of failure of counterparties is increased. Any such failure of a counterparty to fulfil its contractual obligations could delay the completion of a project or impact the operations of a completed project which could have a material adverse effect on TDIC's reputation as a master developer or materially increase the costs associated with a project which could have a material adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC may be adversely affected by conditions in the global financial market and the impact that this has on TDIC's ability to secure financing and the value of its land

Since 2008, global credit markets have declined markedly, resulting in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. Any worsening of general global economic conditions or any change in investment markets, including, but not limited to, changes in interest rates, exchange rates and returns from equity, property and other investments, may affect TDIC's ability to secure financing on terms similar to those TDIC has received in the past or on TDIC's ability to secure commercial financing at all. Furthermore, a lack of liquidity in the financial markets also may impact the ability of TDIC's partners, sub-developers and purchasers to buy land or properties from TDIC, launch new projects or complete existing projects. Furthermore, any such lack of liquidity could impact the overall value of the properties TDIC owns. Any of the foregoing could materially adversely affect TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC may invest in local companies that it does not control, which could expose TDIC to additional risks

TDIC currently invests in and may make additional investments in associates that it does not control. Such investments have typically been made in the form of land contributions and have not historically allowed TDIC to exercise significant, or any, control over the associate's management. TDIC makes such investments in order to maintain smaller, more efficient operations and to fulfil its obligations of supporting local enterprises. Investments in which TDIC only has a minority interest will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which TDIC does not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that is contrary to TDIC's interests. Furthermore, TDIC's investments in such companies may be diluted if TDIC does not partake in their future equity or equity-linked security offerings.

In addition, any of TDIC's associates may be unable or unwilling to fulfil their obligations under the relevant agreements or may experience financial or other difficulties that may adversely impact TDIC's investment. In many of TDIC's investments, TDIC relies on the particular expertise of its associates and

any failure by such an associate to perform its obligations in a diligent manner could adversely impact TDIC's investment. TDIC can give no assurance as to the performance of any of its associates, which currently include, Abu Dhabi Finance Company P.J.S.C. ("**Abu Dhabi Finance Company**") (TDIC's entire shareholding of which is anticipated shortly to be transferred to Mubadala Development Company P.J.S.C ("**Mubadala**")), B2B Hotels & Properties LLC, Emirates Pearl for Development & Investment LLC, Parc Hospitality Investment LLC and Qaryat Al Beri Resort Development Co LLC. See "*Business Description of TDIC – Associates and Strategic Alliances*".

If any of the foregoing were to occur, TDIC's business, financial condition and results of operations could be adversely affected, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

Accounting for the value of property is inherently subjective. The actual value of TDIC's projects and properties may differ significantly from the value at which TDIC carries them on its balance sheet and real estate is inherently illiquid which could significantly limit TDIC's ability to respond to changes in political, economic, financial and investment conditions in Abu Dhabi

As allowed by IFRS, TDIC values its investment property, property, plant and equipment and property-related assets at cost, including related transaction costs. Under the cost method, these properties and property-related assets are carried on its books at cost. For properties transferred through land contributions from the Government, assets are recorded at fair market value on the date that the contribution is made which becomes the asset's cost basis (for land that has an inherent and determinable market value) or for a nominal value (for land that requires significant investment to derive value therefrom, for example land reclamation).

As TDIC carries its properties using the cost method, TDIC is not able to revalue its properties after their initial valuation and is therefore not able to adjust such properties' recorded values in response to changing market conditions. In addition, as has been witnessed in the last several years, property values, especially in the U.A.E. can be extremely volatile and TDIC cannot assure investors that its projects and properties will not significantly drop in value from period to period. Accordingly, no assurance can be made that the valuations of TDIC's property and property-related assets and the value of such as reflected in TDIC's financial statements reflects any actual market value or achievable sale prices. Significant differences between the book value of TDIC's properties and property-related assets and actual market values or potential sales prices could have a material adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

In addition, because real estate investments in general are relatively illiquid, TDIC's ability to promptly sell one or more of its projects or properties in response to changing political, economic, financial and investment conditions is limited. Furthermore, in light of the fact that many of TDIC's projects relate to infrastructure and cultural assets, TDIC's portfolio is likely to be even less liquid than that of other property development companies and the cost of development of some infrastructure and cultural assets may significantly exceed the commercial value of such assets.

Finally, with respect to those properties that TDIC develops with a view to sale or commercial use, TDIC is particularly susceptible to decreases in demand for commercial or residential property in Abu Dhabi. TDIC cannot predict the length of time it will take to find a willing purchaser or tenant and to close a sale or lease of a property or whether it would be able to sell or lease a property on commercially reasonable terms, if at all. If TDIC is unable to sell or lease its properties at acceptable prices, or at all, TDIC's business, financial condition and results of operations could be materially adversely affected, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC may face increased competition in the future

The real estate sector in Abu Dhabi is developing and, while TDIC has historically been mandated to develop significant tourism assets on behalf of the Government (see "*Business Description of TDIC*"), TDIC may face increased competition for future Government mandates from other property developers in Abu Dhabi or elsewhere. TDIC may also face increased competition from other developers of commercial properties in Abu Dhabi, such as Aldar Properties P.J.S.C. ("**Aldar**") or Mubadala, when TDIC's hotels, retail and residential properties are completed and begin operations. No assurance can be given that such increased competition would not have a material adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. Furthermore, no assurance can be given that TDIC will be able to perform as well operationally or be able to position itself as well politically as competing developers in Abu Dhabi.

If TDIC fails to retain and attract qualified and experienced employees, TDIC's business may be harmed

Whilst TDIC plans to maintain a streamlined and flexible corporate structure, TDIC is nevertheless a growing company and expects to continue to recruit additional employees as it continues to progress its projects. If TDIC 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, TDIC's business and financial results may suffer. Experienced and capable personnel in the master developer industry remain in high demand and there is continual competition for their talents. Although there is currently a relatively large pool of available master developers and real estate professionals, historically there has been a shortage of such persons due to the significant growth in the real estate development industry in the U.A.E. and internationally in the past. Consequently, when talented employees leave, TDIC may have difficulty replacing them and may incur additional costs and expenses in securing such replacements. The loss of any member of TDIC's senior management team, and in particular TDIC's Chief Executive Officer, or any of TDIC's other key employees may result in: (i) a loss of organisational focus; (ii) poor execution of operations and TDIC's corporate strategy; and (iii) an inability to identify and execute potential strategic initiatives such as expansion of capacity. These adverse results could, amongst other things, reduce potential revenue, prevent TDIC from diversifying its business lines and expose TDIC to downturns in the markets in which it operates, all of which could adversely affect TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC could face significant liabilities under environmental and safety laws

Environmental contamination, either during the course of a development or pre-existing on land TDIC acquires for development, is a risk inherent to any master developer business. TDIC also faces a particular risk due to the fact that certain of its developments, such as the Angsana Resort and Spa Eastern Mangroves, are in environmentally sensitive areas. In order to minimise such risk, TDIC has complied and intends to continue to comply with national and local environmental laws and regulations in Abu Dhabi. These laws and regulations set various standards regulating certain aspects of health, safety, security and environmental quality, provide for civil and criminal penalties and other liabilities for the violation of such standards and establish in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, compliance with special provisions may be appropriate or required in environmentally sensitive areas of operation.

TDIC cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could

in the future require material expenditures by TDIC for the installation and operation of systems and equipment for remedial measures, any or all of which may have a material adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

Significant liability could be imposed on TDIC's officers, directors and/or employees for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property purchased by TDIC, acts of sabotage or non-compliance with environmental laws or regulations.

The occurrence of any of the events described above could, amongst other things, disrupt TDIC's projects and business, affect TDIC's ability to dispose of projects or businesses, reduce the value of TDIC's projects or businesses and/or result in additional costs to TDIC, any one of which could have a material adverse effect on its business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

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

TDIC'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. For example, TDIC has not purchased insurance to cover claims against its directors and officers, environmental liabilities or any possible losses through acts of terrorism. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and natural catastrophes, may result in losses or expose TDIC to liabilities in excess of its insurance coverage or significantly impair its reputation. TDIC cannot assure investors that its insurance coverage will be sufficient to cover the loss arising from any or all of 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 TDIC has no insurance cover or inadequate insurance cover, TDIC could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, TDIC may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against TDIC 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 its business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC's operations could be adversely affected by natural disasters or other catastrophic events beyond its control

TDIC'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 events, including, but not limited to:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- major accidents, including chemical and radioactive or other material environmental contamination; and
- major epidemics affecting the health of persons in the region and travel into the region.

The occurrence of any of these events at one or more of TDIC's development or construction projects or in Abu Dhabi may cause disruptions to TDIC's operations in part or in whole, may increase the costs associated with TDIC's development and construction projects, may subject TDIC to liability or impact its brand and reputation and may otherwise hinder the normal operation of TDIC's facilities, which could materially affect its business, financial conditions and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. The effect of any of these events on TDIC's financial condition and results of operations may be worsened to the extent that any such event involves risks for which TDIC is uninsured or not fully insured. See "*— TDIC may not maintain sufficient insurance coverage for the risks associated with the operation of its business*".

RISK RELATING TO ABU DHABI, THE U.A.E. AND THE MIDDLE EAST

TDIC is subject to political and economic conditions in Abu Dhabi, the U.A.E. and the Middle East

All of TDIC's current operations and interests are located in Abu Dhabi. TDIC's results of operations are, and will continue to be, generally affected by financial, economic and political developments in or affecting Abu Dhabi, the U.A.E. and the Middle East and, in particular, by the level of economic activity in Abu Dhabi, the U.A.E. 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 TDIC would be able to sustain the development of all of its projects if adverse political events or circumstances were to occur. A general downturn or instability in certain sectors of the U.A.E. or the regional economy could have an adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. Investors should also note that TDIC's business and financial performance could be adversely affected by political, economic or related developments both within and outside the Middle East because of inter-relationships within the global financial markets.

While the U.A.E. is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. Within the Middle East, extremists have engaged in a campaign, sometimes violent, against various governments in the region and terrorists have struck both military and civilian targets. There can be no assurance that extremists or terrorist groups will not escalate violent activities in the Middle East or that the governments of the Middle East will be successful in maintaining the prevailing levels of domestic order and stability. Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of the Middle East and, in particular, could impact the numbers of tourists that choose to visit Abu Dhabi and the number of businesses interested in developing properties in Abu Dhabi, and, consequently, could have an adverse affect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

Investors should also be aware that investments in emerging markets are subject to greater risks than those in more developed markets, including risks such as:

- political, social and economic instability;
- external acts of warfare and civil clashes;
- governments' actions or interventions, including tariffs, protectionism, subsidies, expropriation of assets and cancellation of contractual rights;
- regulatory, taxation and other changes in law;

- difficulties and delays in obtaining new permits and consents for TDIC's operations or renewing existing ones;
- potential lack of reliability as to title to real property;
- lack of infrastructure; and
- inability to repatriate profits and/or dividends.

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.

Although the U.A.E. has enjoyed significant economic growth in recent years, there can be no assurance that such growth or stability will continue, particularly in light of the significant adverse financial and economic conditions experienced worldwide since 2008. 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.

Abu Dhabi's economy is highly dependent upon its hydrocarbon and oil revenues

Abu Dhabi's economy is highly dependent upon oil revenue. TDIC's developments have historically been funded in large part by monetary grants made by the Government. See "*Business Description of TDIC – Funding Principles and Requests for Government Financial Support*". Such funding is largely derived from the significant oil revenues of the Government. Despite recent sudden increases in the price of oil, its price overall has fluctuated significantly in recent years. Oil prices have fluctuated in the past and will continue to fluctuate in the future in response to changes in many factors over which TDIC has no control. These factors include, but are not limited to:

- economic and political developments in oil producing regions, particularly in the Middle East;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil products;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude oil producing or consuming countries;
- prices and availability of alternative fuels;
- global economic and political conditions;
- prices and availability of new technologies using alternative fuels; and
- global weather and environmental conditions.

Further declines in international prices for hydrocarbon products in the future could therefore adversely affect the availability of funding for TDIC from the Government, which could adversely affect TDIC's ability to fund its projects, which would affect TDIC's ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

TDIC's business may be adversely affected if the U.A.E dirham/U.S. dollar peg were to be removed or adjusted

TDIC maintains its accounts, and reports its results, in U.A.E. dirham. As at the date of this Prospectus, the U.A.E. dirham remains pegged to the U.S. dollar. However, there can be no assurance that the U.A.E. dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects TDIC. Any such de-pegging could have an adverse effect on TDIC's business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

The GCC may enter into a monetary union

On 5 May 2009, the Gulf Cooperation Council ("**GCC**") States announced that Riyadh had been selected as the home of the new regional central bank for the proposed single GCC currency to be adopted across the GCC States. This announcement has reinforced the possibility that Bahrain, Kuwait, the Kingdom of Saudi Arabia, the State of Qatar and the U.A.E. may each abandon their respective national currencies within the next few years. If a single GCC currency is adopted, the necessary convergence of laws, policies and procedure will bring significant changes to the economic and political infrastructure in each of the GCC States. As yet there has been no announcement of an official timetable for the progression of monetary union and there are currently no details of new legislation or policies. Investors should, however, be aware that new legislation and any resulting shifts in policy and procedure in the U.A.E. could affect TDIC's ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

As all of TDIC's operations are based in Abu Dhabi, they may be significantly affected by any changes to Abu Dhabi or U.A.E. law or regulation

As all of TDIC's operations and interests are in Abu Dhabi, any changes to the laws and regulations of Abu Dhabi or the U.A.E. may significantly affect TDIC's business and financial results. No assurance can be given that the Government or the U.A.E. government or any local or regulatory authority or public or statutory body therein will not implement regulations or fiscal or monetary policies, including policies, regulations or new legal interpretations of existing regulations, relating to or affecting taxation, interest rates or exchange controls, or otherwise take actions which could have a material adverse effect on TDIC's business, financial condition or results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

Abu Dhabi and the U.A.E. are in the process of developing institutions and legal and regulatory systems which are not yet as firmly established as they are in Western Europe and the United States of America. The U.A.E. is also in the process of transitioning to a market economy and, as a result, may experience changes in its economy and government policies (including, but not limited to, policies relating to foreign ownership, repatriation of profits, property and contractual rights and planning and permit granting regimes) that may affect TDIC's business.

Furthermore, as the laws in Abu Dhabi relating to real property and real property rights have only recently been adopted and are subject to amendment, the manner in which those laws and related regulations are applied to TDIC are still evolving. TDIC cannot assure investors that any changes to such laws and regulations will not have a negative impact on its business, financial condition and results of operations, which would affect its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

The U.A.E. may introduce value added tax

Although the U.A.E. does not currently impose value added tax ("**VAT**") on the sale of goods or services, there is a possibility that this situation may change. On 2 June 2008, Dubai Customs announced that it had been studying the possibility of introducing a VAT system across the U.A.E. and that draft laws had been submitted to the federal authorities. Although Dubai Customs has stated that U.A.E. customs duties would be cancelled upon the introduction of any new VAT system, the federal authorities have not yet provided any details of the VAT system or confirmed a possible date of introduction. Although it is currently difficult to assess the impact of the introduction of a new VAT system, investors should be aware that any such introduction of a VAT system could have an adverse impact on TDIC's business, financial condition and results of operations, which would affect TDIC's ability to perform its obligations in respect of the Transaction Documents to which it is party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

The U.A.E. may introduce corporation tax

TDIC is not currently subject to corporation tax on its earnings within the U.A.E., although there is no guarantee that this will continue to be the case. Investors should be aware that if TDIC becomes subject to corporation tax, it may have a material adverse effect on TDIC's business, financial condition and results of operations, which could in turn affect TDIC's ability to perform its obligations in respect of the Transaction Documents.

Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Abu Dhabi

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

Under current Abu Dhabi law, the Abu Dhabi courts are unlikely to enforce an English judgment without re-examining the merits of the claim and may not observe the parties' choice of English law as the governing law of the transaction. In the U.A.E., foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the U.A.E., may not accord with the perception of an English court. In principle, courts in the U.A.E. recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the U.A.E., or to any mandatory law of, or applicable in, the U.A.E.

The U.A.E. is a civil law jurisdiction and judicial precedents in Abu Dhabi have no binding effect on subsequent decisions. In addition, court decisions in Abu Dhabi are generally not recorded. These factors create greater judicial uncertainty.

The parties to the Transaction Documents have agreed to refer any unresolved dispute in relation to such Transaction Documents to arbitration under the LCIA Rules.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the U.A.E. on 19 November 2006. Any arbitration award rendered in London should therefore be enforceable in Abu Dhabi in accordance with the terms of the New York Convention. Under the New York Convention, the U.A.E. has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Abu Dhabi courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the U.A.E. In practice, however, whether the Abu Dhabi courts will enforce a foreign arbitration award in accordance with the terms of the New York Convention has yet to be tested.

Compliance with U.A.E. bankruptcy law may affect TDIC's ability to perform its obligations under the Transaction Documents

In the event of TDIC's insolvency, U.A.E. bankruptcy law may adversely affect TDIC's ability to perform its obligations under the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates. There is little precedent to predict how claims by or on behalf of the Certificateholders, the Trustee and/or the Delegate would be resolved, and therefore there can be no assurance that Certificateholders will receive repayment of their claims in full or at all in these circumstances.

There can be no assurance that claims for specific enforcement will be granted

In the event that TDIC fails to perform its obligations under any Transaction Document, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the relevant obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement which is a discretionary matter.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by TDIC to perform its obligations as set out in the Transaction Documents.

Considerations relating to the non-recognition of declarations of trust under the laws of the U.A.E.

U.A.E. law does not recognise the concept of trust or beneficial interests. Accordingly, there is no certainty that the terms of the Master Declaration of Trust or any Supplemental Declaration of Trust (each of which is governed by English law) would be enforced by the courts of Abu Dhabi. However, the obligations of the Trustee under the Master Declaration of Trust to act on behalf of the Certificateholders in accordance with their instructions (given in accordance with the terms and conditions of the Certificates) are enforceable as a matter of contract under U.A.E. law. The Trustee is empowered to carry out such instructions of the Certificateholders in relation to the Transaction Documents by reason of being a counterparty to the Transaction Documents and a beneficiary of the Purchase Undertaking and the Redemption Undertaking.

Risk relating to the land underlying the Lease Assets

No investigation or enquiry will be made and no due diligence will be conducted in respect of the land underlying any Lease Assets. Only limited representations will be obtained from TDIC in respect of the land underlying the Lease Assets.

Risks relating to the Musataha Interest and the Lease

Risks relating to the Musataha

Pursuant to the Master Musataha Agreement and the relevant Supplemental Musataha Agreement to be entered into in connection with each Series, TDIC shall grant a Musataha to the Trustee in return for the payment by the Trustee of the Musataha Consideration (being equal to the net proceeds received by the Trustee in connection with the issue of the relevant Series).

Under Abu Dhabi law, a right *in rem* in any property (such as the grant of a Musataha to the Trustee as described above) is only created once registration in the land register at the Abu Dhabi Land Department has been completed. However, at present it is not possible to register a *musataha* interest at the Abu Dhabi Land Department as there is currently no system of registration in effect to register such an interest.

Although the grant of the Musataha will be effective between TDIC and the Trustee in relation to their respective contractual obligations (notwithstanding any lack of registration), such grant shall not be effective as against the rights of third parties.

TDIC has undertaken in the Master Musataha Agreement to procure the registration of any Musataha with the Abu Dhabi Land Department following registration becoming possible and subject to certain other conditions specified in the Master Musataha Agreement (which conditions will not apply where a TDIC Event has occurred).

Although no legal actions seeking to question the validity or enforceability of a *musataha* interest for lack of registration have been brought to date in the courts of Abu Dhabi, if any such action is brought, there can be no assurance that an Abu Dhabi court would recognise the validity of the grant of the *musataha* interest either as between the parties or as against the rights of third parties.

Notwithstanding the above, if TDIC or a liquidator of TDIC disclaims or repudiates any of its obligations under the Transaction Documents to which TDIC is a party (including without limitation in respect of its obligations relating to the grant and/or repurchase of the Musataha), this will constitute a Dissolution Event under the Conditions which will enable the Trustee to exercise its rights under the Purchase Undertaking in accordance with Condition 15 (*Dissolution Events*). In such case, TDIC will be obliged under the terms of the Purchase Undertaking to purchase the Unexpired Musataha Assets from, and pay the Exercise Price to, the Trustee and the relevant Certificates shall become immediately due and payable at their Dissolution Distribution Amount. To the extent that such a payment is not made by TDIC, for example, if the rights of the Trustee to the Unexpired Musataha Assets are challenged, TDIC has agreed under the Purchase Undertaking and the Master Declaration of Trust to indemnify the Trustee in an amount equal to the Exercise Price. As at the date of this Prospectus, however, this matter has not been considered by the Abu Dhabi or U.A.E. courts, and there can be no assurance as to the interpretation that the Abu Dhabi or U.A.E. courts would apply in such circumstances.

Risks relating to the Lease

Pursuant to the Master Ijara Agreement and the relevant Supplemental Ijara Agreement to be entered into in connection with each Series, the Trustee will lease the relevant land that is the subject of the Musataha to TDIC for the life of the relevant Certificates, in return for which TDIC as lessee will pay agreed lease rental payments in amounts equal to the Periodic Distribution Amounts due under the Certificates on each Periodic Distribution Date.

Under Abu Dhabi law, a valid lease can only be granted if the relevant lessor has title to the relevant property being leased. Therefore, each Lease to be granted by the Trustee (as lessor) to TDIC (as lessee) will only be effective under Abu Dhabi law upon registration of the relevant Musataha and (if required to be registered as described in the following paragraph) upon registration of the relevant Lease itself. However, at present it is not possible to register a *musataha* interest at the Abu Dhabi Land Department as there is currently no system of registration in effect to register such an interest (see "*– Risks relating to the Musataha*" above for further details).

Furthermore, under Abu Dhabi law, any lease with a duration that is greater than four years is currently required to be registered at the Abu Dhabi Land Department to be perfected. To the extent that the relevant Series has a maturity of more than four years, the corresponding Lease will also have the same duration and will therefore *prima facie* need to be registered at the Abu Dhabi Land Department to be valid.

Accordingly, where the relevant Series has a maturity of more than four years and the Trustee purports to grant a Lease of the same term, but the corresponding Musataha has not been registered for any reason, such Lease will become enforceable between the parties only upon registration of the Musataha, and will only become enforceable against third parties upon registration of both the Musataha and the Lease.

TDIC has therefore undertaken in the Master Ijara Agreement to procure the registration of any Lease with the Abu Dhabi Land Department (provided that such registration is required under Abu Dhabi law to ensure the validity of such Lease) following registration of the corresponding Musataha. However, there can be no assurance that a system will be implemented to enable the registration of a *musataha* interest at the Abu Dhabi Land Department.

TDIC and the Trustee have further agreed in the Master Ijara Agreement that their respective obligations under the Master Ijara Agreement and the relevant Supplemental Ijara Agreement shall not be affected (as between themselves) by any failure to register any Musataha and/or Lease with the Abu Dhabi Land Department for any reason and are intended by them to be legal, valid, binding, enforceable and effective (as between themselves) both before and after the effective date of any such registration.

However, although no legal actions seeking to question the validity or enforceability of the lease of a *musataha* interest for lack of registration (of either the relevant *musataha* or the lease) have been brought to date in the courts of Abu Dhabi, if any such action is brought, there can be no assurance that an Abu Dhabi court would recognise the validity of the purported lease of the *musataha* interest either as between the parties or as against the rights of third parties.

TDIC's waiver of immunity may not be effective under the laws of the U.A.E.

TDIC has waived its rights in relation to sovereign immunity. However, 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 are valid and binding under the laws of the U.A.E. as applied in Abu Dhabi.

RISK FACTORS RELATING TO ALL ISSUES OF THE CERTIFICATES

A secondary market may not develop or be maintained for the Certificates

There is no assurance that a market for the Certificates of any Series will develop or, if it does develop, that it will continue for the life of such Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates easily or at prices that will provide a yield comparable to similar investments that have a developed secondary market. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a severe adverse effect on the market value of the Certificates. Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates.

There may be tax consequences associated with payments on the Certificates

Payments made to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates of a particular Series could become subject to withholding or deduction for or on account of taxation. The Master Ijara Agreement, the Purchase Undertaking, the Redemption Undertaking and any Sale Agreement to be entered into under the Sale Undertaking each require or, as the case may be, will require TDIC to pay additional amounts in the event that any withholding or deduction is required by U.A.E. law to be made in respect of payments made by it to the Trustee under those documents. Condition 12 (*Taxation*) provides that the Trustee is required to pay additional amounts in respect of such withholding or deduction imposed by Cayman Islands law in certain circumstances. In the event that the Trustee fails to pay any such additional amounts in respect of any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, TDIC has unconditionally and irrevocably undertaken in the Purchase Undertaking, the Redemption Undertaking and any Sale Agreement to be entered into under the Sale Undertaking (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 12 (*Taxation*) in respect of any withholding or deduction in respect of any tax as set out in the Conditions.

In addition, each prospective investor must take its own professional advice as to the tax consequences for that prospective investor of acquiring, holding and disposing of Certificates of a particular Series.

The occurrence of a Total loss Event will cause a redemption of the Certificates prior to their Scheduled Dissolution Date and termination of the relevant Supplemental Ijara Agreement and the Lease in respect of the relevant Lease Assets

As lessor of the Lease Assets, the Trustee is required, amongst other things, to insure the land which is the subject of the Lease Assets. The Trustee has delegated this obligation to TDIC, as its servicing agent, which has undertaken in the Servicing Agency Agreement, *inter alia*, to insure in accordance with *Shari'a* principles, where reasonably and commercially viable, the land which is the subject of the Lease Assets in the name of the Trustee at their Full Reinstatement Value (to the extent consistent with general industry practice).

Should a Total Loss Event occur, the Supplemental Ijara Agreement and the Lease in respect of such Lease Assets will terminate and the Certificates will be repaid at the Dissolution Distribution Amount in accordance with Condition 11(g) (*Capital Distributions of the Trust – Dissolution following a Total Loss Event*). Where a Total Loss Event occurs and an amount (if any) less than the Full Reinstatement Value is credited to the Transaction Account (the difference between the Full Reinstatement Value and the amount credited to the relevant Transaction Account being the "**Total Loss Shortfall Amount**"), then the Servicing Agent will undertake to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly into the Transaction Account as soon as practicable and in any event by no later than close of business in Abu Dhabi on the 31st day after the Total Loss Event has occurred.

Rentals shall cease to accrue under the relevant Lease with effect from the date on which a Total Loss Event (if any) occurs, and no additional payment shall be made in respect of the period between the date on which the Total Loss Event occurred and the date on which the Total Loss Shortfall Amount is paid into the Transaction Account.

A "**Total Loss Event**" means, in relation to a Series: (i) the total loss or destruction of, or damage to the whole of the land which is the subject of the relevant Lease Assets or any event or occurrence that renders the whole of the land which is the subject of the relevant Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the land which is the subject of the relevant Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) the expropriation, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the land which is the subject of the relevant Lease Assets.

There can be no assurance as to the impact of a change in the laws governing the Certificates

The Conditions and certain of the Transaction Documents are governed by English law. Certain Transaction Documents are governed by U.A.E. law. No assurance can be given as to the impact of any possible judicial decision or change to English or U.A.E. law after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of TDIC to make payments under the Transaction Documents to which it is a party and/or the Trustee to make payments under any Series of Certificates.

Any optional dissolution feature of the Certificates may have a limiting effect on market value

Any optional dissolution feature applicable to the Certificates of any Series, in particular a dissolution at the option of TDIC, is likely to limit their market value. During any period when the Trustee may redeem any Series of Certificates in connection with an Optional Dissolution Right, Change of

Control Put Option or a Certificateholder Put Option, the market value of such Certificates generally will not rise substantially above the Optional Dissolution Amount or, as the case may be, Change of Control Dissolution Amount payable.

The Change of Control Put Option and Certificateholder Put Option are subject to minimum thresholds

Any dissolution at the option of the Certificateholders by virtue of the exercise of the Change of Control Put Option and the Certificateholder Put Option will only be exercisable if Certificateholders holding at least 5 per cent. of the then aggregate face amount of the Series outstanding elect to redeem their Certificates. See Condition 11(d) (*Capital Distributions of the Trust - Dissolution at the Option of the Certificateholders (Change of Control Put)*) and Condition 11(e) (*Capital Distributions of the Trust - Dissolution at the Option of the Certificateholders (Certificateholder Put Option)*).

The Certificates may be redeemed prior to their Scheduled Dissolution Date for tax reasons

If certain additional amounts become payable in respect of the Certificates of any Series and/or pursuant to certain Transaction Documents, in each case as provided or referred to in Condition 11(b) (*Capital Distributions of the Trust - Early Dissolution for Tax Reasons*), 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 Certificates, all but not some only of the outstanding Certificates of the relevant Series may be redeemed in accordance with Condition 11(b) (*Capital Distributions of the Trust - Early Dissolution for Tax Reasons*).

Certificates are subject to modification by a majority of the Certificateholders of a Series without the consent of all of the Certificateholders

The Master Declaration of Trust contains provisions for calling meetings of the Certificateholders of one or more Series to consider matters affecting their interests. These provisions permit defined majorities to bind all of the Certificateholders of the relevant Series (including Certificateholders who did not attend or vote at the relevant meeting as well as Certificateholders who did attend the relevant meeting, but voted in a manner contrary to the majority).

There is no assurance that the Certificates will be Shari'a compliant

The *Shari'a* Advisory Boards of HSBC Bank plc and Standard Chartered Bank have each issued a *Fatwa* in respect of the Programme and the Certificates to be issued thereunder and the related structure and mechanisms 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 of the issue and the trading of the Certificates and none of the Trustee, TDIC, the Arrangers or 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.

Credit ratings assigned to TDIC and/or the Certificates are subject to ongoing evaluations and there can be no assurance that the ratings currently assigned to TDIC and/or the Certificates will not be downgraded

On 2 March 2009, TDIC was assigned a rating of Aa2 (stable outlook) by Moody's Investors Service ("**Moody's**") and AA (stable outlook) by both Standard & Poor's, Inc. ("**Standard & Poor's**") and Fitch Ratings Inc. ("**Fitch**"). One or more independent credit rating agencies may also assign credit ratings to the Certificates. Any ratings of either TDIC or the Certificates may not reflect the potential impact

of all the risks related to the structure, market, additional factors discussed herein and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in TDIC's credit ratings or the ratings of the Certificates generally will affect the market value of the Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

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

Neither the Trustee nor TDIC has any control over factors that generally affect exchange rate 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 such exchange rate volatility with a variety of currencies may continue in the future.

The Trustee will pay all amounts due on any Certificates in the Specified Currency. If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency, it may therefore bear certain exchange rate risks. These include: (i) 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 (ii) 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. Any 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 Dissolution Distribution Amount, Optional Dissolution Amount, or, as the case may be, Change of Control Dissolution Amount 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 amounts on a Certificate. As a result, investors may receive less than expected, or no payment at all. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate would not be available at such Certificate's maturity.

RISKS RELATED TO THE MARKET GENERALLY

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

If any Series of Certificates are issued under the Programme that are denominated in the currency of a country which, at the time of issue, is not a member of the European Monetary Union (the "**EMU**") and, before the relevant Series of Certificates are redeemed, such country joins the EMU and thereby adopts the euro as its sole currency, certain consequences may result, including, but not limited to, any or all of the following: (i) all amounts payable in respect of the relevant Series of Certificates may become payable in euro; (ii) applicable law may allow or require such Certificates in the relevant Series to be re-denominated into euro and additional measures to be taken in respect of such Certificates; and (iii) there may no longer be available published or displayed rates for deposits in such currency used to determine the rates on such Certificates or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro could be accompanied by a volatile interest rate environment which could adversely affect investors in the relevant Series of Certificates. Any of these or any other consequences could adversely affect the holders of the relevant Series of Certificates.

Certain investors may be affected by provisions under the EU Savings Directive

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details

of certain payments paid by a person within its jurisdiction to an individual in that other Member State or to certain limited types of entity in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of such payment may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the European Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Trustee, TDIC nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Certificate as a result of the imposition of such withholding tax. The Trustee is required, as provided in Condition 10 (*Payment*) to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Investors in the Certificates must rely on Euroclear and Clearstream, Luxembourg procedures

Each Series of Certificates issued under the Programme will be represented on issue by one or more Global Certificates that may be deposited with and registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it. While the Certificates of each Series 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 and the Trustee will discharge its payment obligations under the relevant Series of 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 relevant Series of Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate.

Holders of beneficial 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.

The Certificates may not be suitable for all investors

The Certificates are complex instruments and 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 the Certificates and the information contained in this Prospectus and the applicable Final Terms;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates or where the currency for principal 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 are complex instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to investors' overall portfolios. Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. 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. A prospective investor should not invest in the Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of such Certificates and the impact this investment will have on the prospective investor's overall investment portfolio. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

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

FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. All Certificates will be issued outside the United States in reliance on Regulation S under the Securities Act.

Global Certificates

Each Series of Certificates will initially be represented by a global certificate in registered form (a "**Global Certificate**"). Global Certificates will be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the Common Depositary. Persons holding beneficial interests in Global Certificates will be entitled or required, as the case may be, under the limited circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

Payments to registered Certificateholder

Payments of any amount in respect of the Global Certificates will, in the absence of provision to the contrary, be made to the person shown on the relevant Register (as defined in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*)) as the registered holder of the relevant Global Certificate. None of the Trustee, TDIC, the Delegate, any Paying Agent or the 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.

Payment of any amounts in respect of the Certificates of each Series in definitive form will, in the absence of provisions to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 1 (*Interpretation*)) immediately preceding the due date for payment in the manner provided in the Conditions.

Exchange for Definitives

Interests in a Global Certificate 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. The Trustee will promptly give notice to Certificateholders in accordance with Condition 18 (*Notices*) if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that: (i) a Dissolution Event (as defined in Condition 15 (*Dissolution Events*)) has occurred; or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen 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. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

For so long as any of the Certificates of a particular Series is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose

the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Delegate and their respective agents 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 of Certificates**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg 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.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series of Certificates issued under the Programme.

Final Terms

TDIC SUKUK LIMITED

Issue of [Aggregate Nominal Amount of Series] [Title of Certificates]
under the U.S.$1,450,000,000
Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates set forth in the Prospectus dated [●] [and the Supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (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 the Prospectus [as so supplemented]. Full information on the Trustee, TDIC and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the Supplemental Prospectus] [is][are] available for viewing at the market news section of the London Stock Exchange Website (*www.londonstockexchange.com/marketnews*) and during normal business hours at the registered office of the Trustee at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands and the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom and copies may be obtained from those offices.

[*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 directions for completing the Final Terms.*]

[*When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*]

[*If the Certificates have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	Trustee and Lessor:	TDIC Sukuk Limited
2.	Owner and Lessee:	Tourism Development & Investment Company P.J.S.C.
3.	Series Number:	[●]
4.	Specified Currency or Currencies:	[●]
5.	Aggregate Nominal Amount of Series:	[●]
6.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount
7.	(a) Specified Denominations:	[●] *(this means the minimum integral amount in which transfers can be made)* *(N.B. If an issue of Certificates is: (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a*

		prospectus is not required to be published under the Prospectus Directive, the EUR50,000 minimum denomination is not required.)
	(b) Calculation Amount:	[●][1]
8.	Issue Date:	[●]
9.	Scheduled Dissolution Date:	[*Specify date or (for Floating Periodic Distribution Certificates) Periodic Distribution Date falling in or nearest to the relevant month and year*]
10.	Periodic Distribution Amount Basis:	[[●] per cent. Fixed Periodic Distribution Amount] [[*Specify reference rate*] +/- [●] per cent. Floating Periodic Distribution Amount] *(further particulars specified below)*
11.	Dissolution Basis:	[Dissolution at par] / [*specify other*]
12.	Change of Periodic Distribution Basis:	[*Specify details of any provision for convertibility of Certificates into another Periodic Distribution Amount basis*] [Not Applicable]
13.	Put/Call Options:	[Not Applicable] [Optional Dissolution Right] [Certificateholder Put Option] [Change of Control Put Option] [*(further particulars specified below)*]
14.	Date Board approval for issuance of Certificates:	[●] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Series of Certificates)*
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

16.	Fixed Periodic Distribution Provisions:	[Applicable/Not Applicable] [(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)]
	(a) Rate(s):	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/(*specify other*)] in arrear]
	(b) Periodic Distribution Date(s):	[[●] in each year up to and including the Scheduled Dissolution Date]/[*specify other*] *(N.B. this will need to be amended in the case of long or short periods)*
	(c) Fixed Amount(s):	[●] per Calculation Amount

1 The applicable Calculation Amount (which is used for the calculation of periodic distribution amounts and dissolution amounts) will be: (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Certificates; or (ii) if there are several Specified Denominations (e.g. Specified Denominations of EUR 50,000 and multiples of EUR 1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).

(d)	Broken Amount(s):	*(Insert particulars of any initial or final broken Periodic Distribution Amounts which do not correspond with the Fixed Amount[(s)] specified under paragraph 16(c))*
(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or [*specify other*]]
(f)	Determination Date(s):	[●] in each year [*Insert regular Periodic Distribution Dates, ignoring Issue Date or Scheduled Dissolution Date in the case of a long or short first or last return accumulation period.* *N.B. This will need to be amended in the case of regular Periodic Distribution Dates which are not of equal duration.* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*]
(g)	Other terms relating to the method of calculating Fixed Periodic Distribution Amounts:	[None/*give details*]
17.	Floating Periodic Distribution Provisions:	[Applicable/Not Applicable] [*(If not applicable, delete the remaining subparagraphs of this paragraph)*]
(a)	Specified Periodic Distribution Dates:	[●] [Not Applicable] *(Specified Period and Specified Periodic Distribution Dates are alternatives. If the Business Day Convention is the Floating Rate Convention, insert "Not Applicable")*
(b)	Specified Period:	[●] [Not Applicable] *(Specified Period and Specified Periodic Distribution Dates are alternatives. A Specified Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the Floating Rate Convention. Otherwise, insert "Not Applicable")*
(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*]]
(d)	Additional Business Centre(s):	[Not Applicable/*give details*]
(e)	Manner in which the Rate and the Periodic Distribution Amount are to be determined	[Screen Rate Determination applies] / [*specify other*]
(f)	Screen Rate Determination:	[Applicable/Not Applicable] *(If not applicable, delete the remaining paragraphs of this paragraph)*
	• Reference Rate:	[●]

(*Either LIBOR, EURIBOR or other, although additional information is required if other including fallback provisions in the Agency Agreement*)

- Periodic Distribution Determination Date(s): [●]
(*Second London business day prior to the start of each Return Accumulation Period if LIBOR (other than Sterling or euro LIBOR), first day of each Return Accumulation Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Return Accumulation Period if EURIBOR or euro LIBOR*)

- Relevant Screen Page: [●]
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)

- Relevant Time: [●]

(g) Margin(s): [+/-] [●] per cent. per annum

(h) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(*See Condition 9 (Floating Periodic Distribution Provisions) for alternatives*)

(i) Calculation Agent: [Principal Paying Agent] / [*specify other*]

(j) Other terms relating to the method of calculating Floating Periodic Distribution Amounts: [Not applicable] [*give details*]

PROVISIONS RELATING TO DISSOLUTION

18. Optional Dissolution Right: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(a) Optional Dissolution Amount of each Certificate: [Dissolution Distribution Amount]/[*specify other*]

(b) Optional Dissolution Dates: [●]
(*N.B. Not to occur prior to the first anniversary of the Issue Date*)

(c) Notice period *(if other than set out in the Conditions)*: [●]
(*N.B. If setting notice periods which are different to those provided in the Conditions, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any*

		other notice requirements which may apply, for example, as between the Trustee and the Principal Paying Agent)
19.	Certificateholder Put Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Optional Dissolution Amount of each Certificate:	[Dissolution Distribution Amount]/[*specify other*]
	(b) Certificateholder Put Option Dates:	[●] (*N.B. Not to occur prior to the first anniversary of the Issue Date*)
	(c) Notice period *(if other than set out in the Conditions)*:	[●] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Principal Paying Agent*)
20.	Change of Control Put Option:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(a) Change of Control Dissolution Amount:	[Dissolution Distribution Amount]/[*specify other*]
	(b) Any other provisions relating to Change of Control Put Option:	[Not applicable/*give details*]
21.	Dissolution Distribution Amount of each Certificate following redemption on Scheduled Dissolution Date and on any Dissolution Event Redemption Date:	[Dissolution Distribution Amount]/[*specify other*]
22.	Dissolution Distribution Amount of each Certificate on any Tax Redemption Date:	[Dissolution Distribution Amount]/[*specify other*]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

23.	Form of Certificates:	Registered Certificates: Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate.
24.	Additional Financial Centre(s) relating to payment:	[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment, as per Condition 10(d)(Payment – Payment only on a Payment Business Day) and not Return Accumulation Period end dates to which sub-paragraph 17(d) relates*)

PROVISIONS IN RESPECT OF THE TRUST ASSETS

25.	Assets on the Issue Date:		As scheduled to the Supplemental Musataha Agreement specified below, a copy of which schedule is set out in the Annex hereto
26.	Trust Assets:		[Condition 6(a) (*Trust – Summary of the Trust*) applies] [*specify other*]
27.	(i)	Details of Transaction Amount:	[●] [TDIC Sukuk Limited Transaction Account No: [●] with [●] for Series No.:[1/2/3 etc.]
	(ii)	Currency:	[●]
28.	Other Transaction Document Information:		
	(i)	Supplemental Declaration of Trust:	Supplemental Declaration of Trust dated [●] between the Trustee, TDIC, the Trustee Administrator and the Delegate
	(ii)	Supplemental Musataha Agreement:	Supplemental Musataha Agreement dated [●] between the Trustee and TDIC
	(iii)	Supplemental Ijara Agreement:	Supplemental Ijara Agreement dated [●] between the Trustee and TDIC
29.	Other final terms:		[Not Applicable/*give details*] [*(When adding any other final terms, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplemental to the Prospectus under Article 16 of the Prospectus Directive)*]

DISTRIBUTION

30.	(a)	If syndicated, names and addresses of Dealers and underwriting commitments:	[Not Applicable/*give names addresses and underwriting commitments*] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers*)
	(b)	Date of [Subscription] Agreement:	[●]
	(c)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
31.	If non-syndicated, name and address of relevant Dealer(s):		[Not Applicable/*give name and address*]
32.	Total commission and concession:		[●] per cent. of the Aggregate Nominal Amount
33.	Additional selling restrictions:		[Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market and listing on the Official List of the U.K. Listing Authority of the Certificates

described herein pursuant to the U.S.$1,450,000,000 Trust Certificate Issuance Programme of TDIC Sukuk Limited.

RESPONSIBILITY

Each of the Trustee and TDIC accepts responsibility for the information contained in these Final Terms. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]]. Each of the Trustee and TDIC 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of **TDIC Sukuk Limited**

By: .....
Duly authorised

Signed on behalf of **Tourism Development & Investment Company P.J.S.C.**

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and Admission to trading:	[Application has been made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the Regulated Market and listing on the Official List of the U.K. Listing Authority with effect from [●].] [Not Applicable.]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. **RATINGS**

Ratings: The Certificates to be issued have been rated:

[Moody's: [●]]
[Fitch: [●]]
[S&P: [●]]
[[Other]: [●]]

(*The above disclosure should reflect the rating allocated to Certificates of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

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

[Save as discussed in "*Subscription and Sale*", so far as each of the Trustee and TDIC is aware, no person involved in the issue of the Certificates has an interest material to the offer. *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive*.)]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i)]	Reasons for the offer:	[●] [(*See "Use of Proceeds" wording in Prospectus – if reasons for the offer are different to such description, those reasons will need to be included here.*)]
[(ii)]	Estimated net proceeds:	[●]
[(iii)]	Estimated total expenses:	[●] (*N.B.: Delete unless the Certificates are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.*)

5.	[**YIELD** (*Fixed Periodic Distribution Certificates only*)	[●]
	Indication of yield	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[●]
(ii)	Common Code:	[●]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[●]

ANNEX TO APPLICABLE FINAL TERMS

SCHEDULE TO THE RELEVANT SUPPLEMENTAL MUSATAHA AGREEMENT

[*Specify Land which is the subject of the Musataha*]

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 (as defined below) and each definitive Certificate, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Trustee, TDIC and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Certificate will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Series may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Certificates. The applicable Final Terms (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" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Certificates.

TDIC Sukuk Limited (in its capacity as issuer and in its capacity as trustee, the "**Trustee**") has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Certificates**") in a maximum aggregate face amount of U.S.$1,450,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement (as defined below), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

Certificates issued under the Programme are issued in series (each series of Certificates being a "**Series**"). The final terms for each Series (or the relevant provisions thereof) are set out in the applicable Final Terms attached to or endorsed on a Certificate which supplement and amend these Terms and Conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of each Series. References to the "**applicable Final Terms**" are to the final terms (or the relevant provisions thereof) attached to 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 terms and 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 global certificate (a "**Global Certificate**") or in individual form as individual certificates (each an "**Individual Certificate**")) which are the subject of the applicable Final Terms.

Each Certificate will represent an undivided beneficial ownership interest in the relevant Trust Assets 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 1 October 2009 entered into by the Trustee, Tourism Development & Investment Company P.J.S.C. ("**TDIC**"), the Trustee Administrator (as defined below) and Deutsche Trustee Company Limited as the Trustee's delegate (the "**Delegate**"); and (ii) a supplemental declaration of trust entered into on the relevant Issue Date in respect of the relevant Series (the "**Supplemental Declaration of Trust**") having the details set out in the applicable Final Terms.

These Conditions include summaries of, and are subject to, the detailed provisions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. Payments relating to the Certificates will be made pursuant to an agency agreement dated 1 October 2009 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Delegate, TDIC, Deutsche Bank AG, London Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agents appointed from time to time in respect of the Certificates, the "**Paying Agents**") and as calculation agent (together with any further or other calculation agents appointed from time to time in respect of the Certificates, in such capacity, the "**Calculation Agent**"), and Deutsche Bank Luxembourg S.A. as registrar (in such capacity, the "**Registrar**") and as transfer agent (in such capacity, the "**Transfer Agent**" and, together with the

Registrar and any further or other transfer agents appointed from time to time in respect of the Certificates, the "**Transfer Agents**"). The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agents are together referred to in these Conditions as the "**Agents**". References to the Agents or any of them shall include their successors.

The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents (copies of which are available for inspection during usual business hours at the principal office of the Trustee (presently at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands) and at the specified offices of the Paying Agents and the Transfer Agents):

(i) a master musataha agreement between the Trustee (in its capacity as *musateh*) and TDIC (in its capacity as owner) dated 1 October 2009 (the "**Master Musataha Agreement**");

(ii) in respect of each Series, a supplemental musataha agreement between the Trustee (in its capacity as *musateh*) and TDIC (in its capacity as owner) entered into on the relevant Issue Date (the "**Supplemental Musataha Agreement**"), having the details set out in the applicable Final Terms;

(iii) a master ijara agreement between the Trustee (in its capacity as lessor) and TDIC (in its capacity as lessee) dated 1 October 2009 (the "**Master Ijara Agreement**");

(iv) in respect of each Series, a supplemental ijara agreement between the Trustee (in its capacity as lessor) and TDIC (in its capacity as lessee) entered into on the relevant Issue Date (the "**Supplemental Ijara Agreement**") having the details set out in the applicable Final Terms;

(v) a servicing agency agreement between the Trustee and TDIC (in its capacity as servicing agent) dated 1 October 2009 (the "**Servicing Agency Agreement**");

(vi) a purchase undertaking deed executed by TDIC in favour of the Trustee and the Delegate dated 1 October 2009 (the "**Purchase Undertaking**"), containing the form of Sale Agreement to be entered into by TDIC and the Trustee in the circumstances set out in the Purchase Undertaking;

(vii) a redemption undertaking deed executed by TDIC in favour of the Trustee and the Delegate dated 1 October 2009 (the "**Redemption Undertaking**") containing the form of deed of surrender in part and variation of supplemental musataha agreement and supplemental ijara agreement (the "**Deed of Surrender in Part and Variation**") to be entered into by TDIC and the Trustee in the circumstances set out in the Redemption Undertaking;

(viii) a sale undertaking deed executed by the Trustee in favour of TDIC dated 1 October 2009 (the "**Sale Undertaking**") containing the form of Sale Agreement to be entered into by TDIC and the Trustee in the circumstances set out in the Sale Undertaking;

(ix) a substitution undertaking deed executed by the Trustee in favour of TDIC dated 1 October 2009 (the "**Substitution Undertaking**") containing the form of Sale Agreement to be entered into by TDIC and the Trustee in the circumstances set out in the Substitution Undertaking;

(x) the Master Declaration of Trust;

(xi) in respect of each Series, a Supplemental Declaration of Trust;

(xii) the Agency Agreement;

(xiii) a corporate services agreement between Maples Finance Limited (as provider of corporate administrative services to the Trustee) and the Trustee dated 1 October 2009 (the "**Corporate Services Agreement**");

(xiv) a Dealer Agreement between the Trustee, TDIC and the Dealers named therein (the "**Dealers**") dated 1 October 2009 (the "**Dealer Agreement**"); and

(xv) in respect of each Series, the applicable Final Terms,

each as may be amended and restated and/or supplemented from time to time.

The statements contained in these Conditions include summaries of, and are subject to, the detailed provisions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and the Agency Agreement.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (a) to apply the proceeds of the issuance to purchase from TDIC, by way of the Master Musataha Agreement and the Supplemental Musataha Agreement for the relevant Series, a *musataha* interest, being the grant of a right to use and develop a plot of land identified in the relevant Supplemental Musataha Agreement; (b) to lease to TDIC such land with the right to use and develop such land by way of the Master Ijara Agreement and Supplemental Ijara Agreement 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 Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and these Conditions.

1. INTERPRETATION

Words and expressions defined in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions the following expressions have the following meanings:

"**Additional Dissolution Distribution Amount**" has the meaning given to it in Condition 10(b) (*Payment – Cessation/Continuation of Profit Entitlement*);

"**Additional Rental Amount**" means the amount of rental payable for the period from and including the date on which any Dissolution Distribution Amount, Optional Dissolution Amount or, as the case may be, Change of Control Dissolution Amount falls due to but excluding the date on which such Dissolution Distribution Amount, Optional Dissolution Amount or, as the case may be, Change of Control Dissolution Amount is actually paid;

"**Business Day**" has the meaning given to it in Condition 9(b) (*Floating Periodic Distribution Provisions – Periodic Distribution Amount*);

"**Broken Amount**" has the meaning given to it in the applicable Final Terms;

"**Calculation Amount**" has the meaning given to it in the applicable Final Terms;

"**Cancellation Notice**" means a cancellation notice in substantially the form of Schedule 6 (*Form of Cancellation Notice*) to the Master Declaration of Trust;

"**Certificateholder**" means a person in whose name a Certificate is registered in the 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 person who has for the time being a particular aggregate face amount of such Certificates credited to his securities account in the records of Clearstream, Luxembourg or Euroclear shall be deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates 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 Certificate in accordance with and subject to the terms of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and such Global Certificates; and the expressions "**holder**" and "**holder of Certificates**" and related expressions shall (where appropriate) be construed accordingly;

"**Certificateholder Put Option**" means the option specified in Condition 11(e) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Certificateholder Put Option)*);

"**Certificateholder Put Option Date**" means in respect of each Series, the date as specified in the applicable Final Terms for each Series;

"**Certificateholder Put Option Exercise Notice**" has the meaning given to it in Condition 11(e) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Certificateholder Put Option)*);

"**Change of Control**" shall occur each time the Government of the Emirate of Abu Dhabi (the "**Government**") or any other department, agency or authority wholly-owned by the Government:

(a) sells, transfers or otherwise disposes of any of the issued share capital of TDIC, other than to an entity, directly or indirectly, wholly-owned by the Government; or

(b) otherwise ceases to control (directly or indirectly) TDIC;

"**Change of Control Dissolution Amount**" has the meaning given to it in the applicable Final Terms;

"**Change of Control Exercise Notice**" has the meaning given to it in Condition 11(d) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Change of Control Put)*);

"**Change of Control Notice**" has the meaning given to it in Condition 11(d) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Change of Control Put)*);

"**Change of Control Put Option**" means the option specified in Condition 11(d) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Change of Control Put)*);

"**Change of Control Put Option Date**" shall have the meaning given to in it Condition 11(d) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Change of Control Put)*);

"**Change of Control Put Period**" has the meaning given to it in Condition 11(d) (*Capital Distributions of the Trust – Dissolution at the Option of the Certificateholders (Change of Control Put)*);

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

"**Confirmation of Appointment of Servicing Agent Notice**" has the meaning given to it in the Servicing Agency Agreement;

"**Delegation**" has the meaning given to it in Condition 20 (*Delegate*);

"**Dissolution Date**" means, as the case may be:

(a) the Scheduled Dissolution Date;

(b) the Tax Redemption Date;

(c) any Optional Dissolution Date;

(d) any Certificateholder Put Option Date;

(e) any Change of Control Put Option Date;

(f) any Dissolution Event Redemption Date; and

(g) any date on which the Certificates are redeemed in accordance with the provisions of Condition 11(g) (*Capital Distributions of the Trust – Dissolution following a Total Loss Event*);

"**Dissolution Distribution Amount**" means, in relation to each Certificate of a Series, either:

(a) the sum of:

(i) the outstanding face amount of such Certificate;

(ii) any accrued but unpaid Periodic Distribution Amounts for such Certificate; and

(iii) any Additional Dissolution Distribution Amount relating to such Certificate; or

(b) such other amount specified in the applicable Final Terms as being payable upon dissolution of the relevant Certificate;

"**Dissolution Event**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Dissolution Event Redemption Date**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Dissolution Request**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Dispute**" has the meaning given to it in Condition 22 (*Governing Law and Dispute Resolution*);

"**Exercise Notice**" has the meaning given to it in the Purchase Undertaking and the Sale Undertaking;

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

"**Extraordinary Resolution**" has the meaning given to it in Schedule 4 (*Provisions for Meetings of Certificateholders*) to the Master Declaration of Trust;

"**Full Reinstatement Value**" means, in relation to land which is the subject of the relevant Lease Assets for a particular Series, the amount specified as such in the relevant Supplemental Ijara Agreement, as the same may be reduced from time to time in accordance with the Redemption Undertaking and any Deed of Surrender of Part and Variation;

"**Issue Date**" has the meaning given to it in the applicable Final Terms;

"**LCIA Rules**" has the meaning given to it in Condition 22 (*Governing Law and Dispute Resolution*);

"**Lease**" means in relation to a particular Series, the lease created pursuant to the Master Ijara Agreement and the relevant Supplemental Ijara Agreement;

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

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

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

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis and references to "**Liabilities**" shall mean all of these;

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

"**New Musataha**" has the meaning given to it in Condition 6(a) (*Trust – Summary of the Trust*);

"**Optional Dissolution Amount**" has the meaning given to it in the applicable Final Terms;

"**Optional Dissolution Date**" means, in relation to the exercise of an Optional Dissolution Right, the date specified as such in the applicable Final Terms and which must (if the Floating Periodic Distribution Provisions apply) be a Periodic Distribution Date;

"**Optional Dissolution Right**" means the option specified in Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of TDIC*);

"**Payment Business Day**" means: (a) a day on which banks in the relevant place of surrender of any Certificate are open for presentation and payment of registered securities and for dealings in foreign currencies; and (b) in the case of payment by transfer to an account:

(a) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Periodic Distribution Amount**" has the meaning given to it in Condition 8(b) (*Fixed Periodic Distribution Provisions – Periodic Distribution Amount*) or Condition 9(b) (*Floating Periodic Distribution Provisions – Periodic Distribution Amount*) as specified in the applicable Final Terms;

"**Periodic Distribution Date**" has the meaning given to it in Condition 9(b) (*Floating Periodic Distribution Provisions – Periodic Distribution Amount*);

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

"**Proceedings**" has the meaning given to it in Condition 22 (*Governing Law and Dispute Resolution*);

"**Rate**" means, in relation to a particular Series, the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms for such Series and calculated or determined in accordance with these Conditions and/or the applicable Final Terms;

"**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 a Dissolution Distribution Amount, Change of Control Dissolution Amount or Optional Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date or other due date for payment of such amount;

"**Reference Banks**" means the principal London office of each of four major banks engaged in the London inter bank market selected by or on behalf of the Calculation Agent (in consultation with TDIC), provided that once a Reference Bank has first been selected by the Calculation Agent or its duly appointed representative, such Reference Bank shall not be changed unless it ceases to be capable of acting as such;

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

"**Relevant Powers**" has the meaning given to it Condition 20 (*Delegate*);

"**Rental**" has the meaning given to it in the Master Ijara Agreement;

"**Return Accumulation Period**" means the period from (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, first) Periodic Distribution Date;

"**Sale Agreement**" means any sale agreement entered into in connection with any Purchase Undertaking, Sale Undertaking or Substitution Undertaking;

"**Scheduled Dissolution Date**" means, in respect of each Series, the date specified as such in the applicable Final Terms for such Series;

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

"**Servicing Agent**" has the meaning given to it in Condition 6(a) (*Trust – Summary of the Trust*);

"**Specified Currency**" has the meaning given to it in the applicable Final Terms;

"**Specified Denomination(s)**" has the meaning given to it in the applicable Final Terms;

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

"**Surrendered Musataha Area**" means the area over which the *musataha* rights granted pursuant to the relevant Supplemental Musataha Agreement will be surrendered in accordance with the Redemption Undertaking;

"**Surrender Notice**" has the meaning given to it in the Redemption Undertaking;

"**TARGET Settlement Day**" means any day on which the Trans European Automated Real time Gross Settlement Express Transfer System (TARGET, TARGET 2 or any successor thereto) (the "**TARGET System**") is open;

"**Taxes**" has the meaning given to it in Condition 12 (*Taxation*);

"**Tax Event**" has the meaning given to it in Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Tax Redemption Date**" means the date specified as such in the applicable Final Terms and which must, if the Floating Periodic Distribution Provisions apply, be a Periodic Distribution Date;

"**TDIC Event**" has the meaning given to it in Condition 15 (*Dissolution Events*);

"**Total Loss Event**" has the meaning given to it in Condition 11(g) (*Capital Distributions of the Trust – Dissolution following a Total Loss Event*);

"**Total Loss Shortfall Amount**" has the meaning given to it in Condition 6(a) (*Trust — Summary of the Trust*);

"**Transaction Account**" has the meaning given to it in Condition 6(a) (*Trust — Summary of the Trust*);

"**Transaction Documents**" means, in relation to each Series, the relevant Certificates, the Master Declaration of Trust, the relevant Supplemental Declaration of Trust, the Agency Agreement, the Master Musataha Agreement, the relevant Supplemental Musataha Agreement, the Master Ijara Agreement, the relevant Supplemental Ijara Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Redemption Undertaking, the Sale Undertaking, the Substitution Undertaking, any Sale Agreement, any Deed of Surrender of Part and Variation, the Dealer Agreement and any additional documents specified in the applicable Final Terms;

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

"**Trustee Administrator**" means Maples Finance Limited; and

"**Unexpired Musataha Assets**" means, in relation to a particular Series, the unexpired part of, and remaining value in, the Musataha granted to the Trustee pursuant to the Master Musataha Agreement and the relevant Supplemental Musataha Agreement, as more particularly identified in the relevant Exercise Notice and the relevant Sale Agreement.

All references in these Conditions to "**U.S. dollars**", "**U.S.$** " and "**$**" are to the lawful currency of the United States of America and all references to "**AED**" and "**dirham**" are to the lawful currency of the United Arab Emirates.

2. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Certificates are issued in registered form in the Specified Denomination(s). A Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the "**Register**") which the Trustee will cause to be kept by the Registrar outside the Cayman Islands and the United Kingdom in accordance with the provisions of the Agency Agreement.

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 Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), as the case may be.

References to Euroclear and/or Clearstream, Luxembourg 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.

(b) Title

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

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

3. TRANSFERS OF CERTIFICATES

(a) Transfers

Subject to Condition 3(d) (*Transfers of Certificates – Closed Periods*) and Condition 3(e) (*Transfers of Certificates – Regulations*) and to the provisions of the Agency Agreement, a Certificate may be transferred in whole or in an amount equal to the Specified Denomination(s)

or any integral multiple thereof by depositing the Certificate, with the form of transfer on the back duly completed and signed, at the specified office of any of the Transfer Agents.

Transfers of interests in the Certificates represented by a Global Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

(b) **Delivery of New Certificates**

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

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

(c) **Formalities Free of Charge**

Registration of any transfer of Certificates will be effected without charge by or on behalf of the Trustee or any Transfer Agent but upon payment (or the giving of such indemnity as the Trustee or any 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 days ending on (and including) the due date for any payment of the Dissolution Distribution Amount, Change of Control Dissolution Amount, Optional Dissolution Amount, any Periodic Distribution Amount or any other date on which any payment of the face amount or payment of any profit in respect of a Certificate falls due as specified in the applicable Final Terms.

(e) **Regulations**

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

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

4. STATUS AND LIMITED RECOURSE

(a) Status

Each Certificate will represent an undivided beneficial ownership interest in the relevant Trust Assets and will be a 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.

(b) Limited Recourse

The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of such Series. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, TDIC, any of the Agents 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 or shareholders) (other than the relevant Trust Assets) or TDIC (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party) or the Delegate or the Agents 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 TDIC shall be extinguished.

TDIC is obliged to make payments under the relevant Transaction Documents to which it is a party directly to the Trustee and the Delegate. The Delegate will, as delegate of the Trustee for the Certificateholders, have direct recourse against TDIC to recover payments due to the Trustee from TDIC pursuant to such Transaction Documents.

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 16 (*Enforcement and Exercise of Rights*), no Certificateholder will have any claim against the Trustee (and/or its directors, officers or shareholders), TDIC (to the extent that it fulfils all of 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 assets (other than the relevant Trust Assets) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no Certificateholders 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), TDIC (to the extent that it fulfils all of 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 the Trustee or the Delegate 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 Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents,

against the Trustee or the Delegate to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee 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 (including, for the avoidance of doubt, under all Series which have been issued under the Programme), it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and

(iv) no recourse (whether by institution or enforcement of any legal proceeding or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee arising under or in connection with the Master Declaration of Trust by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer or director of the Trustee in their capacity as such and any and all personal liability of every such shareholder, officer or director in their capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is expressly waived and excluded to the extent permitted by law. The obligations of the Trustee under the Master Declaration of Trust 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 fraud.

5. NEGATIVE PLEDGE

TDIC has undertaken in the Master Ijara Agreement, and such undertaking shall therefore form part of the Trust Assets in respect of each Series of Certificates, that so long as any Certificate remains outstanding (as defined in the Master Declaration of Trust), TDIC will not, and it will ensure that none of its respective 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 any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Certificates the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either: (i) the Delegate (on behalf of the Trustee) shall in its absolute discretion deem not materially less beneficial to the interest of the Certificateholders; or (ii) shall be approved by an Extraordinary Resolution of the Certificateholders.

For the purposes of the foregoing:

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

(b) "**Permitted Security Interest**" means:

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

(ii) any Security Interest securing Relevant Indebtedness of a person and/or its Subsidiaries existing at the time that such person is merged into, or consolidated with, or acquired by TDIC or any of its respective Subsidiaries, provided that such

Security Interest was not created in contemplation of such merger, consolidation or acquisition;

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

(iv) any Security Interest created pursuant to a *Shari'a* compliant financing;

(v) any Security Interest granted to secure a Non-recourse Project Financing or to secure any indebtedness incurred in connection with a Securitisation; and

(vi) any renewal of or substitution for any Security Interest permitted by any of paragraphs (i) to (iii) above (inclusive) so long as the indebtedness secured by such Security Interest is for an amount not materially greater than the principal (and any capitalised interest and fees) of such indebtedness and does not extend to property or assets having, in aggregate, a greater value than those to which the Security Interest being renewed or substituted relates,

in each case, provided that the amount of any Relevant Indebtedness secured by any such Security Interest (when aggregated with the amount of Relevant Indebtedness secured by the other Security Interests permitted pursuant to sub-paragraphs (i) to (vi) (inclusive) above) does not exceed 15 per cent. of the consolidated total assets of TDIC and its Subsidiaries, as shown in the most recent published audited consolidated financial statements of TDIC and its consolidated Subsidiaries;

(c) "**Securitisation**" means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, provided that: (i) any Security Interest given by TDIC or any of its Subsidiaries 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 sole source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to TDIC or any of its Subsidiaries in respect of any default by any person under the securitisation;

(d) "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (including trust certificates) 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; and

(e) "**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of TDIC.

6. TRUST

(a) Summary of the Trust

Pursuant to the Master Musataha Agreement, as supplemented by the relevant Supplemental Musataha Agreement for each Series, TDIC will grant to the Trustee a *musataha* right (the "**Musataha**") over certain land (as specified in the relevant Supplemental Musataha Agreement).

Pursuant to the Master Ijara Agreement, as supplemented by the relevant Supplemental Ijara Agreement for each Series, the Trustee (in such capacity, the "**Lessor**") will lease the land over which the Musataha was granted (the "**Lease Assets**") to TDIC (in such capacity, the "**Lessee**"). The Lessee will pay the agreed lease rental payments in respect of the relevant Lease Assets in

such amounts as are equal to the relevant Periodic Distribution Amounts due in respect of the relevant Series on each relevant Periodic Distribution Date.

If, upon dissolution of the Trust (in whole or in part) in accordance with Condition 11 (*Capital Distributions of the Trust*), the relevant Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount is improperly withheld or refused, the Master Ijara Agreement and relevant Supplemental Ijara Agreement shall be deemed to be extended for a period from and including the date on which the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount was due, but excluding the date on which the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount is paid in full in accordance with the terms of the Purchase Undertaking, the Redemption Undertaking and, as the case may be, the Sale Undertaking. In such circumstances, the Lessor shall be entitled to receive the Additional Rental Amount in respect of such period.

Under the Servicing Agency Agreement, the Trustee will appoint TDIC as servicing agent (in such capacity, the "**Servicing Agent**") in respect of the relevant Lease Assets for each Series. The Trustee will send a Confirmation of Appointment of Servicing Agent Notice to TDIC confirming such appointment on the Issue Date of the relevant Series.

Upon the occurrence of a Total Loss Event, the Certificates of the relevant Series will be redeemed and the Trust of such Series will be dissolved by the Trustee on the date specified by the Trustee in accordance with Condition 11(g) (*Capital Distribution of the Trust – Dissolution following a Total Loss Event*). The Certificates will be redeemed at the Dissolution Distribution Amount in accordance with Condition 11(g) (*Capital Distribution of the Trust – Dissolution following a Total Loss Event*) using either the proceeds of insurance payable in respect of the Total Loss Event or, if a Total Loss Event occurs and an amount (if any) less than the Full Reinstatement Value is credited to the Transaction Account in accordance with the Servicing Agency Agreement (the difference between the Full Reinstatement Value and the amount credited to the relevant Transaction Account being the "**Total Loss Shortfall Amount**"), the aggregate of the insurance proceeds payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount funded by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

TDIC will execute the Purchase Undertaking in favour of the Trustee and the Delegate pursuant to which TDIC undertakes, following receipt of an Exercise Notice from the Trustee thereunder, to purchase all of the Trustee's rights, interests and entitlements in, to and under the relevant Unexpired Musataha Assets on the relevant Scheduled Dissolution Date or on the Dissolution Event Redemption Date, in each case at the Dissolution Distribution Amount.

The Trustee will execute the Sale Undertaking in favour of TDIC pursuant to which the Trustee undertakes, following receipt of an Exercise Notice from TDIC thereunder, to sell all of the Trustee's rights, interests and entitlements in, to and under the relevant Unexpired Musataha Assets on the Optional Dissolution Date (if applicable) or the Tax Redemption Date, at, respectively, the Optional Dissolution Amount and the Dissolution Distribution Amount.

Under the Redemption Undertaking, TDIC will grant to the Trustee the right, following the occurrence of a Change of Control or, as the case may be, the exercise of a Certificateholder Put Option, and the service by Certificateholders on the Trustee of a Change of Control Exercise Notice or, as the case may be, a Certificateholder Put Option Exercise Notice by Certificateholders holding at least 5 per cent. of the then aggregate face amount of the Certificates outstanding of the relevant Series, to accept the immediate surrender of all or any part of the Unexpired Musataha Assets by the Trustee pursuant to the Deed of Surrender of Part and Variation, such surrendered Unexpired Musataha Assets to be vested in TDIC for its own use and benefit, freed and discharged from the relevant Trust, provided that: (i) the price payable by TDIC upon exercise of the Redemption Undertaking shall be an amount equal to

the Surrender Price (as defined in the Redemption Undertaking) thereunder (being at least equal to the Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount); and (ii) TDIC certifies that the value of the part of the Trust Assets retained (as determined by reference to an internal management valuation conducted by TDIC in accordance with prevailing market practice at the relevant time) is not less than the aggregate face amount of the Certificates outstanding of the relevant Series.

The Trustee will execute the Substitution Undertaking in favour of TDIC pursuant to which TDIC has the right to require the Trustee to sell all or part of the lease assets that are the subject of a particular Series (the "**Substituted Assets**") in consideration for the grant to the Trustee, by way of a new Supplemental Musataha Agreement, of new musataha assets (the "**New Musataha**"). TDIC will be obliged to certify that the value of the New Musataha is not less than the then aggregate face amount of the Certificates outstanding of the relevant Series (as determined by reference to an internal management valuation conducted by TDIC in accordance with prevailing market practice at the relevant time).

In order to effect the substitution, the Trustee and TDIC will enter into a Sale Agreement to effect the sale of the Substituted Assets and, in respect of the New Musataha, enter into a new Supplemental Musataha Agreement and, in respect of the grant of a Lease out of the New Musataha, enter into a new Supplemental Ijara Agreement.

For each Series, the Trustee will establish a transaction account (the "**Transaction Account**") in the name of the Trustee with the Principal Paying Agent into which: (i) TDIC will deposit all amounts due to the Trustee, in respect of the relevant Series, under the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement, Purchase Undertaking, Redemption Undertaking and Sale Undertaking, as the case may be; and (ii) the Delegate will deposit all the proceeds of any action to enforce or realise the relevant Trust Assets, subject to all prior ranking claims in accordance with Condition 6(b) (*Trust – Application of Proceeds from Trust Assets*), taken in accordance with Condition 16 (*Enforcement and Exercise of Rights*).

Pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust for each Series, the Trustee will declare that it will hold, for each Series, certain assets (the "**Trust Assets**"), consisting of:

(i) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Musataha;

(ii) all of the Trustee's rights, title, interest and benefit, present and future, in and to the Transaction Documents (excluding: (i) any representations given to the Trustee by TDIC pursuant to any of the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to Clause 18.1 of the Master Declaration of Trust);

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

(iv) any other assets, rights, cash or investments as may be specified in the applicable Final Terms,

in each case, in respect of the relevant Series, and all proceeds of the foregoing which are held by the Trustee upon trust absolutely for the Certificateholders *pro rata* according to the face amount of Certificates held by each holder for the relevant Series in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and these Conditions.

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

Pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Trustee holds the Trust Assets for each Series for and on behalf of the Certificateholders of such Series. On each Periodic Distribution Date and on any Dissolution

Date or any earlier date specified for the dissolution of the Trust for the relevant Series in accordance with Condition 11 (*Capital Distributions of the Trust*), the Principal Paying Agent shall apply the monies standing to the credit of the relevant Transaction Account in the following order of priority:

(i) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust;

(ii) *second*, (to the extent not previously paid) to pay, on a *pro rata* and *pari passu* basis, each Agent and the Trustee Administrator an amount equal to any sum payable to each of them on account of its properly incurred fees, costs, charges and expenses and the payment or satisfaction of any Liability incurred (or reasonably expected to be incurred) by the Agents or the Trustee Administrator pursuant to the Agency Agreement or the Corporate Services Agreement;

(iii) *third*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;

(iv) *fourth,* only if such payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of: (i) the Dissolution Distribution Amount; (ii) the Change of Control Dissolution Amount; (iii) the Optional Dissolution Amount; or (iv) the amount payable following a Total Loss Event, as the case may be;

(v) *fifth*, only if such payment is made on a Dissolution Date, to the Servicing Agent in or towards payment of all outstanding Services Charge Amounts (as defined in the Servicing Agency Agreement); and

(vi) *sixth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Trustee.

7. COVENANTS

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

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

(iv) subject to Condition 19 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*), 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 corresponding to any Series of Certificates, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;

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

(ix) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

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

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

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

(C) such other matters which are incidental thereto.

8. FIXED PERIODIC DISTRIBUTION PROVISIONS

(a) Application

This Condition 8 is applicable to the Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

(b) Periodic Distribution Amount

A Periodic Distribution Amount representing a defined share of the Rental paid by the Lessee to the Lessor pursuant to the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement in respect of the Lease Assets for the Certificates will be distributed by the Trustee to the Certificateholders in accordance with these Conditions.

(c) Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate for any Return Accumulation Period shall be the Fixed Amount as specified in the applicable Final Terms in respect of the relevant Specified Denomination(s). Payments of Periodic Distribution Amounts on any Periodic Distribution Date as specified in the applicable Final Terms may, if so specified in the applicable Final Terms, amount to the Broken Amount in respect of the relevant Specified Denomination(s) as specified in the applicable Final Terms.

If any Periodic Distribution Amount is required to be calculated for a period other than a Return Accumulation Period or if no relevant Fixed Amount or Broken Amount is specified in the applicable Final Terms, such Periodic Distribution Amount shall be calculated by applying the Rate to the Calculation Amount, multiplying the product by the applicable Day Count Fraction,

and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency (half of any such sub-unit being rounded upwards) and multiplying such rounded figure by a figure equal to the Specified Denomination of the relevant Certificate divided by the Calculation Amount.

"**Day Count Fraction**" means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition 8(c):

(i) if "**Actual/Actual-ICMA**" is specified in the applicable Final Terms:

(A) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (A) the number of days in such Determination Period; and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Periodic Distribution Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Date**" has the meaning specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date; and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(d) **Payment in Arrear**

Subject to Condition 10(b) (*Payment — Cessation/Continuation of Profit Entitlement*), Condition 11(b) (*Capital Distributions of the Trust — Early Dissolution for Tax Reasons*), Condition 11(c) (*Capital Distributions of the Trust — Dissolution at the Option of TDIC*), Condition 11(d) (*Capital Distributions of the Trust — Dissolution at the Option of the Certificateholders (Change of Control Put)*), Condition 11(e) (*Capital Distributions of the Trust — Dissolution at the Option of the Certificateholders (Certificateholder Put Option)*) and Condition 15 (*Dissolution Events*) below, and unless otherwise specified in the applicable Final Terms, 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.

9. FLOATING PERIODIC DISTRIBUTION PROVISIONS

(a) Application

This Condition 9 is applicable to the Certificates only if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

(b) Periodic Distribution Amount

A Periodic Distribution Amount representing a defined share of the Rental paid by the Lessee to the Lessor pursuant to the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement in respect of the Lease Assets for the Certificates will be payable in respect of the Certificates and be distributable by the Trustee to the Certificateholders in accordance with these Conditions. Such Periodic Distribution Amounts will be payable in arrear on either:

(i) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Periodic Distribution Date, a "**Periodic Distribution Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Issue Date.

Such Periodic Distribution Amounts will be payable in respect of each Return Accumulation Period.

If a Business Day Convention is specified in the applicable Final Terms and: (x) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur; or (y) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) in any case where Specified Periods are specified in accordance with Condition 9(b)(ii) above, the Floating Rate Convention, such Periodic Distribution Date: (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*; or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Periodic Distribution Date occurred; or

(ii) the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or

(iii) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or

(iv) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

(v) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(vi) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre); or (ii) in relation to any sum payable in euro, a day on which the TARGET System is open.

(c) **Screen Rate Determination**

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) is/are to be determined, the Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate specified in the applicable Final Terms is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Periodic Distribution Determination Date to prime banks in the London interbank market, as the case may be, in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested pursuant to paragraph (iii) above, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the principal financial centre of the country of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the country of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate for such Return Accumulation Period shall be the sum of the Margin as specified in the applicable Final Terms and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, the Rate applicable to the Certificates during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of the preceding Return Accumulation Period.

(d) **Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a figure equal to the Specified Denomination of the relevant Certificate divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

"**Day Count Fraction**" means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition 9(d):

(i) if "**Actual/Actual**", "**Actual/Actual (ISDA)**", "**Act/Act**" or "**Act/Act (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of: (a) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "**ICMA Rule Book**"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non-U.S. dollar denominated straight and convertible bonds issued after 31 December 1998, as though the coupon on a bond were being calculated for a coupon period corresponding to the Return Accumulation Period in respect of which payment is being made;

(iii) if "**Actual/365(Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period in respect of which payment is being made divided by 365;

(iv) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Return Accumulation Period in respect of which payment is being made divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[\,360 \times (Y2 - Y1)\,] + [\,30 \times (M2 - M1)\,] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

"**D1**" is the first calendar day of the Return Accumulation Period, expressed as a number, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[\,360 \times (Y2 - Y1)\,] + [\,30 \times (M2 - M1)\,] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls:

"**M1**" is the calendar month expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls:

"**D1**" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "**30E/360(ISDA)**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[\,360 \times (Y2 - Y1)\,] + [\,30 \times (M2 - M1)\,] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls; and

"**M1**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M2**" is the calendar month expressed as a number, in which the day immediately following the last day included in the Return Accumulation Period falls;

"**D1**" is the first calendar day of the Return Accumulation Period, expressed as a number, of the Return Accumulation Period unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D1 will be 30; and "**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless: (i) that day is the last day of February but not the Scheduled Dissolution Date; or (ii) such number would be 31, in which case D2 will be 30.

(e) **Calculation of Other Amounts**

If the applicable Final Terms specify that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the applicable Final Terms.

(f) **Publication**

The Calculation Agent will cause each Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Certificateholders. The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Periodic Distribution Amount but instead may publish only the Calculation Amount and the Periodic Distribution Amount in respect of a Certificate having the minimum Specified Denomination.

(g) **Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Trustee, the Delegate, the Principal Paying Agent and all Certificateholders (in the absence as referred to above). No liability to the Trustee, the Delegate, TDIC, the Principal Paying Agent or the Certificateholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 9.

10. **PAYMENT**

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

Payment of the Periodic Distribution Amount, the Dissolution Distribution Amount, the Change of Control Dissolution Amount and the Optional Dissolution Amount will be made by the Principal Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Certificateholder or by cheque drawn on a bank that processes payments in the Specified Currency mailed to the registered address of the Certificateholder if it does not have a registered account. Payments of the Dissolution Distribution Amount, the Change of Control Dissolution Amount and the Optional Dissolution Amount will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. The Dissolution Distribution Amount, the Change of Control Dissolution Amount, the

Optional Dissolution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of these Conditions, 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, and a Certificateholder's "**registered address**" means its address appearing on the Register at that time.

(b) **Cessation/Continuation of Profit Entitlement**

Provided that, upon due presentation, payment is not improperly withheld or refused, no further amounts will be payable on a Certificate from and including the relevant Dissolution Date.

In the event that, upon due presentation, the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount is improperly withheld or refused, the Master Ijara Agreement and the relevant Supplemental Ijara Agreement shall be deemed to be extended for a period from and including the date on which the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount was due, to but excluding the date on which the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount is paid in full. In accordance with the terms of the Purchase Undertaking, the Redemption Undertaking and, as the case may be, the Sale Agreement entered into pursuant to the Sale Undertaking, TDIC shall continue to lease the Lease Assets from the Trustee (as Lessor) and continue to act as Servicing Agent in respect of the Lease Assets with effect from and including the due date for payment of the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount in full on the terms and conditions of the Master Ijara Agreement, the relevant Supplemental Ijara Agreement and the Servicing Agency Agreement.

Certificateholders shall be entitled to payment of a defined share in the rent received from the continuation of the leasing of the Lease Assets (such amount to be the "**Additional Dissolution Distribution Amount**") and the Additional Dissolution Distribution Amount shall be distributed by the Trustee to the Certificateholders in accordance with these Conditions.

Certificateholders hereby waive the right to receive any interest awarded by a court or regulatory authority under the terms of any judgment but, for the avoidance of doubt, such waiver shall not include a waiver of any right to receive the Additional Dissolution Distribution Amount nor shall it constitute a waiver by the Trustee of any right to receive payment of the rent received from the continuation of the leasing of the Lease Assets.

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

Payments in respect of Certificates are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of this Condition 10.

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

Where payment is to be made by transfer to a registered account, 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 and, where payment is to be made by cheque, the cheque will be mailed, in each case by the Principal Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Distribution Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Certificateholders will not be entitled to any additional Periodic Distribution Amount, Dissolution Distribution Amount, Change of Control Dissolution Amount, Optional 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, if the relevant Certificateholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

If the amount of the Dissolution Distribution Amount, Change of Control Dissolution Amount, Optional 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.

(e) **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.

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that: (a) it will at all times maintain a Principal Paying Agent, a Registrar and a Transfer Agent (which may be the same entity); (b) it will at all times maintain a Paying Agent (which may be the Principal Paying Agent) having its specified office in London for so long as the Certificates are listed on the Official List of the UK Listing Authority; (c) one or more Calculation Agent(s) where the Conditions so require; and (d) there will at all times be a Paying Agent (which may be the Principal Paying Agent) located in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any such change or any change of any specified office shall be given to the Trustee and the Certificateholders in accordance with the provisions of the Agency Agreement.

11. **CAPITAL DISTRIBUTIONS OF THE TRUST**

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

Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem each Certificate at the Dissolution Distribution Amount and the Trust will be dissolved by the Trustee on the relevant Scheduled Dissolution Date.

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

The Certificates shall be redeemed by the Trustee in whole, but not in part, on a Tax Redemption Date, on TDIC giving to the Trustee not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), at the Dissolution Distribution 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 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 12 (*Taxation*)) 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 Certificates (as specified in the applicable Final Terms); 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 TDIC that it has or will become obliged to pay additional amounts pursuant to the terms of the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue Certificates; and (B) such obligation cannot be avoided by TDIC 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 TDIC under the Sale Undertaking and further provided that no such notice of dissolution shall be given by the Trustee to Certificateholders earlier than:

(x) where the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms, 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) TDIC would be obliged to pay such additional amounts if a payment to the Trustee under the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement was then due; or

(y) where the Floating Periodic Distribution Provisions are specified in the applicable Final Terms, 60 days prior to the Periodic Distribution Date occurring immediately before 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) TDIC would be obliged to pay such additional amounts if a payment to the Trustee under the Master Ijara Agreement as supplemented by the relevant Supplemental Ijara Agreement was then due.

Prior to the delivery by the Trustee of any notice of dissolution to Certificateholders pursuant to this Condition 11(b), the Trustee shall deliver to the Delegate: (a) a certificate signed by two directors of the Trustee, which shall be binding on 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 (b) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or, as the case may be, TDIC has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee or the Delegate shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the relevant conditions precedent in which event they shall be conclusive and binding on the Certificateholders.

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

If the Optional Dissolution Right is specified in the applicable Final Terms as being applicable, the Certificates shall be redeemed by the Trustee in whole but not in part on the relevant Optional Dissolution Date, which must be a Periodic Distribution Date if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms, by the Trustee giving not less than 30 nor more than 60 days' notice to Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), at their Optional Dissolution Amount, provided however, that no such notice of dissolution shall be given by the Trustee unless an Exercise Notice has been received by the Trustee from TDIC in accordance with the provisions of the Sale Undertaking.

No Optional Dissolution Date may occur prior to the first anniversary of the relevant Issue Date.

(d) **Dissolution at the Option of the Certificateholders (Change of Control Put)**

TDIC has agreed in the Redemption Undertaking to notify the Trustee and the Delegate forthwith upon the occurrence of a Change of Control and to provide a description of the Change of Control. The Trustee, upon receipt of such a notice from TDIC or otherwise upon becoming aware of the occurrence of a Change of Control, shall promptly give notice (a "**Change of Control Notice**") of the occurrence of a Change of Control to the Certificateholders in accordance with Condition 18 (*Notices*).

A Change of Control Notice shall provide a description of the Change of Control and shall require Certificateholders to elect within 30 days of the date on which the Change of Control Notice is given (the "**Change of Control Put Period**") if they wish all or any of their Certificates to be redeemed.

If Change of Control Put Option is specified as applicable in the applicable Final Terms, if a Change of Control occurs, and provided that Certificateholders holding at least 5 per cent. of the then aggregate face amount of the relevant Series outstanding elect to redeem their Certificates in accordance with this Condition 11(d), the Trustee shall, redeem such Certificates on the Change of Control Put Option Date(s) at the Change of Control Dissolution Amount.

To elect to redeem all or any of its Certificates in accordance with this Condition 11(d), a Certificateholder must deposit its Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (a "**Change of Control Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). No Certificate so deposited and option exercised may be withdrawn (except if the condition referred to in the previous paragraph is not satisfied and as otherwise provided in the Agency Agreement) without the prior consent of the Trustee.

For the purposes of these Conditions, "**Change of Control Put Option Date**" shall be the tenth Business Day after the expiry of the Change of Control Put Period.

(e) **Dissolution at the Option of the Certificateholders (Certificateholder Put Option)**

If Certificateholder Put Option is specified as applicable in the applicable Final Terms, and provided that Certificateholders holding at least 5 per cent. of the then aggregate face amount of the relevant Series outstanding elect to redeem their Certificates, the Trustee shall, upon the holders of such Certificates giving not less than 15 nor more than 30 days' notice to the Trustee (or such other notice period as may be specified in the applicable Final Terms) redeem such Certificates on the Certificateholder Put Option Date(s) at their Optional Dissolution Amount.

To elect to redeem all or any of its Certificates in accordance with this Condition 11(e), a Certificateholder must deposit its Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (a "**Certificateholder Put Option Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). No Certificate so deposited and option exercised may be withdrawn (except if the condition referred to in the previous paragraph is not satisfied and as otherwise provided in the Agency Agreement) without the prior consent of the Trustee.

No Certificateholder Put Option Date may occur prior to the first anniversary of the relevant Issue Date and may only occur on a Periodic Distribution Date.

(f) **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event, the Certificates shall be redeemed at the Dissolution Distribution Amount on the Dissolution Event Redemption Date if the conditions set out in Condition 15 (*Dissolution Events*) are satisfied.

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

Upon the occurrence of a Total Loss Event, the Certificates of the relevant Series will be redeemed and the Trust of such Series dissolved by the Trustee on the date (such date to be determined and notified to the Delegate by the Trustee in accordance with the terms of the Master Declaration of Trust) as specified by the Trustee in a notice given to the Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable). The Certificates shall be redeemed at the Dissolution Distribution Amount using either: (i) the proceeds of insurance payable in respect of the Total Loss Event and standing to the credit of the Transaction Account on or before the 30th day following the occurrence of a Total Loss Event; or (ii) if the insurance proceeds (if any) standing to the credit of the Transaction Account on the 30th day following the occurrence of a Total Loss Event are less than the Full Reinstatement Value, the amount standing to the credit of the Transaction Account on the 31st day following the occurrence of a Total Loss Event, representing the aggregate of the insurance proceeds payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount funded by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

A "**Total Loss Event**" means, in relation to a Series:

(i) the total loss or destruction of, or damage to the whole of the land which is the subject of the relevant Lease Assets or any event or occurrence that renders the whole of the land which is the subject of the relevant Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the land which is the subject of the relevant Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical; or

(ii) the expropriation, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the land which is the subject of the relevant Lease Assets.

(h) **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 11, Condition 14 (*Purchase and Cancellation of Certificates*) and Condition 15 (*Dissolution Events*).

(i) **Cancellations**

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

(j) **Effect of payment in full of Certificates**

Upon payment in full of all amounts due in respect of a Certificate, such Certificate shall cease to represent an undivided beneficial 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 and upon payment in full of amounts due in respect of all Certificates in the relevant Series the Trust shall be terminated.

12. **TAXATION**

All payments in respect of the Certificates shall be made without withholding or deduction for, or on account of, any present or future taxes, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed or levied by or on behalf of any Relevant Jurisdiction ("**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts so that the full amount which otherwise would have

been due and payable under the Certificates is received by the Certificateholders, except that no such additional amount shall be payable in relation to any payment to any Certificateholder:

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

(ii) where the relevant definitive Certificate is required to be presented for payment and is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC on the taxation of savings income or then Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; or

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

In these Conditions:

"**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to Certificateholders by the Trustee in accordance with Condition 18 (*Notices*); and

"**Relevant Jurisdiction**" means the Cayman Islands (in the case of any payment made by the Trustee) and the United Arab Emirates (in the case of any payment made by TDIC) or, in each case, any political sub-division or authority thereof or therein having the power to tax.

The Master Ijara Agreement (as supplemented by the relevant Supplemental Ijara Agreement), the Purchase Undertaking, the Redemption Undertaking and the form of Sale Agreement to be entered into pursuant to the Sale Undertaking each provide that payments thereunder by TDIC 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 TDIC of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

Further, in accordance with the terms of the Master Ijara Agreement (as supplemented by the relevant Supplemental Ijara Agreement), the Purchase Undertaking, the Redemption Undertaking and the form of Sale Agreement to be entered into pursuant to the Sale Undertaking, TDIC undertakes to pay such additional amounts as may be necessary pursuant to this Condition 12 so that the full amount due and payable by the Trustee in respect of the Certificates to the Certificateholders is received by the Trustee for the purposes of payment to the Certificateholders in accordance with and subject to the provisions of this Condition 12.

13. PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within periods of ten years (in the case of the Dissolution Distribution Amount, Change of Control Dissolution Amount or, as the case may be, Optional Dissolution Amount) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

14. PURCHASE AND CANCELLATION OF CERTIFICATES

(a) Purchases

TDIC and/or any subsidiary may at any time purchase Certificates at any price in the open market or otherwise.

(b) Cancellation of Certificates held by TDIC and/or any subsidiary

TDIC and/or any of its subsidiaries may at any time purchase Certificates in the open market or otherwise. Should TDIC wish to cancel any Certificates so purchased, it shall deliver a Cancellation Notice to the Trustee under the terms of the Master Declaration of Trust, whereupon TDIC shall, in accordance with the terms of the Redemption Undertaking, and following delivery by the Trustee of a Surrender Notice thereunder, be required to accept the surrender and delivery of all of the Trustee's interest, rights, benefits and entitlements in and to the Surrendered Musataha Area in accordance with the relevant Deed of Surrender of Part and Variation in return for which no cash consideration shall be payable. Following the surrender of the Surrendered Musataha Area and the entry by TDIC and the Trustee into the relevant Deed of Surrender of Part and Variation, the Trustee shall cancel the relevant Certificates in accordance with the terms of the Master Declaration of Trust. The Trustee and TDIC have agreed in the Master Declaration of Trust and the Redemption Undertaking to execute all such documents and do such further acts and things as may be required under applicable law to give effect to any surrender of the relevant Trust Assets and the cancellation of the relevant Certificates.

For the purposes of this Condition 14, "**subsidiary**" means, at any particular time, any person (the "**first person**") 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 another person (the "**second person**"). For the first person to be "controlled" by the second person means that the second person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that first person or otherwise controls, or has the power to control, the affairs and policies of that first person.

15. DISSOLUTION EVENTS

Upon the occurrence of any of the following events ("**Dissolution Events**"):

(i) ***Non-Payment***: default is made for more than five days in the payment of the Dissolution Distribution Amount on the date fixed for payment thereof or default is made for more than seven days in the payment of any Periodic Distribution Amount on the due date for payment thereof; or

(ii) ***Breach of Other Obligations***: the Trustee does not perform or comply with any one or more of its other obligations in the Certificates or the Master Declaration of Trust which default is incapable of remedy or, if in the opinion of the Delegate capable of remedy, is not in the opinion of the Delegate remedied within 30 days after notice of such default shall have been given to the Trustee; or

(iii) ***Enforcement Proceedings***: distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Trustee and is not discharged or stayed within 90 days; or

(iv) ***Security Enforced***: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Trustee becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or

(v) ***Insolvency***: the Trustee is (or is, or could be, deemed by law or 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 (or of a particular type 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 or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or

(vi) ***Winding-up***: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Trustee, or the Trustee shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or 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 on terms approved by the Delegate or by an Extraordinary Resolution of the Certificateholders; or

(vii) ***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 Trustee lawfully to enter into, exercise its rights and perform and comply with its obligations under the Certificates and the Master Declaration of Trust; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Certificates and the Master Declaration of Trust admissible in evidence in the courts of the Cayman Islands is not taken, fulfilled or done; or

(viii) ***Illegality***: it is or will become unlawful for the Trustee to perform or comply with any one or more of its obligations under any of the Certificates or the Master Declaration of Trust; or

(ix) ***TDIC Event***: a TDIC Event (as defined below) occurs; or

(x) ***Analogous Events***: 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, in the case of paragraphs (ii), (iii), (iv), (vii) and (viii), the Delegate shall have certified 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) give notice of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 18 (*Notices*) with a request to such holders to indicate if they wish the Trust to be dissolved. If so requested in writing by the holders of at least 20 per cent. of the then aggregate face amount of the Series outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (a "**Dissolution Request**"), the Delegate shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction) give notice to the Trustee of the Dissolution Request and, upon receipt of such notice, the Trustee shall exercise its rights under the Purchase Undertaking and use the proceeds of the resultant sale to redeem the Certificates at the Dissolution Distribution 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 purpose of paragraph 15(i) above, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts calculated as being payable under Condition 8 (*Fixed Periodic Distribution Provisions*) and Condition 9 (*Floating Periodic Distribution Provisions*)) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts.

For the purposes of this Condition, "**TDIC Event**" means:

(a) TDIC fails to pay any amount payable by it pursuant to any Transaction Document to which it is a party and the failure continues for the period of seven days (in the case of a payment of Rental) or five days (in the case of any other amount); or

(b) TDIC does not perform or comply with any one or more of its other obligations in the Transaction Documents to which it is a party which default is incapable of remedy or, if in the opinion of the Delegate capable of remedy, is not in the opinion of the Delegate remedied within 30 days after notice of such default shall have been given to TDIC by the Trustee (or the Delegate acting on behalf of the Trustee); or

(c) (A) any other present or future indebtedness of TDIC or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, 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 originally applicable grace period; or (C) TDIC or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised 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 (c) have occurred equals or exceeds U.S.$25,000,000 or its equivalent (as reasonably determined by the Delegate on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any lending bank on the day on which this paragraph operates); or

(d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of TDIC or any of its Material Subsidiaries and is not discharged or stayed within 90 days; or

(e) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by TDIC or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or

(f) TDIC or any of its Material Subsidiaries is (or is, or could be, deemed by law or 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 (or of a particular type 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 or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of TDIC or any of its Material Subsidiaries; or

(g) an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of TDIC or any of its Material Subsidiaries, or TDIC or any of its Material Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or 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 TDIC or another of its Material Subsidiaries; or

(h) (i) TDIC or any liquidator of TDIC repudiates or disclaims responsibility under any Transaction Document to which TDIC is a party; or (ii) at any time it is or it becomes unlawful for TIDC (acting in any capacity) to perform or comply with any or all of its obligations under or in respect of the Transaction Documents to which it is a party; or

(iii) any of the material obligations of TDIC (acting in any capacity) thereunder are not or cease to be legal, valid and binding obligations except, in the case of (iii) only, any Lease which is not or ceases to be legal, valid and binding as a result of non-registration of such Lease or the corresponding Musataha, where TDIC (as Lessee or, as applicable, as Owner) has complied in full, and for so long as it continues to comply in full, with its obligations under the Master Musataha Agreement and the Master Ijara Agreement); or

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

(j) 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, in the case of paragraphs (b), (d), (e), (h), (i) and, in the case of Material Subsidiaries only, paragraph (g), the Delegate shall have certified that in its opinion such event is materially prejudicial to the interests of the Certificateholders.

"**Material Subsidiary**" as used in this Condition means at any relevant time a Subsidiary of TDIC:

(a) whose total assets or gross revenues attributable to TDIC represent not less than 5 per cent. of the total consolidated assets or the gross consolidated revenues of TDIC, all as calculated by reference to the then latest audited accounts of such Subsidiary and the then latest audited consolidated accounts of TDIC and its consolidated Subsidiaries; or

(b) to which is transferred all or substantially all the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary.

A Certificate addressed to the Delegate by two Directors of TDIC that in their opinion a Subsidiary is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

16. ENFORCEMENT AND EXERCISE OF RIGHTS

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

(A) enforce the provisions of the Purchase Undertaking against TDIC; and/or

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

(ii) Following the enforcement, realisation 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 Trustee shall not be liable for any further sums and, accordingly, Certificateholders may not take any action against the Trustee, the Delegate or any other person (including TDIC) to recover any such sum in respect of the Certificates or the relevant Trust Assets.

(iii) The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action against the Trustee and/or TDIC under any Transaction Document to which either of the Trustee or TDIC is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least 20 per cent. of the then outstanding aggregate face amount of the Series and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

(iv) No Certificateholder shall be entitled to proceed directly against the Trustee or TDIC unless: (a) the Delegate, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing; and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against any of the Trustee or TDIC, as the case may be) holds at least 20 per cent. of the then outstanding aggregate face amount of the Series. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and TDIC shall be to enforce their respective obligations under the Transaction Documents.

(v) The foregoing paragraphs in this Condition 16 are subject to this paragraph. After enforcing or realising the relevant Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 6(b) (*Trust — Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the 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 Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

17. REPLACEMENT OF CERTIFICATES

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified offices of the Paying Agents upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee and the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

18. NOTICES

Save as provided in this Condition, notices to the Certificateholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

Until such time as any Individual Certificates are issued, so long as the Global Certificate representing the Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, the relevant notice may be delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

The Trustee shall also ensure that notices are duly given in a manner which complies with the rules and regulations of any stock exchange on which the Certificates are for the time being listed. Any notice shall be deemed to have been given on the fourth day (being a day other than Friday, Saturday or Sunday) after being so mailed.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same, together with the relevant Certificate or Certificates, with the Principal Paying Agent.

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

(i) The Master Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of the rights of the Trustee, TDIC and/or the Certificateholders or the modification of any of the provisions of the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing in the aggregate not less than 50 per cent. of the then outstanding aggregate face amount of the Certificates (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series), or at any adjourned such meeting one or more persons present whatever the outstanding face amount of the Series held or represented by him or them, except that any meeting the business of which includes the modification of certain provisions of the Certificates (including, amongst others, modifying the relevant Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates or altering the currency of payment of the Certificates and amending certain covenants given by TDIC and the Trustee in the Supplemental Declaration of Trust), the quorum shall be one or more persons present holding or representing not less than 75 per cent. of the then aggregate outstanding face amount of the Certificates (or in the case of a meeting called in respect of more than one Series, the then aggregate face amount of the Certificates of all the relevant Series), or at any adjourned such meeting one or more persons present holding or representing not less than 25 per cent. of the then aggregate outstanding face amount of the Certificates (or, where the meeting is called in respect of more than one Series, the then aggregate outstanding face amount of the Certificates of all the relevant Series). To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than three quarters of the persons voting on a show of hands or, if a poll is duly demanded, a majority of not less than three quarters of the votes cast on such poll and, if duly passed, will be binding on all Certificateholders, whether or not they are present at the meeting and whether or not voting.

(ii) The Master Declaration of Trust provides that a resolution in writing signed by or on behalf of ninety per cent. of all holders of Certificates who for the time being are entitled to receive notice of a meeting in accordance with Schedule 4 (*Provisions for Meetings of Certificateholders*) of the Master Declaration of Trust shall take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Certificates.

(iii) The Master Declaration of Trust, any Supplemental Declaration of Trust and any Transaction Document may only be amended by the Trustee with the consent of the Delegate and the Delegate may, without any consent or sanction of the Certificateholders:

(A) agree to any modification of any of the provisions of the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust or any other Transaction Document or the Trustee's memorandum and articles of association which, in the opinion of the Delegate is: (i) of a formal, minor or technical nature; or (ii) to correct a manifest error; or (iii) not materially prejudicial to the interests of the outstanding Certificateholders and is other than in respect of

a Reserved Matter (as defined in Schedule 4 (*Provisions for Meetings of Certificateholders*)); or

(B) agree to waive or to authorise any breach or proposed breach of, any of the provisions of the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust or any other Transaction Document; or

(C) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, if, in the opinion of the Delegate, such waiver, authorisation or determination is not materially prejudicial to the interests of the outstanding Certificateholders.

(iv) In connection with the exercise by it of any of its powers, trusts, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Delegate shall have regard to the general interests of Certificateholders as a class and shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof 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, TDIC 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 TDIC to the extent already provided for in Condition 12 (*Taxation*)).

(v) Any modification, waiver, authorisation or determination shall be binding on the Certificateholders and, unless the Delegate otherwise decides, shall as soon as practicable thereafter be notified by the Trustee to the Certificateholders in accordance with Condition 18 (*Notices*).

20. **DELEGATE**

The Trustee will in the Master Declaration of Trust irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deeds to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Master Declaration of Trust) and discretions vested in the Trustee by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction, exercise all of the rights of the Trustee under the Purchase Undertaking and the Transaction Documents, provided that no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of this Delegation and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, (together the "**Delegation**" of the "**Relevant Powers**"), provided that in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the relevant Trust Assets and provided further that 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 Master Declaration of Trust as supplemented by the relevant Supplemental 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 Master Declaration of Trust as supplemented by the relevant Supplemental 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 16 (*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 TDIC 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 TDIC 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 Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust.

The Delegate may rely on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, TDIC 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, TDIC 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 in which 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 gross negligence, wilful default or actual fraud of which either of them may be guilty in relation to their duties under the Master Declaration of Trust.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

22. GOVERNING LAW AND DISPUTE RESOLUTION

(i) ***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 the same are and shall be governed by, and construed in accordance with, English law.

(ii) ***Arbitration***: The Delegate, the Trustee and TDIC have in the Master Declaration of Trust agreed that any dispute arising out of or in connection with the Master Declaration of Trust (including a dispute regarding the existence, validity or termination of the Master Declaration of Trust or a dispute relating to any non-contractual obligations arising out of the Master Declaration of Trust (a "**Dispute**")) shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"), which rules are deemed to be incorporated into this Condition 22 by reference. The place of arbitration shall be London, United Kingdom and the language of the arbitration shall be English. The number of arbitrators shall be three.

(iii) ***Jurisdiction***: Notwithstanding the agreement that any Dispute will be settled by arbitration as set out in paragraph (ii) of this Condition, the Trustee and TDIC have agreed in the Master Declaration of Trust that, if the Delegate issues a notice to the Trustee that a Dispute be heard in a court of law, the courts of England are to have exclusive jurisdiction to settle any Dispute which may arise out of or in connection with the Master Declaration of Trust. Notwithstanding the foregoing, under the Master Declaration of Trust, the Delegate may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and, to the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.

(iv) ***Service of Process***: In the Master Declaration of Trust, the Trustee and TDIC have each irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

(v) ***Waiver***: Under the Master Declaration of Trust, TDIC acknowledges that the transactions contemplated by the Master Declaration of Trust are commercial transactions and, to the extent that TDIC may claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to TDIC or its assets or revenues, TDIC agrees not to claim and irrevocably and unconditionally waives such immunity in relation to any Proceedings or Disputes. In addition, TDIC irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any of its assets whatsoever of any award, order or judgement made or given in connection with any Proceedings or Disputes.

USE OF PROCEEDS

The net proceeds from each Series of Certificates issued under the Programme will be paid by the Trustee to TDIC as consideration for the grant of the Musataha of the relevant Series and applied by TDIC for its general corporate purposes or, as the case may be, as set forth in the applicable Final Terms.

CAPITALISATION OF TDIC

The following table sets out TDIC's consolidated capitalisation as at 30 June 2009. The information provided was extracted from TDIC's unaudited condensed consolidated financial statements as at 30 June 2009 and should be read in conjunction with the Financial Statements and Notes related thereto included elsewhere in this Prospectus.

	As at 30 June 2009
	(AED in millions)
Bank balances and cash[1]	819.4
Debt:	
Short-term debt[2]	2,125.8
Bank borrowings long-term	1,057.2
Total debt	3,183.0
Equity:	
Share capital	100.0
Increase in capital and other contributions[3]	18,559.7
Statutory reserve	0.1
Accumulated losses	(541.3)
Total equity	18,118.5
Total Capitalisation[4]	19,175.7

(1) Comprises cash and bank balances, call deposits and short-term deposits with banks that are readily convertible into cash.

(2) Represents the short-term portion of the bank borrowings and bank overdrafts from TDIC's condensed consolidated balance sheet.

(3) Represents increase in capital and other contributions from TDIC's condensed consolidated balance sheet.

(4) Total equity plus long-term debt.

Other than as discussed elsewhere in this Prospectus, there have been no significant changes in the capitalisation of TDIC since 30 June 2009.

DESCRIPTION OF THE TRUSTEE

TDIC Sukuk Limited (the "**Trustee**"), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 3 June 2009 under the Companies Law (2007 Revision) of the Cayman Islands with company registration number 226705. The registered office of the Trustee is at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.

The authorised share capital of the Trustee is U.S.$50,000 divided into 50,000 ordinary shares of U.S.$1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by Maples Finance Limited as share trustee (in such capacity, the "**Share Trustee**") under the terms of a declaration of trust (the "**Share Declaration of Trust**") dated 1 October 2009 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust). It is not anticipated that any distribution from the trust will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. 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.

The Business of the Trustee

The Trustee is organised as a special purpose entity and was established to raise capital by the issue of the Certificates.

The Trustee has not engaged, since its incorporation, in any activities other than those incidental to: (i) its registration as an exempted company; (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 Prospectus; (v) the authorisation and execution of the other documents referred to in this 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 the 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 (iii) the exercise of related rights and powers, the performance of obligations and other activities referred to in this Prospectus or reasonably incidental to those activities.

The Trustee has, and will have, no assets other than the sum of U.S.$250 representing the issued and paid-up share capital, the bank account into which such paid-up share capital is deposited, any interest earned thereon and the Trust Assets. The Trustee shall hold the Trust Assets on trust for the benefit of the holders of the related Certificates. The Trustee does not receive any fee for its services as Trustee in respect of the Trust.

The Certificates are the obligations of the Trustee alone and not the Share Trustee.

Directors of the Trustee

The Directors of the Trustee and their respective business addresses and principal activities are:

Name	Business Address	Principal Activities
Guy Major	P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands	Senior Vice President at Maples Finance Limited
Carlos Farjallah	P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands	Senior Vice President at Maples Finance Limited

The Trustee has no subsidiaries, employees or non-executive directors.

Financial Statements

Since its date of incorporation, the Trustee has not commenced operations and no financial statements have been made up as at the date of this Prospectus. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

Conflicts of Interest

There are no potential conflicts of interest between the private interests or other duties of the Directors of the Trustee listed above and their duties to the Trustee.

The Trustee Administrator

Maples Finance Limited will also act as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator will serve as the general business office of the Trustee. Through the office, and pursuant to the terms of a corporate services agreement to be entered into between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee, including the provision of registered office facilities to the Trustee and the provision of certain clerical, 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.

The terms of the Corporate Services Agreement provide that either the Trustee or the Trustee Administrator may terminate the Corporate Services Agreement by giving at least 14 days' notice to the other party at any time within twelve months of the happening of any 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 three months' notice in writing to the other party.

The Trustee Administrator will be subject to the overview of the Trustee's Board of Directors.

The Trustee Administrator's principal office is P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The U.A.E.

The U.A.E. is a federation of seven Emirates. Formerly known as the Trucial States, they were a British protectorate until they achieved independence in December 1971 and merged to form the United Arab Emirates. Each Emirate has a local government headed by the Ruler of the Emirate. The federal government is headed by the President. The federal budget is principally funded by Abu Dhabi.

The federation is governed by the Supreme Council of the Rulers which consists of the Rulers of the seven Emirates. The Supreme Council elects from its own membership the President and the Vice President (for renewable five-year terms). H.H. Sheikh Zayed bin Sultan Al Nahyan, the late Ruler of Abu Dhabi, held the position of President from 1971 until his death in November 2004. During his long presidency, H.H. Sheikh Zayed bin Sultan Al Nahyan oversaw massive investment in the infrastructure of the U.A.E., which transformed the country. Following his death, his son H.H. Sheikh Khalifa bin Zayed Al Nahyan took over as Ruler of Abu Dhabi and has been elected as President of the U.A.E.

The U.A.E. is the third largest economy in the Arab world after the Kingdom of Saudi Arabia and Egypt. It has a more diversified economy than most of the other countries in the Gulf Cooperation Council (the "**GCC**"). According to OPEC data, at 31 December 2007, the U.A.E. had approximately 8 per cent. of the world's proven global oil reserves (giving it the seventh largest oil reserves in the world), generating approximately one-third of the U.A.E.'s GDP in 2007 and approximately one-half of its export earnings (including re-exports) in 2008, according to data produced by the U.A.E. Central Bank. The U.A.E. enjoys one of the highest GDPs per capita in the region. According to data produced by the International Monetary Fund (the "**IMF**"), the U.A.E.'s GDP per capita based on purchase power parity was approximately U.S.$37,941 in 2007.

Based on IMF data (extracted from the World Economic Outlook (April 2009)), real GDP growth in the U.A.E. increased by 6.3 per cent. in 2007, 7.4 per cent. in 2008 and is expected to decrease by 0.6 per cent. in 2009 and increase by 1.6 per cent. in 2010. Over the period from 2002 to 2007, the Economist Intelligence Unit estimated that the U.A.E. outperformed the GCC region in terms of total real GDP growth by achieving a compound annual growth rate ("**CAGR**") in real GDP over the period of 9.3 per cent. for the U.A.E. as compared to 7.1 per cent. for the GCC region.

The U.A.E. enjoys good relations with the other states in the GCC. However, the U.A.E. does have a longstanding territorial dispute with the Islamic Republic of Iran over three islands in the Arabian Gulf and, as such, is not immune to the political risks that have overshadowed the region.

On 18 December 2008, Moody's reaffirmed the U.A.E.'s long-term credit rating of Aa2 with a stable outlook despite a decline in the price of oil at that time. In its report, Moody's cited the fact that the federal government of the U.A.E. is fully supported by the Government, which has a strong asset position and ability to withstand financial shocks.

Abu Dhabi

Abu Dhabi is the richest and largest of the seven Emirates and the city of Abu Dhabi is also the capital of the U.A.E. federation.

Abu Dhabi, with proven crude oil reserves estimated to be in excess of 90 billion barrels, has approximately 95 per cent. of the U.A.E.'s total oil reserves and approximately 8 per cent. of the world's proven oil reserves (1,204 billion barrels according to OPEC at 31 December 2007). In recent years, Abu Dhabi has produced approximately 2.5 million barrels of oil per day, which is just over 95 per cent. of total U.A.E. production. At this rate of production, Abu Dhabi's oil reserves would last over 100 years. In Abu Dhabi, the non-associated Khuff natural gas reservoirs beneath the Umm Shaif and Abu al-Bukhush oil fields rank among the world's largest. In total, Abu Dhabi has approximately 5,647 billion standard cubic metres of natural gas reserves, representing approximately 3 per cent. of

the world's natural gas reserves of 183,126 billion standard cubic metres (according to OPEC at 31 December 2007).

The populations of both the U.A.E. and Abu Dhabi have grown significantly since 1975, reflecting an influx of foreign labour, principally from Asia, as the Emirates have developed. The table below illustrates this growth using official census data for 1975, 1980, 1985, 1995 and 2005, the most recent census.

	1975	1980	1985	1995	2005
Abu Dhabi population	211,812	451,848	566,036	942,463	1,399,484
Total U.A.E. population	557,887	1,042,099	1,379,303	2,411,041	4,106,427

Source: Official census data, U.A.E. Ministry of Economy.

Abu Dhabi has a predominantly young population with approximately 1 per cent. of the population exceeding the age of 65 and 22 per cent. of the population being under the age of 15. The population is expected to grow at an approximate rate of 5 per cent. per annum for the foreseeable future (according to the IMF), a level which should not require any major short-term infrastructure expansion. The current population mix comprises approximately 25 per cent. U.A.E. nationals and 75 per cent. non-nationals.

Abu Dhabi's nominal GDP per capita of over U.S.$94,300 in 2008 (based on an estimated population of 1.5 million) is one of the highest in the Gulf region. The oil and gas industry dominates Abu Dhabi's economy and contributed approximately U.S.$90 billion, or 64 per cent., of nominal GDP in 2008. Increases in oil and gas production rates combined with increases in oil prices have contributed significantly to the growth in Abu Dhabi's GDP from 2004 to 2008. Oil prices declined significantly in the second half of 2008. If oil prices for the whole of 2009 remain at the levels prevailing in the first three months of the year, Abu Dhabi's GDP for 2009 is likely to be adversely affected given the significant contribution to such GDP made by the oil and gas sector.

The table below shows Abu Dhabi's crude oil exports and the average price of such exports per barrel for each of the years indicated.

	2006	2007	2008
Crude oil exports (U.S.$ billions)	53.1	58.1	84.6
Average price of oil exports (U.S.$ per barrel)	63.8	71.3	98.6

Source: Abu Dhabi National Oil Company.

The table below shows nominal GDP and the percentage growth rate for nominal GDP for Abu Dhabi and the percentage of U.A.E. nominal GDP accounted for by Abu Dhabi for each of the years indicated (no 2008 GDP information is available for the U.A.E. as a whole). No meaningful real GDP information is currently available for Abu Dhabi as a result of uncertainties surrounding the calculation of inflation for Abu Dhabi.

	2005	2006	2007	2008
	(AED in millions, except for percentages)			
Nominal GDP (current prices) Abu Dhabi	290,323	341,286	400,047	519,921
Percentage change in nominal GDP (%)	34.3	17.6	17.2	30.0
Nominal GDP (current prices) U.A.E	513,089	624,623	729,732	N/A
Abu Dhabi share of U.A.E. nominal GDP (%)	56.6	54.6	54.8	N/A

Source: Abu Dhabi Department of Planning and Economy and U.A.E. Ministry of Economy.

Abu Dhabi's GDP is dominated by the oil and gas sector, which contributed approximately 59 per cent. of nominal GDP in 2005, approximately 61 per cent. in 2006, approximately 60 per cent. in 2007 and approximately 64 per cent. in 2008. Outside the oil and gas sector, the principal

contributors to nominal GDP in Abu Dhabi in each of 2005, 2006, 2007 and 2008 have been: manufacturing industries; construction; financial institutions and insurance; government services; real estate and business services; and wholesale and retail trade and repairing services, which together accounted for around 33 per cent. of nominal GDP in 2005, around 32 per cent. in 2006, around 33 per cent. in 2007 and around 31 per cent. in 2008.

In terms of growth, the fastest growing sectors between 2005 and 2008 were construction; oil and gas; restaurants and hotels; real estate and business services; and manufacturing industries, with CAGRs of 27.2 per cent., 24.6 per cent., 20.6 per cent., 20.5 per cent. and 19.2 per cent., respectively.

Including oil and gas which are treated as being under public ownership, the public sector is estimated to have accounted for approximately 68 per cent. of GDP in 2008. This proportion is forecast to continue to decline over time as the size of the public sector is reduced while the private sector expands as a result of privatisation, education and job creation initiatives in the private sector.

The following table shows Abu Dhabi's nominal GDP by economic activity and by percentage contribution, as well as the year on year growth rate, for each of the years indicated.

	2005			2006			2007			2008		
	(AED millions)	%	(2005 compared to 2004, % change)	(AED millions)	%	(2006 compared to 2005, % change)	(AED millions)	%	(2007 compared to 2006, % change)	(AED millions)	%	(2008 compared to 2007, % change)
Sector												
Agriculture, livestock and fishing	4,946	1.7	(25.1)	4,590	1.3	(7.2)	4,367	1.1	(4.9)	4,350	0.8	(0.4)
Mining and quarrying	171,317	59.0	51.7	207,491	60.8	21.1	241,260	60.3	16.3	330,888	63.6	37.1
– Crude oil and natural gas	171,175	59.0	51.7	207,341	60.8	21.1	241,100	60.2	16.3	330,744	63.6	37.2
– Quarrying	142	0.1	3.6	150	0.1	5.6	160	0.1	6.7	144	0.0	(10.0)
Manufacturing industries	29,410	10.1	20.1	34,539	10.1	17.4	41,529	10.4	20.2	49,761	9.6	19.8
Electricity, gas and water	4,634	1.6	27.1	5,291	1.6	14.2	6,296	1.6	19.0	7,209	1.4	14.5
Construction	13,005	4.5	23.5	15,984	4.7	22.9	20,070	5.0	25.6	26,793	5.2	33.5
Wholesale, retail trade and repairing services	10,982	3.8	10.4	12,623	3.7	14.9	14,895	3.7	18.0	17,548	3.4	17.8
Restaurants and hotels	2,123	0.7	19.8	2,507	0.7	18.1	2,958	0.7	18.0	3,726	0.7	26.0
Transport, storage and telecommunications	9,109	3.1	12.8	9,934	2.9	9.1	11,325	2.8	14.0	13,194	2.5	16.5
Real estate and business services	10,738	3.7	12.3	12,695	3.7	18.2	15,800	3.9	24.5	18,801	3.6	19.0
Social and personal services	4,009	1.4	40.6	4,377	1.3	9.2	4,823	1.2	10.2	5,593	1.1	16.0
– Social and personal services	798	0.3	18.6	900	0.3	12.8	981	0.2	9.0	–[1]	–[1]	–[1]
– Private sector health	500	0.2	29.1	603	0.2	20.6	720	0.2	19.4	–[1]	–[1]	–[1]
– Private sector education	2,711	0.9	51.3	2,874	0.8	6.0	3,122	0.8	8.6	–[1]	–[1]	–[1]
Financial institutions and insurance	16,491	5.7	67.7	18,991	5.6	15.2	22,018	5.5	15.9	25,913	5.0	17.7
Government services	16,417	5.7	(6.5)	15,675	4.6	(4.5)	18,536	4.6	18.3	20,653	4.0	11.4
– Public administration and defence	11,408	3.9	(5.2)	10,500	3.1	(8.0)	12,705	3.2	21.0	–[1]	–[1]	–[1]
– Government sector health	2,629	0.9	(3.5)	2,885	0.8	9.7	3,221	0.8	11.6	–[1]	–[1]	–[1]
– Government sector education	2,380	0.8	(15.0	2,290	0.7	(3.8)	2,610	0.7	8.6	–[1]	–[1]	–[1]
Domestic services of households	880	0.3	2.0	906	0.3	3.0	978	0.2	7.9	1,165	0.2	19.1
(Minus imputed bank services)	(3,738)	(1.3)	49.7	(4,317)	(1.3)	15.5	(4,808)	(1.2)	11.4	(5,673)	(1.1)	18.0
Total GDP	**290,323**	**100.0**	**34.3**	**341,286**	**100.0**	**17.6**	**400,047**	**100.0**	**17.2**	**519,921**	**100.0**	**30.0**

(1) Data not available in respect of 2008.

Source: Abu Dhabi Department of Planning and Economy.

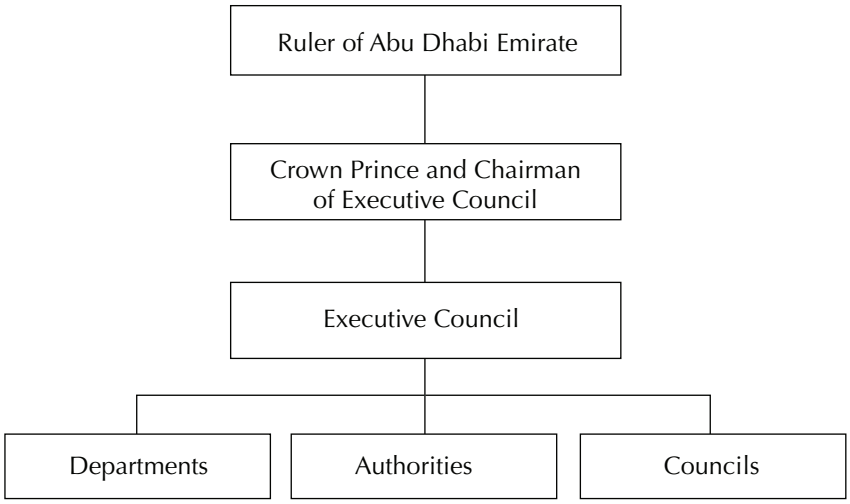
Government

Executive authority in Abu Dhabi is derived from the Ruler, H.H. Sheikh Khalifa bin Zayed Al Nahyan, and the Crown Prince, H.H. Sheikh Mohamed bin Zayed Al Nahyan. The Crown Prince is also the Chairman of the Abu Dhabi Executive Council (the "**Executive Council**"), which is the local executive

authority of Abu Dhabi. The Executive Council is responsible for assisting the Ruler in carrying out his duties and power. The Executive Council comprises 17 members appointed by Emiri Decree.

Departments, authorities and councils are established by Emiri Decree. Departments manage administration within Abu Dhabi and manage specific portfolios, including, for example, the Department of Finance, the Department of Transport, the Department of Municipal Affairs, the Department of Economy and Planning and the Judicial Department. Authorities manage Abu Dhabi's resources and strategies and include the Executive Affairs Authority, the Accountability Authority, ADWEA, the Health Authority, ADIA and ADTA. Councils act as controlling bodies for certain Government initiatives, projects and industry sectors by setting and monitoring policies, regulations and standards, and include the Abu Dhabi Investment Council, the Council for Economic Development, the Education Council, the Urban Planning Council, the Civil Service Council and the Supreme Petroleum Council.

The chart below summarises the structure of the Government.



In addition, the Government, directly and indirectly, wholly-owns a number of companies. The most significant companies owned by the Government are TDIC; Etihad Airways, the national airline of the U.A.E.; Mubadala, an investment and development company mandated to implement the Government's development strategy; ADNOC, responsible for the management of all aspects of Abu Dhabi's oil and gas industry; and International Petroleum Investment Company ("**IPIC**"), which principally invests in international oil and gas interests.

In 2005, the Government passed new laws requiring registration of real estate transactions (including leases for a term of over four years) and providing for the establishment of a Land Registration Department to:

(i) establish a property register;

(ii) register the disposition of property;

(iii) attest the signatures of parties to registered deeds; and

(iv) issue title search certificates.

In addition, the new laws provided that the right to own real estate in Abu Dhabi is limited to the following:

(i) U.A.E. nationals and other corporate bodies wholly-owned by such nationals;

(ii) the Government and the governments of the individual Emirates;

(iii) authorities, companies, corporations, funds, councils and other entities owned by the Government; and

(iv) persons, companies and other entities identified by a resolution issued by the Executive Council.

Citizens of the GCC and corporate bodies wholly-owned by them are permitted to own land within an "Investment Area" designated by the Executive Council subject to guidelines and restrictions issued by the Executive Council.

Non-U.A.E. nationals (natural and corporate persons) are permitted to own property in Abu Dhabi but not the land underlying such property. Additionally, pursuant to Law No. 19 of 2005, non-U.A.E. nationals have the right to enjoy a "right of use" of land located within designated "Investment Areas" under a use agreement for a term of 99 years. Non-U.A.E. nationals may also obtain development rights over land located in such "Investment Areas" for up to 50 years renewable for a similar period subject to the agreement of the parties.

The Government, through the Department of Municipal Affairs, has recently submitted a number of proposed real estate laws to the Executive Council for approval. These laws include provisions allocating the roles of property owners in split occupancy developments, a law to regulate escrow accounts with a view to ensuring that money from completed property pre-sales is protected and used in a specified manner by developers, a law to establish a regulator for the real estate market and a law requiring developers obtain all necessary land title and permits before launching pre-sales.

Recent Developments in the Abu Dhabi Real Estate Market

The information set out below has been derived from research published by DTZ Holdings Plc ("**DTZ**") (international real estate advisers and valuation experts) (The Middle East Market Update Series – Abu Dhabi April 2009) and Jones Lang LaSalle (a financial and professional services firm specialising in real estate services) (on.point Abu Dhabi City Profile – April 2009).

Hotel market

According to DTZ, a general lack of supply of hotel rooms in Abu Dhabi has driven significant growth in average room rates, which increased by 54 per cent. from 2007 to 2008 to AED 1,040, placing Abu Dhabi fourth in the world rankings. Significant hotel development is underway in Abu Dhabi and DTZ projects that 12,000 new rooms will be completed by April 2011 and 20,000 new rooms will be completed by 2012.

Jones Lang LaSalle also notes that approximately 20,000 new hotel rooms are expected to become available by 2012, although it anticipates that some proposed developments may be delayed or cancelled. Although Jones Lang LaSalle expects demand to slow in 2009 as the effects of the global slowdown are felt, the effect of the general shortage of available rooms means that Jones Lang LaSalle expects hotel performance to continue to grow.

Office market

According to DTZ, office rental rates declined from highs of AED 4,500 per square metre reached during 2008 to between AED 3,200 and AED 3,000 per square metre in April 2009. In addition, office sales prices declined from highs of AED 2,300 per square foot achieved during 2008 to around AED 1,800 per square foot in April 2009, reflecting a decrease in liquidity and appetite for real estate as an investment class. Looking ahead, DTZ expects declining rental and sales prices to continue in 2009 before stabilising in 2010.

According to Jones Lang LaSalle, demand for office space in Abu Dhabi at April 2009 remained fairly modest resulting in a drop in office rental levels and an increase in tenant incentives. Looking ahead,

Jones Lang LaSalle expects office rental levels to soften further and then stabilise between 2009 and 2011, at least for well-located, well-managed and well-specified Grade A buildings.

Residential market

According to DTZ, the residential market in the Abu Dhabi metropolitan area will remain under-supplied until 2012, when a number of projects are expected to release a substantial number of units onto the market. DTZ estimates that average quoting prices for apartments and villas in Abu Dhabi had declined by April 2009 by between 15 and 35 per cent. from the highs reached in 2008, principally as a result of speculative buying off-plan largely ceasing. Looking ahead, DTZ expects residential sales prices to stabilise in 2010 before beginning a recovery and residential rental rates to decline by between 5 and 15 per cent. during 2009 (depending on the type of property).

According to Jones Lang LaSalle, speculative activity in the residential sales market largely ended at the end of 2008 when prices peaked in the region of AED 30,000 per square metre. Since that date, Jones Lang LaSalle notes a dramatic fall in both pricing and sales activity and anticipates that prices and trading activity will not pick up until towards the end of 2010. In terms of the residential rental market, Jones Lang LaSalle notes that there is still significant demand and that although rental rates have started to decline in 2009 and demand has declined, occupancy rates remain high, which is expected to cause rents to remain relatively high for the foreseeable future. As more supply becomes available, Jones Lang LaSalle expects a two-tier residential market to emerge with modern, well-located residential accommodation achieving a significant value premium over existing low-grade stock.

Retail market

According to DTZ, retail demand has grown strongly in Abu Dhabi in recent years. Notwithstanding a proposed significant increase in retail gross lettable area by 2010, DTZ expects overall rental growth within the retail market to remain stable before moderating in the medium term as new retail stock enters the market and an anticipated consumer slowdown begins to impact retail revenue.

Investor sentiment

In April 2009, Jones Lang LaSalle conducted a survey of over 200 of the MENA region's leading real estate investors and concluded that investors expect further declines in the regional property market, including in Abu Dhabi, in the short-term with most investors anticipating a market recovery in 12 to 18 months. Abu Dhabi was cited as one of the regional markets most likely to perform strongly over the next 12 to 24 months with approximately 50 per cent. of respondents suggesting that Abu Dhabi would recover in 12 months.

Abu Dhabi Government Credit Ratings

On 2 March 2009, the Abu Dhabi government's long-term foreign and local currency issuer ratings were affirmed at Aa2 (stable outlook) by Moody's, AA (stable outlook) by Standard & Poor's and AA (stable outlook) by Fitch and, on 3 February 2009, its short-term foreign and local currency issuer ratings were affirmed at Prime-1 in a report issued by Moody's. Reasons cited for these high investment grade ratings include a robust fiscal position which is capable of withstanding the recent steep fall in international oil prices and global equity markets, as well as very little direct or explicitly guaranteed debt and an extensive portfolio of financial assets.

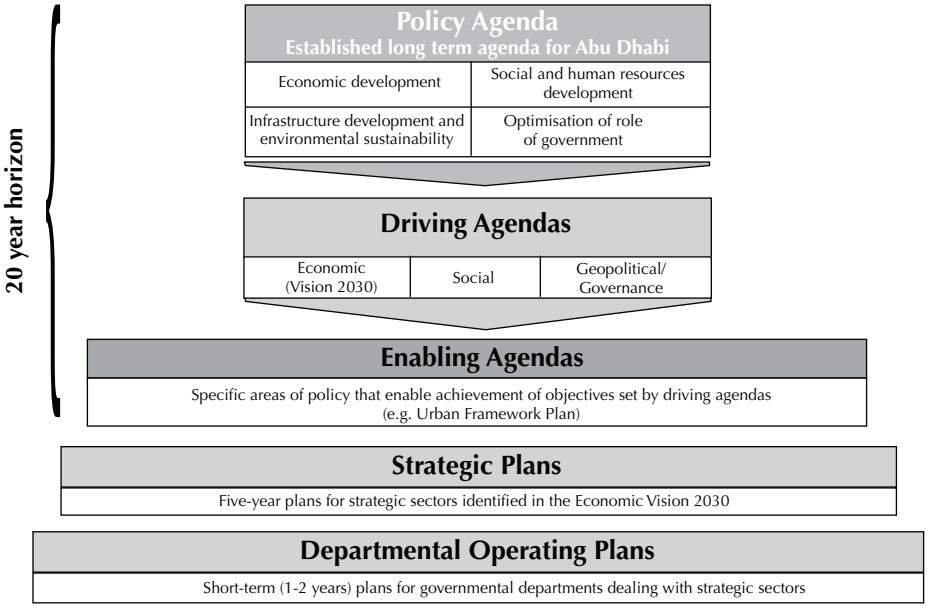
THE ABU DHABI GOVERNMENT'S DEVELOPMENT STRATEGY

Overview

Abu Dhabi's leaders have developed a long-term strategy of diversifying Abu Dhabi's economy away from its reliance on oil and gas as the single major revenue source with a view to creating conditions that are beneficial to the people of Abu Dhabi. The strategy envisages limiting the role of the Government to that of a facilitator and an investor in the public facilities needed to fulfil its vision. Accordingly, the private sector and Government-owned entities like TDIC will be used to drive the process of diversification.

As part of its drive to promote tourism, the Government and ADTA are undertaking several large-scale development projects through TDIC (see "*Business Description of TDIC*"). These projects will be served by an improved transport infrastructure, including an expanded airport. A new port is under construction and feasibility studies are being undertaken in relation to a possible rail link between Abu Dhabi and Dubai and an Abu Dhabi metro system.

The Government's development strategy has been prepared using both a top-down and bottom-up approach, as illustrated in the diagram below:



The Government's Policy Agenda establishes overall long-term policy agendas to drive economic, social and geopolitical/governance change. The Policy Agenda establishes four priority areas of focus aimed at ensuring that the high-level guidelines for Abu Dhabi's socio-economic development are met:

- economic development;
- social and human resource development;
- infrastructure development and environmental sustainability; and
- optimisation of the role of the Government in the future of Abu Dhabi.

These four priority areas form the basis of the enabling agendas identified in the diagram above.

Drawing on the Policy Agenda, the Government published its 2030 Economic Vision, which enumerates the Government's strategic vision in relation to economic development over the period

to 2030 in line with the overall vision articulated in the Policy Agenda. Similar strategies have also been developed in relation to social and geopolitical/governance development identified in the Policy Agenda.

The Government has also adopted enabling agendas to ensure that the goals set forth in the Policy Agenda are achieved. The enabling agendas focus on, among other things, fiscal and monetary policy and trade, human resources, infrastructure and utilities and services. The Urban Framework Plan sets forth the enabling agenda for infrastructure and utilities for the city of Abu Dhabi and its surrounding areas. Similar plans have been or are being prepared in relation to Abu Dhabi's other two regions, the eastern region (Al Ain and its surrounding areas) and the western region.

Enabling agendas in turn set the framework for a number of medium-term (five-year) strategic plans prepared in relation to each of the strategic sectors identified in the 2030 Economic Vision (see "*-2030 Economic Vision*") and for each of the principal Government departments responsible for those sectors. An example of one of these plans is the Abu Dhabi Council for Economic Development's Strategic Plan for 2008-2012. The strategic plans for each sector have been or are being prepared on the basis of a bottom-up approach following in-depth analysis of each sector and consultations with key businesses in each sector. These medium-term plans are reviewed regularly to ensure that they adapt to changing circumstances and will, in turn, allow the development of short-term (one-to-two year) operating plans by the relevant Government departments.

Policy Agenda

The Policy Agenda was published by the Executive Council and outlines the key development goals and Government initiatives across a range of areas. It identifies the role public and private entities will play in the further social and economic development of Abu Dhabi and identifies opportunities for the private sector to engage with the public sector. As discussed above, the Policy Agenda sets out four priority areas of focus: economic development; social and human resource development; infrastructure development and environmental sustainability; and optimisation of the role of government in the future of Abu Dhabi. Each of these priority areas is underpinned by nine pillars of policy intended to form the architecture of Abu Dhabi's social, political and economic future. These nine pillars are:

- establishing a large empowered private sector;
- developing a sustainable knowledge-based economy;
- creating an optimal and transparent regulatory framework;
- continuing Abu Dhabi's strong and diverse international relationships;
- optimising Abu Dhabi's resources;
- establishing a premium educational, healthcare and infrastructure asset base;
- ensuring international and domestic security;
- maintaining Abu Dhabi's values, culture and heritage; and
- contributing in a significant and ongoing manner to the federation of the U.A.E.

Economic Development:

The strategy for economic development focuses on three core areas:

- *an economy-wide effort to raise productivity,* including expansion of the private sector through privatisation and public private partnerships, the creation of the Abu Dhabi Council for Economic Development to support ongoing dialogue between the Government and the private sector, the adoption of asset-clustering strategies (in which a sector will be supported by a

cluster of goods and services providers within and around the sector), to help achieve an efficient and diversified economy (the initial clusters being basic industries and petrochemicals, real estate and tourism, aviation and logistics) and the establishment of The Higher Corporation for Specialized Economic Zones to promote and manage specialised economic and industrial zones and provide infrastructure to stimulate non-oil economic sectors;

- *diversifying the energy sector and the economy,* with a focus on strengthening downstream (refining, transportation and distribution) capabilities through the application of improved processes, products and technologies, expanding the proportion of value-added exports such as refined and semi-refined products in the petrochemicals sector in particular, pursuing geographic diversification through strategic investments in upstream and downstream hydrocarbon assets outside the U.A.E. through entities such as IPIC and leveraging activities in the hydrocarbon sector to diversify into new industrial activities; and

- *development of a high-end tourism market*, aimed at attracting three million visitors per year by 2015. At the time of the Policy Agenda, ADTA had set a goal of attracting 2.7 million visitors to Abu Dhabi by 2012, but in May 2009, ADTA revised this figure to 2.3 million in light of the current economic climate. This number may continue to be revised in the future. The strategy focuses on three main areas: (i) marketing Abu Dhabi globally as a tourist destination; (ii) developing tourism infrastructure and upgrading Abu Dhabi's tourist attractions and services; and (iii) overseeing the tourism sector including in terms of licensing and quality control.

Social and Human Resources Development: The Government is focusing on developing its human and social capital through improvements in education and healthcare, effective management of labour resources, raising standards in the civil service, increasing the awareness of U.A.E. nationals of their culture and heritage and improvements in food safety, hygiene and quality.

Infrastructure Development and Environmental Sustainability: The Government is also focusing on improvements in the fields of urban planning, transport, the environment, health and safety, municipal affairs and police and emergency services.

Government Sector Optimisation: Finally, a Government sector restructuring envisaged in the Policy Agenda has been undertaken to increase local government's efficiency and effectiveness by delivering services based on transparent, consistent and coherent policies and processes. The restructuring programme marks a transition from a centralised decision-making process to a more streamlined approach characterised by the decentralisation of authority and decision-making.

2030 Economic Vision

Based on the principles set out in the Policy Agenda, in January 2009, the Government announced a long-term vision to turn Abu Dhabi into a knowledge-based economy and reduce its dependence on the oil sector. The 2030 Economic Vision is a comprehensive plan to diversify Abu Dhabi's economy and grow the contribution of the non-oil sector significantly by 2030 with a view to reaching equilibrium between oil and non-oil trade by 2028. It examines the current economic environment in Abu Dhabi and identifies key areas for improvement in order to achieve the goals laid out in the Policy Agenda. The 2030 Economic Vision identifies two underlying economic policy priorities: (i) the need to build a sustainable economy; and (ii) the need to ensure that social and regional development is balanced to bring the benefits of economic growth and well being to the entire population of Abu Dhabi.

A number of specific core economic objectives have been identified for both of these economic policy priorities. These include enhancing competitiveness, productivity and diversification, which is intended to reduce the volatility of growth; enlarging the enterprise base by encouraging entrepreneurs, small enterprises and foreign direct investment; and enabling the development of new national champion enterprises to act as economic anchors. In addition, to ensure that social and regional development reaches all sections of society, the 2030 Economic Vision envisages action to

enable Abu Dhabi's youth to enter the workforce, to maximise the participation of women and to continue to attract skilled labour from abroad.

In addition to the economic policy priorities and the core economic objectives, seven areas of specific economic focus have been identified, each having additional specific objectives that must be achieved in order for the Government's stated economic vision to be realised. The seven areas of economic focus are:

- building an open, efficient, effective and globally integrated business environment;
- adopting a disciplined fiscal policy that is responsive to economic cycles;
- establishing a resilient monetary and financial market environment with manageable levels of inflation;
- driving significant improvements in the labour market;
- developing a sufficient and resilient infrastructure capable of supporting the anticipated economic growth;
- developing a highly skilled and highly productive workforce; and
- enabling financial markets to become the key financiers of economic sectors and projects.

The 2030 Economic Vision aims to achieve its goals by focusing resources on 12 sectors to drive Abu Dhabi's future growth. These sectors are:

- oil and gas;
- petrochemicals;
- metals;
- aviation, aerospace and defence;
- pharmaceuticals, biotechnology and life sciences;
- tourism;
- healthcare equipment and services;
- transportation, trade and logistics;
- education;
- media;
- financial services; and
- telecommunication services.

The cultural district of Saadiyat Island, with its planned cluster of world-renowned museums, cultural and educational institutions is particularly referenced in the 2030 Economic Vision as being of significance to the planned expansion and upgrading of Abu Dhabi's tourism and cultural offering. See "*Business Description of TDIC*".

The 2030 Economic Vision seeks to grow Abu Dhabi's GDP by an average of 7 per cent. per annum through 2015, and thereafter to stabilise growth at an average of 6 per cent. per annum, for a total growth in GDP of over 500 per cent. by 2030. This growth is not expected to be consistent throughout the period as different economic cycles and the fluctuation in oil prices will mean that rates of growth will vary from time to time. The Government also intends to foster non-oil GDP growth at a higher rate than that of the oil sector, with a goal of reaching equilibrium in oil and non-oil trade by 2028. The Government seeks to reduce the unemployment rate for nationals from an estimated 12.5 per

cent. in 2006 to 5 per cent. and to develop its national infrastructure to exceed the needs of its growing population. These economic gains are expected to be achieved with the support of a sound monetary and fiscal policy designed to support Abu Dhabi's businesses in increasingly competitive global markets. However, no assurance can be given that these economic gains will be achieved as anticipated.

Urban Framework Plan

In September 2007, the Executive Affairs Authority of Abu Dhabi published the Urban Framework Plan, a significant urban planning initiative intended to articulate an urban plan to guide the evolution of the city of Abu Dhabi to the year 2030. The Urban Framework Plan establishes an environmental context within which urban development should be undertaken, confirming an urban structure of land use, transportation, open space, built form and national capital arrangements. It does not provide specifications for any particular site, but rather guiding principles for the overall development of the city of Abu Dhabi. A similar plan has been prepared for the eastern region and a third plan covering the western region is being finalised. Together, these plans cover the entire Emirate.

The Urban Framework Plan anticipates two distinct phases of development. The initial phase is intended to extend to 2015 and focuses on establishing the structural framework for future growth, such as transit and infrastructure, and to address areas of acute pressure. Saadiyat Island is one of the key developments planned to be included in this first phase. The second phase extends from 2015 to 2030 and is expected to be principally concerned with accommodating an expanding economy and population through the development of higher density housing and the expansion of development within the industrial areas.

The Urban Framework Plan recommends supplementing existing areas of the city of Abu Dhabi with a number of new, distinct zones and expanding the city's transport system into a multi-layered network that connects the downtown core with new growth nodes and the developed islands. The aim of the Urban Framework Plan is to allow the city to expand through sustainable, coordinated development with controlled growth. Sustainability under the Urban Framework Plan is envisaged to revolve around the natural environment, economic development and cultural heritage.

Although Abu Dhabi has an abundance of fossil fuels, the Urban Framework Plan recognises this as a finite resource and regards diversification of the economy as necessary. The Urban Framework Plan promotes capitalising on the region's natural supply of solar and wind power to augment its fossil fuel driven economy. It also seeks to monitor carefully the balance between supply and demand of real estate.

RELATIONSHIP WITH THE GOVERNMENT

Overview

TDIC was formed in October 2005 as a wholly-owned subsidiary of ADTA, the Government authority mandated to support the Government's vision of economic diversification in Abu Dhabi through tourism development. Formed as an independent organisation, TDIC is mandated to implement the strategy of ADTA. The Government's goal is to ensure that assets and attractions of the highest quality are in place to meet expected tourist demand and TDIC has been established to develop many of these assets. TDIC has already been instructed by the Government to work on several of the most prominent and strategic projects encompassed in the 2030 Economic Vision, including the development of Saadiyat Island and the Desert Islands.

Although TDIC has autonomy in the execution of individual projects, its mandate is to implement ADTA's development initiatives and each project TDIC is currently developing has been mandated by the Government. TDIC has also directly partnered with the government of the U.A.E. in the development of certain of its projects. For example, in connection with TDIC's development of the Louvre Abu Dhabi Museum, TDIC is responsible for executing the terms of an intergovernmental agreement between the government of the U.A.E. and the government of France, which sets the groundwork for the creation of the Louvre Abu Dhabi Museum. See "*Material Contracts – Museum Contracts – Louvre Abu Dhabi Museum – L'Etablissement Public du Musée du Louvre*".

TDIC receives a significant amount of Government contributions to support its operations. From inception to 30 June 2009, Government contributions consisted of AED 18.7 billion in capital contributions (consisting of the initial equity contribution of AED 100.0 million and contributions of land and other assets of AED 18.6 billion) and monetary grants of AED 4.976 billion. In the future, TDIC expects to receive significant financial support from the Government.

All of TDIC's directors serve in prominent positions in the Government and/or as officers and directors of entities that are wholly-owned by the Government or the government of the U.A.E. TDIC's Chairman, H.H. Sheikh Sultan bin Tahnoon al Nahyan, is also the Chairman of ADTA and a member of the Executive Council of Abu Dhabi (see "*Management – Members of the Board of Directors*"), which is the principal executive authority below the Ruler and the Crown Prince. TDIC's directors serve as officers or directors of, amongst others, ADIA, ADEA, EDEC, the Urban Planning Council, Etisalat, Etihad Airways, ADNEC, ADWEA, the Supervision Committee of the Expansion of the Abu Dhabi International Airport and Gulf Air. In addition, one of TDIC's directors has been appointed as the General Manager of the Municipality of Abu Dhabi. See "*Management – Members of the Board of Directors*".

Because TDIC is wholly-owned by the Government through ADTA, its financial statements are periodically audited by the Abu Dhabi Accountability Authority, which audits the financial statements of those entities in which the Government has at least a 50 per cent. ownership stake.

TDIC expects that the Programme will: (i) diversify its sources of funding to complement the funding it receives, principally through Government financial support; (ii) provide further accountability, financial discipline and transparency to its operations that will enhance its growth as a commercial enterprise; and (iii) provide greater exposure to international investors and global markets. TDIC believes that the establishment of the Programme will help it to achieve its mandate by substantially enhancing its global recognition and profile. It has been the vision of the Department of Finance that Government-owned entities such as TDIC be marketed by entering the global capital markets.

TDIC's Role in Abu Dhabi's Strategy

Abu Dhabi's development strategy is centred around four priority areas: economic development; social and human resources development; optimisation of the role of Government in the future of Abu Dhabi; and development of environmentally sustainable urban planning. TDIC plays an important

role in each of the four pillars of the Government's development strategy. In addition, TDIC's management believes that each of its developments are master planned and designed to conform to the underlying principles of the strategic goals of Abu Dhabi. In particular, TDIC believes that its business and developments contribute to the following specific goals and initiatives of each of the pillars of the Policy Agenda:

Economic Development

- Economic Efficiency & Performance;
- Infrastructure; and
- Tourism.

Social and Human Resource Development

- Education;
- Culture & Heritage; and
- Women Workforce.

Optimisation of Role of Government

- Efficient Services.

Infrastructure Development and Environmental Sustainability

- Transport & Logistics;
- Environment;
- Health & Safety;
- Municipal Affairs; and
- Police & Emergency Services.

TDIC plays an important role in the Government's economic development strategy through the development of assets for the high-end tourism market in Abu Dhabi. TDIC's role is recognised in the Policy Agenda, where it is highlighted as the entity responsible for developing significant tourism properties and attractions including the related infrastructure in Abu Dhabi, for example, Saadiyat Island.

TDIC has a key role in social and human resources development, in overseeing the development of Saadiyat Island and with it, its Cultural District, designed to become one of Abu Dhabi's leading cultural attractions. The Cultural District is mentioned in the Policy Agenda as playing an integral role in Abu Dhabi's vision to become a world-class cultural destination and a domestic resource for education and cultural development.

TDIC also plays an important role in the Government's infrastructure development and environmental sustainability strategy having been entrusted with overseeing the development of all major infrastructure developments for Saadiyat Island and Sir Bani Yas Island, as well as other key infrastructure projects such as the Hodariyat Crossing. TDIC has also been responsible for implementing key environmental strategies in relation to eco-tourism on Sir Bani Yas Island and the associated nature reserves.

See "*Business Description of TDIC — Overview of Significant Projects*" for a summary of the major projects being undertaken by TDIC.

ADTA

As a Government authority, ADTA has a wide range of responsibilities to execute and oversee Abu Dhabi's strategy for the tourism industry. ADTA was established in September 2004 and is active in building and developing Abu Dhabi's tourism industry through destination marketing, infrastructure and product development and regulation. A key role of ADTA is to coordinate the international promotion of Abu Dhabi with hotels, destination management companies, airlines and other public and private sector travel-related organisations.

ADTA is also responsible for the regulation and monitoring of the tourism industry, upgrading of its service standards and performance through the issuance of tourism licences, providing training opportunities to the industry and also ensuring that the regulations and standards set for licensing are adhered to and complied with by carrying out a comprehensive system of industry inspections.

Distributions to the Government

TDIC's management believes that the Government views its stake in TDIC as a long-term investment. TDIC has not paid any dividends to the Government to date, nor does TDIC have any plans to pay any dividends for the foreseeable future.

TDIC's selected historical consolidated financial data for the six-month periods ended 30 June 2008 and 30 June 2009 and as at and for the financial years ended 31 December 2008, 2007 and 2006 set forth below has been derived from the Financial Statements and the related Notes thereto appearing elsewhere in this Prospectus.

The selected historical consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to the Financial Statements and the related Notes thereto appearing elsewhere in this Prospectus. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

*The financial information as at and for the six-month periods ended 30 June 2008 and 30 June 2009 (the "**Interim Financial Information**") has been prepared using the same accounting principles and on the same basis as the financial information as at and for the year ended 31 December 2008 (except as summarised under "Presentation of Financial and Other Information – Presentation of Financial Information") and includes all adjustments, consisting of normal recurring adjustments that management considers necessary for the fair representation of interim results. The results included within the Interim Financial Information are not necessarily indicative of results to be expected for a full year.*

Balance Sheet Data

	As at	As at 31 December		
	30 June 2009	2008	2007	2006
		(AED in thousands)		
ASSETS				
Non-current assets				
Property, plant and equipment	7,304,277	5,017,099	2,353,614	305,277
Investment properties	2,295,299	2,295,299	1,485,323	8,816
Investments in associates	672,412	672,412	572,352	—
Total non-current assets	10,274,817	7,987,814	4,414,655	337,938
Current assets				
Development work-in-progress	17,174,523	16,833,516	14,453,521	8,783,570
Trade and other receivables	820,566	603,377	280,139	116,990
Bank balances and cash	819,417	920,342	1,232,171	185,347
Total current assets	18,964,772	18,385,278	15,978,581	9,092,879
Total assets	29,239,589	26,373,092	20,393,236	9,430,817
EQUITY AND LIABILITIES				
Equity				
Total equity	18,118,473	18,287,074	17,595,975	9,141,911
Non-current liabilities				
Derivative liability	55,806	77,050	—	—
Bank borrowings — long-term	1,057,248	1,822,064	1,822,064	—
Deferred government grants	4,701,235	1,908,962	147,000	—
Other non-current liabilities	1,652,668	1,001,731	301,216	165,170
Total non-current liabilities	7,466,957	4,809,807	2,270,280	165,170
Current liabilities				
Trade and other payables	1,528,371	2,235,335	423,907	121,016
Bank borrowings — short-term	1,764,816	1,000,000	—	—
Bank overdrafts	360,972	40,876	103,074	2,720
Total current liabilities	3,654,159	3,276,211	526,981	123,736
Total liabilities	11,121,116	8,086,018	2,797,261	288,906
Total equity and liabilities	29,239,589	26,373,092	20,393,236	9,430,817

Income Statement Data

	For the six-month period ended 30 June		For the financial year ended 31 December		
	2009	**2008**	**2008**	**2007**	**2006**
	(AED in thousands)				
Revenue	31,420	18,184	435,575	26,887	1,681
Direct costs	(19,672)	(6,656)	(468,273)	(10,409)	(246)
Gross (loss)/profit	**11,748**	**11,528**	**(32,698)**	**16,478**	**1,435**
Abu Dhabi government contributions	37,500	37,500	75,000	75,000	50,000
Administrative expenses	(235,699)	(123,569)	(339,060)	(136,986)	(66,197)
Management fees	(1,241)	(898)	(1,363)	(933)	(126)
Gain/Loss on revaluation of derivative instruments	21,244	39,940	(77,050)	–	–
Finance costs	(18,544)	(4,851)	(17,976)	(2,447)	(18)
Finance income	21,556	13,290	22,930	17,000	5,327
Gain on sale of property, plant and equipment	–	–	(313)	–	–
Other (expenses)/income	(5,165)	2,789	1,950	340	107
Net (loss)/profit for the year from continuing operations	**(168,601)**	**(24,271)**	**(368,580)**	**(31,548)**	**(9,472)**
Profit from discontinued operations	–	–	–	9,324	4,227
Gain on sale of discontinued operations	–	–	–	23,468	–
Net (loss)/profit for the year/period	**168,601**	**24,271**	**(368,580)**	**1,244**	**(5,245)**

Cash Flow Data

	For the six-month period ended 30 June		For the financial year ended 31 December		
	2009	**2008**	**2008**	**2007**	**2006**
	(AED in thousands)				
Net cash (used in)/generated from operating activities	(912,010)	(708,713)	(493,095)	(1,045,556)	193,511
Net cash (used in)/generated from investing activities	(2,301,284)	(497,328)	(2,518,498)	22,962	(110,884)
Net cash from financing activities	2,792,273	1,027,588	2,761,962	1,969,064	100,000
Net (decrease)/increase in cash and cash equivalents	(421,021)	(178,453)	(249,631)	946,470	182,627
Cash and cash equivalents at beginning of year/period	879,466	1,129,097	1,129,097	182,627	–
Cash and cash equivalents at end of year/period	458,445	950,644	879,466	1,129,097	182,627

BUSINESS DESCRIPTION OF TDIC

Overview

TDIC plays a central role in the implementation of Abu Dhabi's long-term strategy to diversify its economy away from its reliance on oil and gas revenues through its master development of infrastructure, cultural, hospitality, leisure, commercial and residential projects that enhance Abu Dhabi's high-end tourism market. This strategy is detailed in the Government's Policy Agenda, 2030 Economic Vision and Urban Framework Plan. The Policy Agenda recognises TDIC as the entity responsible for the development of many of the assets in Abu Dhabi that are being put in place to meet expected tourist demand. TDIC serves as the implementation arm of ADTA, a Government authority that is TDIC's sole shareholder. See "*The Abu Dhabi Government's Development Strategy*", "*Relationship with the Government*" and "*Shareholder and Related Party Transactions – Sole Shareholder of TDIC*".

TDIC is currently master developing over 55 projects with, as at 30 June 2009, an estimated consolidated total capital cost of over AED 124 billion. These projects can be grouped into the following three key areas:

- **Saadiyat Island** is a 27 square kilometre island located directly off the coast of Abu Dhabi island and is approximately one-quarter of the size of Abu Dhabi island, which is currently the main metropolitan area of the city of Abu Dhabi. Saadiyat Island is envisioned by the Policy Agenda and the 2030 Economic Vision as becoming a regional cultural centre and one of Abu Dhabi's flagship tourist destinations. Saadiyat Island is designed to include various museums, including the Guggenheim Abu Dhabi Museum and the Louvre Abu Dhabi Museum; a performing arts centre; two golf courses; several marinas; approximately 492,000 square metres of retail space; approximately 30 hotels; approximately 2,500 villas and town houses; and approximately 48,000 apartments, as well as a high standard of civic and community infrastructure such as schools, hospitals, fire and police departments and extensive recreation, cultural and education facilities. Saadiyat Island is designed to house approximately 150,000 residents, is expected to be substantially completed around 2023 and as at 30 June 2009 represented approximately 74 per cent. of TDIC's budgeted capital costs. See "*– Overview of Significant Projects – Saadiyat Island*".

- **The Desert Islands** are a grouping of seven islands situated approximately 200 kilometres west of Abu Dhabi island, which are being developed as a single tourist destination. Sir Bani Yas Island, the Desert Islands' largest island, is an 87 square kilometre island, representing an area approximately as large as Abu Dhabi island. The Desert Islands are presently designed to include 11 resorts and spas (consisting of 1,444 rooms), 528 branded residential villas, a golf course, 666 villas and apartments, two palaces, 22,000 square metres of commercial and retail space (including restaurants), an airport, ferries and transport facilities, a cruise ship terminal, heritage and cultural sites, educational and learning centres and recreation parks. The Desert Islands project is expected to be completed in 2015 and, as at 30 June 2009, represented approximately 13 per cent. of TDIC's budgeted capital costs. See "*– Overview of Significant Projects – The Desert Islands*".

- **Other Projects in Abu Dhabi** currently under development include: (i) Qasr Al Sarab; (ii) Angsana Resort and Spa Eastern Mangroves; (iii) Abu Dhabi Golf Resort; (iv) TDIC and ADTA Headquarters; (v) Hodariyat Crossing; and (vi) Qasr Al Ain Hotel. As at 30 June 2009, these other projects represented approximately 13 per cent. of TDIC's budgeted capital costs. See "*– Overview of Significant Projects – Other Projects*".

As a master developer, TDIC develops a diverse range of assets which can be classified into five project types: (i) infrastructure; (ii) culture; (iii) hospitality/leisure; (iv) residential; and (v) commercial/mixed-use. TDIC's estimated consolidated total capital cost as at 30 June 2009 was over

AED 124 billion, of which infrastructure represented 42 per cent., culture 21 per cent., hospitality/leisure 17 per cent., commercial/mixed-use 14 per cent. and residential 6 per cent.

	Infrastructure	Culture	Hospitality /Leisure	Residential	Commercial /Mixed-Use
Saadiyat Island	Saadiyat Island Infrastructure	Louvre Abu Dhabi Museum Guggenheim Abu Dhabi Museum Zayed National Museum	Gary Player Golf Course and Academy St. Regis Resort	Saadiyat Marina SM4-11 Saadiyat Beach Villas and Apartments Saadiyat Construction Village	Cultural District Souk and Canal
Desert Island	Desert Islands Infrastructure	–	Sir Bani Yas Lodges	Sir Bani Yas Royal Bay Residences	–
Other	Hodariyat Crossing	U.A.E. Military Museum	Abu Dhabi Golf Club Angsana Resort and Spa Eastern Mangroves Qasr Al Ain Palace Hotel	–	TDIC/ADTA Headquarters

TDIC's core strength lies in its ability, as a master developer, to work together with public and private partners, in order to develop sustainable world-class projects. Following the principles of the Policy Agenda, the 2030 Economic Vision and the Urban Framework Plan, TDIC has specifically sought to create partnerships with entities that are recognised local and global leaders. Examples of such partnerships which TDIC has entered into include: (i) entities such as the Guggenheim, the Louvre, Gary Player, St. Regis Hotels and Resorts ("**St. Regis**"), Westin Hotels and Resorts ("**Westin**"), Troon Golf Course Management Company ("**Troon Golf**") and Angsana Hotels and Resorts ("**Angsana**"); and (ii) architectural firms such as Gehry Partners LLP, Foster + Partners Ltd. and Ateliers Jean Nouvel.

TDIC has been assigned ratings of Aa2 (stable outlook) by Moody's and AA (stable outlook) by Standard & Poor's and Fitch. These ratings are consistent with the sovereign rating of Abu Dhabi and are primarily due to TDIC's strong relationship both strategically and operationally with the Government. See "*Relationship with the Government*".

TDIC's Relationship with the Government

Abu Dhabi's leaders have a long-term strategy to diversify Abu Dhabi's economy away from its reliance on oil and gas as the single major revenue source. Accordingly, the Government published its Policy Agenda, which established high-level, long-term policy agendas to drive, amongst other things, programmes for economic and social change in Abu Dhabi. The strategy for economic development includes the development of a high-end tourism market as one of its core focuses, with the goal of attracting three million visitors per year by 2015. See "*The Abu Dhabi Government's Development Strategy – Policy Agenda*". The Policy Agenda specifically identifies TDIC as the mandated vehicle to manage tourism investment in Abu Dhabi and to deliver on the strategy of the Government and ADTA.

TDIC receives a significant amount of Government contributions to support its operations. From inception to 30 June 2009, Government contributions consisted of AED 18.7 billion in capital contributions (consisting of the initial equity contribution of AED 100.0 million and contributions of land and other assets of AED 18.6 billion) and monetary grants of AED 4.976 billion. In the future, TDIC expects to receive significant financial support from the Government.

In addition, H.H. Sheikh Sultan Bin Tahnoon Al Nahyan, a member of the Executive Council of Abu Dhabi, acts as the Chairman of both TDIC and ADTA.

See "*Relationship with the Government*", "*Management*" and "*Shareholder and Related Party Transactions*".

Corporate History

Overview

TDIC was established in October 2005 as a public joint stock company pursuant to Law No. 12 of 2005, as decreed by H.H. Sheikh Khalifa Bin Zayed Al Nahyan, the President of the U.A.E. and the Ruler of Abu Dhabi, to assist the Government with implementing its tourism mandate.

TDIC is a wholly-owned subsidiary of ADTA, a Government authority, which was created in 2004 pursuant to Law No. 7 of 2004 in order to execute and oversee Abu Dhabi's strategy for the growth of its tourism industry. TDIC was established with an initial paid-up capital of AED 100 million, divided into 10 million shares of AED 10 each. See "*The Abu Dhabi Government's Development Strategy*", "*Relationship with the Government*" and "*Shareholder and Related Party Transactions – Sole Shareholder of TDIC*".

The Government and ADTA have made land and other asset grants to TDIC in 2006, 2007 and 2008, including the transfer of: (i) Saadiyat Island; and (ii) the rights to operate and develop Sir Bani Yas Island. As at 30 June 2009, these land and asset grants from the Government have contributed AED 18.6 billion to shareholders' equity.

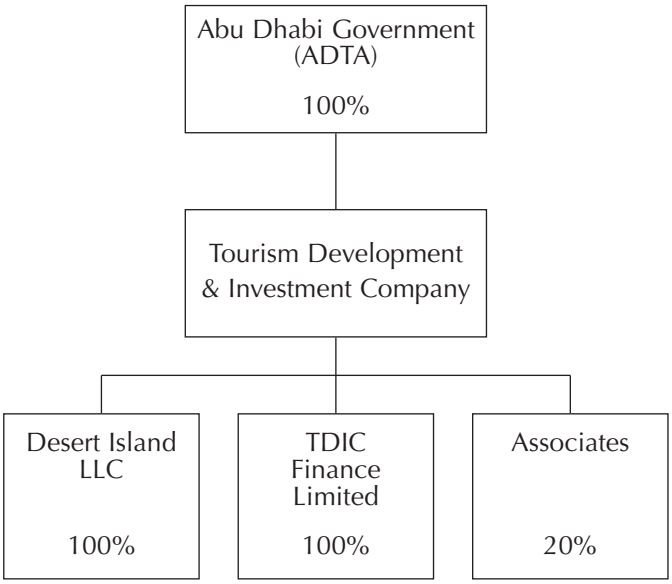
Principal events during TDIC's history include:

September 2004	ADTA established pursuant to Emirate of Abu Dhabi Law No. 7 of 2004.
October 2005	TDIC established pursuant to Emirate of Abu Dhabi Law No. 12 of 2005.
July 2006	TDIC and Solomon R. Guggenheim Foundation ("**SRGF**") enter into a memorandum of understanding relating to the Guggenheim Abu Dhabi Museum.
February 2007	TDIC entered into a contract with the ED Züblin AG/Saif bin Darwish joint venture for the construction of the Saadiyat Island bridge.
March 2007	Intergovernmental agreement entered into between the U.A.E. government and the government of France relating to the Louvre Abu Dhabi Museum.
April 2007	Trademark license agreement entered into between the U.A.E. government, TDIC and L'Etablissement Public du Musée du Louvre.
November 2007	A pre-opening agreement entered into between TDIC and SRGF relating to the design, construction, operation and training of staff for the Guggenheim Abu Dhabi Museum. A trademark license agreement entered into between ADTA and SRGF. An operating agreement term sheet entered into between ADTA and SRGF relating to the operation of the Guggenheim Abu Dhabi Museum. Architectural design services agreement entered into between TDIC and Ateliers Jean Nouvel relating to the design of the Louvre Abu Dhabi Museum.

January 2008	Services agreement entered into between TDIC and Agence-France Museums S.A.S. relating to the design, construction, operation and training of staff for the Louvre Abu Dhabi Museum.
	Design services agreement entered into between TDIC and the Foster + Partners Ltd. and WSP UK Ltd. joint venture relating to the design of the Zayed National Museum.
June 2008	Architectural design services agreement entered into between TDIC and Gehry Partners LLP relating to the design of the Guggenheim Abu Dhabi Museum.
October 2008	Opening of the Desert Islands Resort & Spa.
May 2009	Ground-breaking ceremony for the Louvre Abu Dhabi Museum.
July 2009	TDIC raised U.S.$1 billion in its inaugural issuance under its global medium term note programme.

Corporate Structure

The following diagram sets forth TDIC's current corporate structure as at the date of this Prospectus:



TDIC has entered into investments in companies, mainly in the real estate and hospitality sectors to: (i) enhance the delivery process of properties, and in particular hotels; (ii) allow TDIC to concentrate on its core business as a master developer; and (iii) support the development of local enterprises. In return for contributed land, TDIC has taken a 20 per cent. equity stake in each of B2B Hotels & Properties LLC (formed in 2008), Emirates Pearl for Development & Investment LLC (formed in 2008), Parc Hospitality Investment LLC (formed in 2007) and Qaryat Al Beri Resort Development Co LLC (formed in 2008). See "*– Associates and Strategic Alliances*".

In addition, in early 2008, TDIC and several other Abu Dhabi-based founding shareholders established Abu Dhabi Finance Company as a specialised mortgage lender offering home loans in Abu Dhabi. TDIC currently holds a 20 per cent. equity stake in Abu Dhabi Finance Company, however, TDIC expects to shortly transfer its entire shareholding in Abu Dhabi Finance Company to Mubadala.

In 2008, TDIC established Desert Islands LLC, a wholly-owned subsidiary which will run TDIC's operations on Sir Bani Yas Island.

Strategies

TDIC intends to enhance its competitive position by pursuing, amongst other things, the following key strategies:

Enhance TDIC's position as the Government's trusted partner for development projects

TDIC was established by the Government in October 2005 to further the economic development and diversification of Abu Dhabi by developing world-class, large-scale infrastructure and tourism projects. TDIC has already been instructed by the Government to work on several of the most prominent and strategic projects encompassed in the 2030 Economic Vision, including the development of Saadiyat Island and the Desert Islands, and may receive additional Government mandates as development in Abu Dhabi progresses. In particular, the Government has envisaged the development of Saadiyat Island for many years and has determined that TDIC is the appropriate body to manage its development.

Through a focus on execution excellence, TDIC works to meet the Government's expectations with respect to those projects that TDIC has been awarded in order to achieve excellence and demonstrate TDIC's skills in both master developing and general project execution. TDIC continues to look for opportunities to enhance its overall relationship with the Government by reinforcing its role as an essential component and trusted partner in the realisation of the Government's vision.

Successfully execute world-class projects to further establish Abu Dhabi's position as a premier international tourist destination

TDIC is focused on creating world-class projects and is dedicated to excellence in execution. TDIC is currently master developing over 55 projects that include a diverse range of infrastructure, cultural, hospitality/leisure, residential and commercial/mixed-use developments. Whilst TDIC has developed a strong reputation as a master developer, it must ensure that, in order to enhance its own commercial position and to further the reputation of Abu Dhabi, each project it completes is a success. To this end, TDIC continues to seek to realise the best possible execution of all of its projects with the goal of establishing them as world-class attractions that further establish Abu Dhabi as a premier international tourist destination. TDIC believes that, in addition to strengthening the global image and brand of Abu Dhabi, its projects will enhance Abu Dhabi's position as a cultural centre and highlight Abu Dhabi's cultural heritage, and thereby serve as a means to promote international dialogue and multicultural understanding and ultimately ensure TDIC's success.

Continue to build execution capacity and enhance TDIC's team through strategic growth

Whilst TDIC has significant internal resources and plans to maintain its streamlined and flexible structure in the future, TDIC is nevertheless growing quickly due to the fact that it has continually taken on additional projects throughout its history. Accordingly, as TDIC continues to execute additional projects from its existing pipeline of projects, TDIC expects to continue to actively recruit new talent for all lines of its business. TDIC will, however, focus on managing its size and, where possible and efficient, expects to opportunistically strengthen and complement its internal capabilities through its various relationships with both local and international organisations with specific expertise.

TDIC seeks to attract and retain highly experienced and committed professionals in order to enhance its capacity to successfully implement its corporate strategy, complete its projects and reinforce its position as an efficient and integrated master developer. Furthermore, TDIC believes that the current market environment provides it with an excellent opportunity to hire experienced, talented and qualified individuals with which to bolster its team. In order to ensure that TDIC hires only the best candidates, TDIC has developed thorough and rigorous assessment procedures to screen candidates' experience and aptitude, and to generally ensure that they fit well within TDIC's corporate culture.

Continue to develop existing strategic relationships and to seek new strategic relationships

TDIC has sought to develop key strategic relationships in order to manage its project pipeline, maintain its flexible structure and help to ensure that its projects are successful, regardless of their size. In addition, TDIC benefits from partnerships, including with the Government, that it and its affiliates have entered into. TDIC believes that such relationships allow it to reduce its exposure to the risks related to the development and operation of individual projects, as many of its partners take on such risks when they agree to act as the sub-developers or operators of TDIC's properties. Furthermore, TDIC believes that its relationships with internationally recognised partners such as the Guggenheim, the Louvre, Gary Player, St. Regis, Westin, Troon Golf, Angsana, Gehry Partners LLP, Foster + Partners Ltd. and Ateliers Jean Nouvel provide it with excellent additional execution and operational capacity and that such relationships enhance TDIC's credibility throughout the U.A.E., the Gulf region and internationally. In addition, in connection with TDIC's development of the Louvre Abu Dhabi Museum, TDIC is responsible for executing the terms of an intergovernmental agreement between the government of the U.A.E. and the government of France, which sets the groundwork for the creation of the Louvre Abu Dhabi Museum.

TDIC takes a detailed interest in its strategic relationships and, therefore, whenever TDIC forms an association or contractual agreement, TDIC carefully evaluates each potential partner, even in those situations where TDIC has no financial interest in their developments, in order to ensure the success of TDIC's overall master developments. TDIC believes that through finding and developing strong partners in and from Abu Dhabi it can further assist in improving and enhancing the overall commercial and business environment of Abu Dhabi and fulfil its mandate under the Policy Agenda to support the development of local enterprises. TDIC will seek to continue to establish strategic relationships with pre-eminent partners both from Abu Dhabi and abroad in order to enhance its operations and developments.

Competitive Strengths

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

TDIC is closely tied to the Government and benefits from its support

TDIC is wholly-owned by the Government through ADTA. TDIC is a key strategic asset of, and believes it is an invaluable partner for, the Government, as the Policy Agenda specifically mandates TDIC and contemplates certain of TDIC's projects. TDIC also benefits from the strong financial support from the Government. From inception to 30 June 2009, Government contributions consisted of AED 18.7 billion in capital contributions (consisting of the initial equity contribution of AED 100.0 million and contributions of land and other assets of AED 18.6 billion) and monetary grants of AED 4.976 billion. As a result of TDIC's role within Abu Dhabi and because a significant number of TDIC's projects represent the Government's investment in Abu Dhabi's infrastructure and local attractions, as well as in its own international reputation, TDIC has benefited from significant Government monetary grants for many current projects and expects to receive significant additional Government financial support in the future for certain other projects.

Recognised track record for planning Saadiyat Island master development and successful track record for project development

TDIC believes that it has a successful track record as a result of its master planning of Saadiyat Island and the completion of other projects and developments throughout Abu Dhabi such as the Desert Islands Resort & Spa. TDIC has substantially completed the master plan for Saadiyat Island's entire area of 27 square kilometres and the primary infrastructure on Saadiyat Island, including the Mina Temporary Link, Saadiyat Bridge and Saadiyat Link. Throughout TDIC's involvement with the Saadiyat Island project, interest from international developers has been strong, which TDIC's management believes underscores the popularity of its master plan.

As a master developer TDIC is able to phase, manage and control the construction and release of its projects which gives TDIC significant flexibility in operating its business. This is further enhanced by TDIC's strong pipeline of projects which run through to 2023

As a master developer, TDIC is managing the development of Saadiyat Island and the Desert Islands, as well as developing a wide range of infrastructure, cultural, hospitality/leisure, residential and commercial/mixed-use projects in these areas and elsewhere in Abu Dhabi. Given the scope of TDIC's projects and TDIC's extensive pipeline of projects which will run through to 2023, TDIC has significant flexibility in determining the timing for the development and marketing of individual aspects of its projects or the timing for the sale of completed properties and land within its projects. TDIC continuously reviews such timing aspects of its developments to ensure that it will obtain the maximum value for its projects. For example, TDIC generally develops its infrastructure projects as early as possible to ensure that it is able to launch and progress future individual projects at times that TDIC believes to be optimal, whether due to general market demand, specific business or development opportunities presented to TDIC or otherwise. This is particularly important in the context of TDIC's residential and commercial/mixed-use projects and land it holds that is available for sale where TDIC seeks to maximise their market value by timing their release and sale to coincide with what TDIC believes to be attractive market conditions. Additionally, TDIC is able to delay the release and sale of such projects if TDIC determines that the potential sales price would not reflect the underlying value of its projects and properties. Furthermore, this flexibility also allows TDIC the ability to manage its cash flows and to assist it in financing its projects.

Additionally, in terms of overall benefits for its projects, TDIC believes its ability to phase and control the release of its developments and land allows it to reduce speculation in its projects and, hopefully, realise greater value and attract the best possible purchasers, both in terms of sub-developers and end-users, through its careful pre-screening of potential buyers and scheduling the release and sale of properties. From an operational perspective, by carefully phasing the development of each of its projects, TDIC has attempted to ensure that those projects progress in an orderly and efficient manner. As a master developer, TDIC believes its ability to control the phasing of its projects has been instrumental to its ongoing success in developing areas such as Saadiyat Island and the Desert Islands, which are extremely large in scale.

Furthermore, the Government has, largely based on TDIC's work on Saadiyat Island, given TDIC additional projects that, in some cases, expand upon the scope of TDIC's original mandate. For example, TDIC has been mandated to undertake the development of the Hodariyat Crossing, a 1,300 metre bridge from Abu Dhabi island to Hodariyat Island. In addition, all of TDIC's current projects, including both master developments and individual projects, are proceeding as planned and TDIC has already completed, or is on the verge of completing, several key projects, such as the Desert Islands Resort & Spa, Qasr Al Sarab and the Gary Player Saadiyat Beach Golf Course and Academy.

Strong strategic relationships and the ability to leverage off these key relationships

Through operating its business, TDIC has cultivated numerous key relationships with pre-eminent development, tourism, hospitality and leisure organisations. For example, in connection with the Saadiyat Island project, TDIC has entered into development, management and other agreements with internationally recognised partners such as The Solomon R. Guggenheim Foundation, the Louvre, Gary Player, St. Regis, Westin, Troon Golf and Angsana. TDIC has also been able to develop relationships with a number of internationally renowned architects such as Gehry Partners LLP (the Guggenheim Abu Dhabi Museum), Ateliers Jean Nouvel (the Louvre Abu Dhabi Museum) and Foster + Partners Ltd. (the Zayed National Museum). In addition, through TDIC's connection with the Government, TDIC has been able to establish relationships and benefit from contractual arrangements that have been entered into by the Government with a range of other institutions. For example, in connection with TDIC's development of the Louvre Abu Dhabi Museum, TDIC is responsible for executing the terms of an intergovernmental agreement between the government of the U.A.E. and the government of France, which sets the groundwork for the creation of the Louvre Abu Dhabi Museum. Through these relationships, TDIC has been able to obtain significant international

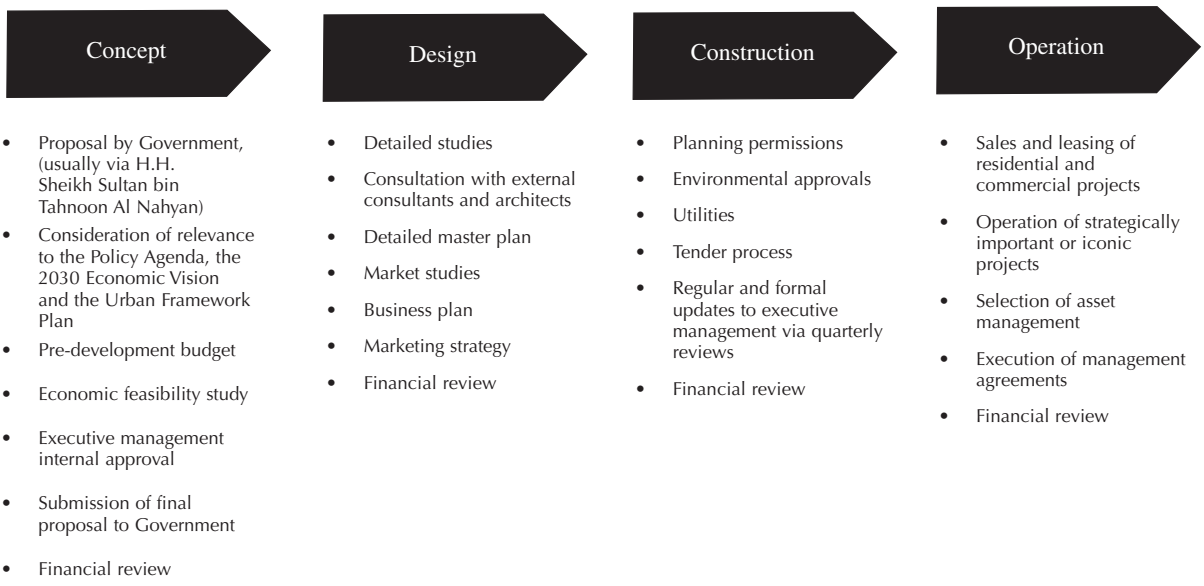
recognition for many of its projects and will seek to ensure the quality of TDIC's designs and the timely execution of its projects, as well as the successful operation of its projects after their completion, in order to further enhance TDIC's international standing and reputation.

TDIC benefits from a dedicated and experienced management team

TDIC has grown its team carefully through a thoughtful and rigorous process of recruiting individuals that TDIC believes are the best possible candidates to ensure the success of its developments and operations. Through this process, TDIC has built a professional and committed senior management team that consists of 11 persons with an average of 17 years of project development experience. TDIC's senior management is dedicated to maintaining and improving TDIC's position as an efficient and integrated master developer of tourism assets throughout Abu Dhabi. TDIC also benefits from a strong Board of Directors including H.H. Sheikh Sultan bin Tahnoon al Nahyan, TDIC's Chairman and a member of the Executive Council, who is actively involved in the Government and continues to greatly assist TDIC on a day-to-day basis in not only sourcing TDIC's projects, but also in managing TDIC's business.

Project Development

A master planned project's development generally can be classified into four stages: (i) concept; (ii) design; (iii) construction; and (iv) operation, with each of these stages containing a number of steps as detailed in the diagram below. TDIC undertakes a detailed financial review of each individual project at each stage of its development to ensure its projects are progressing on budget.



During various stages of a project's development, TDIC is required to seek approval from the Urban Planning Council. The Urban Planning Council was created by Emiri decree in 2007 to manage Abu Dhabi's urban growth and to ensure that all public and private land and infrastructure projects are developed in accordance with the Policy Agenda, 2030 Economic Vision and Urban Framework Plan. The Urban Planning Council has a key regulatory function in terms of being the approval authority for planning approvals within Abu Dhabi.

The Urban Planning Council conducts a four-stage approval process covering: (i) approval of the outline of a proposed development; (ii) approval at the pre-concept stage of a project's development and planned land use; (iii) approval of more detailed key parameters, such as land use, height and size of buildings, sustainability and community facilities; and (iv) approval of a full detailed plan, including architectural design, landscaping and sustainability.

Project Management

TDIC's business structure is designed to facilitate clear project accountability and to mitigate planning and development risk as far as possible. Responsibility for each project, from concept to operation, rests with a project development sponsor who leads a cross-functional project development team comprising TDIC's core disciplines (development, design, construction management, sales, finance and marketing). The project development sponsor and the project development team are involved throughout the life of a project, participating in its initial evaluations, regular process updates and concept review sessions with members of the executive management and Government, and its final completion and delivery. See "*Management – Departments*".

Concept Stage

TDIC's projects are proposed to it by the Government, and typically by H.H. Sheikh Sultan bin Tahnoon Al Nahyan, TDIC's Chairman, Chairman of ADTA and a member of the Executive Council. Once TDIC has been instructed to pursue an initial concept, the project development team works to refine and develop the concept and assess its overall feasibility. At this stage, the project development team considers the project's location, infrastructure requirements, asset mix (land use), preliminary design and planning, as well as its overall relevance to the Government's strategy as set out in its Policy Agenda, the 2030 Economic Vision and the Urban Framework Plan. Throughout this process, the project development team works with third party consultants (such as engineers and designers) and the Government. See "*The Abu Dhabi Government's Development Strategy*".

After this initial assessment, the project development team creates a pre-development budget and an economic feasibility study of the project to evaluate its viability. As part of such study, the project development team assesses the project's cash flow characteristics, debt service capacity and any requirements for Government financial support (which may take the form of a monetary grant or Government loan). See "*— Funding Principles and Requests for Government Financial Support*". The project proposal (including the initial business plan, pre-development budget and feasibility report) is submitted to TDIC's executive management for internal approval. Once such approval is secured, the project development team submits the project proposal to the Government for its approval and requests any Government land grant or subsidy that may be required to complete the project. As the Government may continue to provide input on a project throughout the course of its development, a project's master plan may require certain amendments after its approval.

Design Stage

In the design stage, the project development team conducts more detailed analysis in order to refine the initial project proposal and continues to engage third party consultants to further develop the project. The project development team also consults with supervisory bodies, designers, architects and utility providers in order to establish the infrastructure requirements for the project. Throughout this stage the project plan becomes more refined and detailed.

In addition, internal and external market studies are also conducted that involve assessing demand for each asset class in the project (hotel, residential, retail, offices, etc.), pricing information, sale and lease strategies, current and future competition and any other factors that could impact the economic return of the project on completion. The initial business plan is then updated which includes the latest budget and, where applicable, a marketing strategy. The budget is a projection of future costs and revenues throughout the lifetime of the project and is refined upon receipt of further information. The marketing strategy plans the timing of the project's launch, the target market, appropriate methods of marketing, how the project will be positioned and the budget for marketing.

Construction Stage

In order to begin construction, the project must secure certain regulatory approvals, including permission from the Urban Planning Council, environmental approvals from the Abu Dhabi Municipality (the "**ADM**") and ADEA and certain other approvals required with respect to utilities.

Upon receipt of such regulatory approvals, tenders for each separate component of the project's construction are issued to potential contractors, who are chosen based on their track record, their ability to complete the project within the anticipated timeframe, their relevant experience and their bid. The project development and project delivery teams evaluate each proposal and make a recommendation to the executive management, which then reviews the proposals and, in some cases, after further negotiation with the contractor, awards the contracts so that construction can commence.

The project delivery team has relative autonomy in its execution of the project, but must report any material changes to the project's master plan and any budget over runs to the project development team and executive management for approval. Any variance to the budget, timeline and scope is reported by the project delivery team or external project management consultants through their cost reports, which are submitted at least monthly or, in cases of expediency, on an ad hoc basis, and are monitored by the project development team.

Operation Stage

As TDIC's commercial, hospitality, leisure and residential projects are being completed, TDIC's asset management group will supervise the leasing, yield management, tenant and partner relationships, and physical maintenance of such assets. TDIC has entered into management agreements whereby it outsources the day-to-day operation of certain assets. TDIC anticipates that its role as asset manager will increase in the coming years as its developments are completed. For further information on TDIC's operational assets, see "*– Sales and Leasing*".

Funding Principles and Requests for Government Financial Support

TDIC develops a range of projects that may utilise one or more of the following significant funding sources.

- Deferred monetary grants from the Government are used to finance large infrastructure projects (such as the Saadiyat Island infrastructure) or projects that would not be commercially viable without Government support (such as the Louvre Abu Dhabi Museum and the Guggenheim Abu Dhabi Museum). From inception to 30 June 2009, TDIC has received AED 4.976 billion of monetary grants from the Government.

- Government loans are used as an alternative to commercial debt to finance projects which TDIC anticipates will generate revenue upon completion. As at 30 June 2009, TDIC had received AED 547.0 million of Government loans.

- Commercial debt is primarily used to finance projects whose cash flows are expected to support commercial debt service. Examples of projects which are funded by commercial debt include residential developments and hotel developments. As at 30 June 2009, TDIC had AED 3.2 billion of commercial debt outstanding.

As TDIC is a relatively young company with the bulk of its projects in their infancy, revenue and cash flows from projects have been minimal to date. The majority of TDIC's revenues have been generated from the sale of commercial land or assets (for example, hotels) granted to it by the Government. Accordingly, a significant portion of TDIC's funding has historically come from the Government.

As part of its annual budgeting process, TDIC's Board of Directors determines the amount of financial support it will need from the Government to operate its business for the coming year. Requests for monetary grants and other forms of financial support are made to either the Executive Committee or

the Executive Council. Upon approval from the Executive Committee or the Executive Council, the Abu Dhabi Department of Finance is charged with finalising the details of the terms of the financial support as needed.

Requests for Government financial support in amounts less than AED 120 million are made to the Executive Committee. Such requests are required to be accompanied by a detailed proposal setting forth: (i) the relevance of the project to the 2030 Economic Vision; (ii) the financial viability of the project; (iii) the key risks associated with the development project and strategies for mitigating such risks; (iv) the project implementation plan; and (v) the development timetable. Requests for Government financial support in excess of AED 120 million are made to the Executive Council by a detailed proposal similar to that made to the Executive Committee.

In certain circumstances, particularly for the most significant infrastructure projects which are considered strategic to the Government's tourism development policy, the Chairman of TDIC makes a direct request for Government financial support, by means of a special memorandum procedure, to the Crown Prince of Abu Dhabi, H.H Sheikh Mohamed bin Zayed Al Nahyan. Requests made by the special memorandum procedure do not require the level of detail of supporting documentation detailed above in relation to capital contribution requests made to the Executive Council.

Deferred Government grants are typically set aside by the Government and drawn down on a quarterly basis by TDIC. Where TDIC recognises a shortfall in the funds its requires to fulfil its investment objectives for the year, it may request additional funds from the Government during the course of the year.

Government support is a fundamental part of TDIC's business operation and TDIC does not believe that it could continue to operate its business as it has done in the past if it does not continue to receive Government support in similar amounts and on similarly favourable terms in the future.

Sales and Leasing

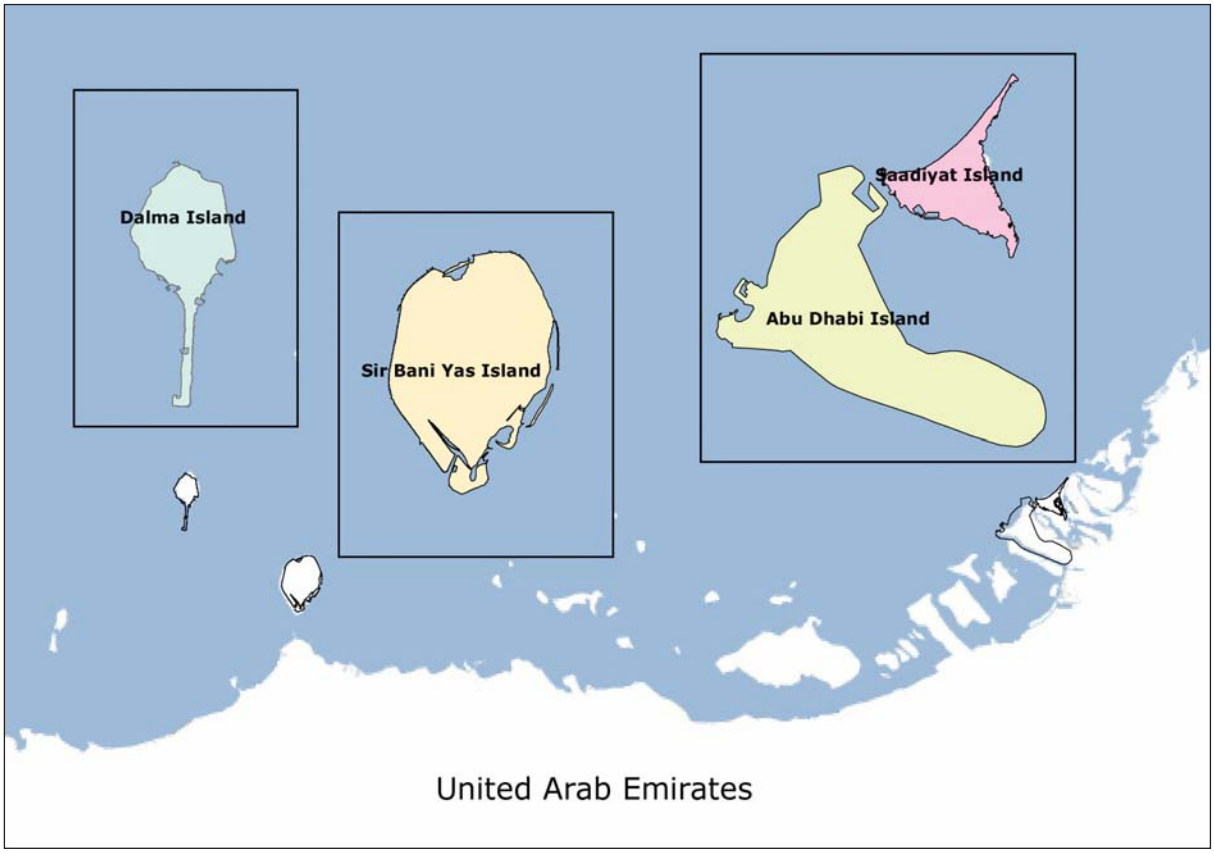
For its residential and commercial projects, TDIC structures its sales and leasing practices to: (i) prevent inflation caused by speculative investors; (ii) support the overall value of its master developments; and (iii) ensure it maintains the goodwill of U.A.E. citizens. TDIC undertakes a careful screening and selection process to ensure properties are sold to, or operated by, individuals and entities that help support or are otherwise complimentary to the Government's strategic projects and objectives to promote Abu Dhabi's high-end tourism market. TDIC strictly limits the number of units a purchaser may acquire as well as a purchaser's ability to transfer such units prior to completion.

Where a project involves commercial and/or residential development (for example, the commercial leasing of floor space at the TDIC and ADTA Headquarters or the sale of residential developments on Saadiyat Island), a sales and marketing plan is developed at the pre-construction stage. Typically, the marketing plan includes advertising, branding and organising promotional events. TDIC's executive management is responsible for determining the timing of any sale or lease initiatives on a project by project basis. Due to the relative infancy of the majority of its projects, TDIC has, to date, undertaken only limited sales and leasing initiatives. To date, TDIC has sold 237 villas, 14 land sites and five hotel sites on Saadiyat Island.

TDIC has standard form sales contracts for the sale of freehold and leasehold development land and the sale of freehold and leasehold residential developments. For residential sales, TDIC typically will receive an initial deposit (which typically takes the form of a 5 per cent. deposit followed by a 10 per cent. down payment) from the purchaser of a property to be developed by TDIC when the sales contract is signed with further payments (typically 5 per cent. per quarter) being made in instalments during the construction period. Payment of the final instalment is required before the completed property is delivered. TDIC seeks to ensure that any liability it may have to purchasers of its developed properties for defects in the properties is matched by appropriate contractual provisions in the contracts it enters into with its contractors.

Overview of Significant Projects

Overview



As a master developer, TDIC oversees the development of large-scale projects located throughout Abu Dhabi. As shown on the map above, these projects are generally located in two key project areas: (i) Saadiyat Island, located just off the coast of Abu Dhabi island; and (ii) the Desert Islands, located 200 kilometres west of Abu Dhabi island. The remainder of TDIC's projects are located throughout Abu Dhabi. Each of these project areas is described further below.

The following table presents TDIC's most significant current projects by project area and project type. A more detailed description of each is set forth below. For a table setting forth TDIC's complete project portfolio, see "*Annex A*":

Project Name	Phase	Funding Source	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED millions)
Saadiyat Island					
Infrastructure					
Saadiyat Island Master Plan Infrastructure	Design/ Construction	GG	2006	2018	35,968
Cultural					
Louvre Abu Dhabi Museum	Design	GG/GL	Design: January 2008 Construction: May 2009	2013	Aggregate cultural costs 18,500*
Guggenheim Abu Dhabi Museum	Design	GG/GL	Design: June 2008 Construction: Q4 2009	2014	Aggregate cultural costs 18,500*
Zayed National Museum	Design	GG	Design: August 2008 Construction: Q4 2009	2013	Aggregate cultural costs 18,500*
Hospitality/Leisure					
Gary Player Saadiyat Beach Golf Course and Academy	Construction	CDF	Construction of Academy: January 2009 Construction of Golf Course: April 2008	2011	527
St. Regis Resort	Re-tendered	CDF	Q4 2007	2011	3,001
Residential					
Saadiyat Beach Villas (Phase One)	Design/Tender/ Construction	CDF	Q3 2009	2013	2,412
Saadiyat Beach Apartments	Design/Tender/ Construction	CDF	2010	2013	1,327
Saadiyat Construction Village	Construction	CDF	May 2008	Q4 2009	915
Commercial/Mixed-Use					
Cultural District Souk and Canal	Concept	CDF	Design commenced in Q1 2009	2013	3,875
Saadiyat Marina SM4-11	Design	CDF	Q3 2009	2014	2,709
Desert Island					
Infrastructure					
Desert Island Infrastructure	Concept/Design	GG	Q3 2009	2015	736
Hospitality/Leisure					
Sir Bani Yas Lodges	Concept/Design	GL	Q3 2009	Q1 2010 and 2011	795

Project Name	Phase	Funding Source	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED millions)
Residential					
Sir Bani Yas Royal Bay Residences	Concept/Design	CDF	Q3 2009	2013	2,175
Other					
Infrastructure					
Hodariyat Crossing	Design/Tender/ Construct	GG	Q3 2009	Q1 2012	580
Cultural					
U.A.E. Military Museum	Concept	GG	2011	2014	1,577
Hospitality/Leisure					
Qasr al Sarab	Construction	CDF	Q4 2007	Q4 2009	1,908
Qasr Al Ain Hotel	Concept	GG	Q2 2009	Q4 2012	4,832
Abu Dhabi Golf Resort	Re-tendered	CDF	Q4 2007	2011	1,801
Angsana Resort and Spa Eastern Mangroves	Re-tendered	CDF	Q4 2007	2011	1,738
Commercia/Mixed-Use					
TDIC/ADTA Headquarters	Construction	GG/ CDF	2007	Q2 2011	1,336

* Represents the aggregate estimated project costs of the Louvre Abu Dhabi Museum, the Guggenheim Abu Dhabi Museum and the Zayed National Museum.

Key

GG: Government Grants
GL: Government Loan
CDF: Commercial Debt Financing

Saadiyat Island

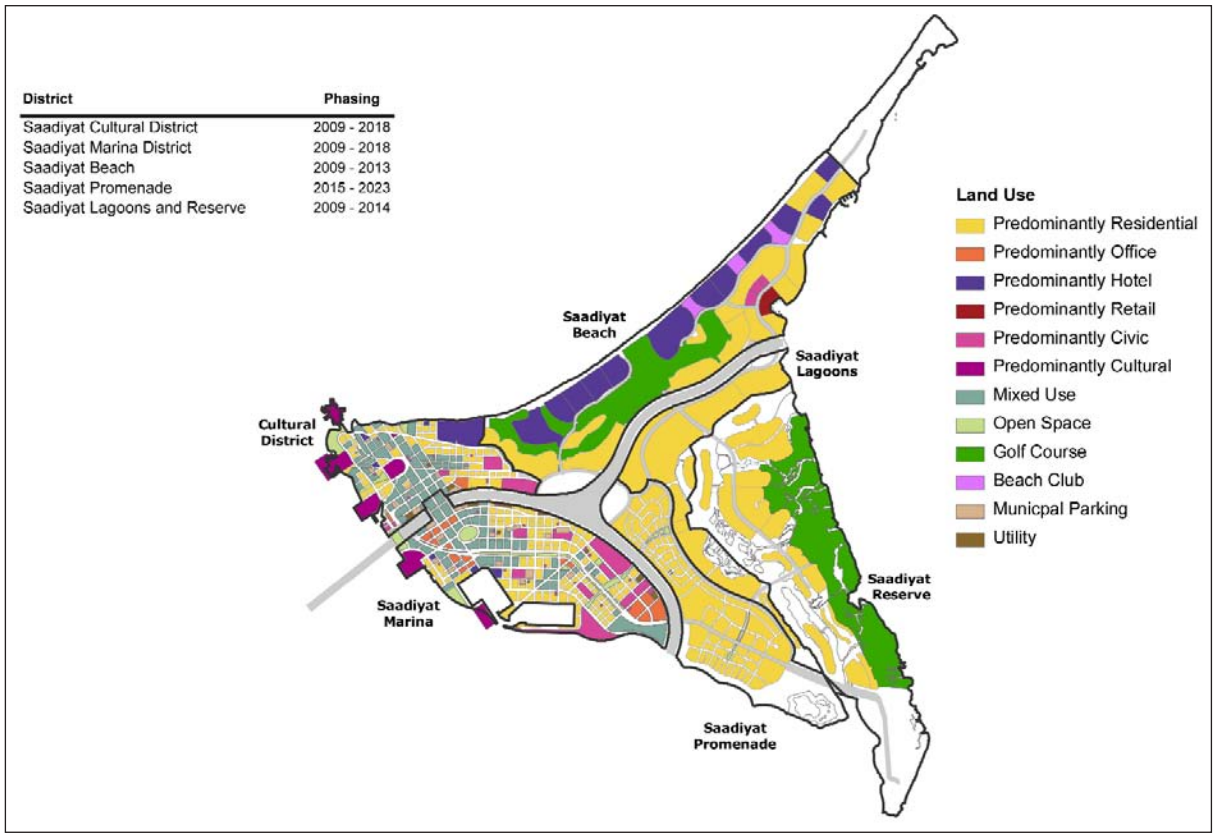
Overview

The master development of Saadiyat Island is one of TDIC's flagship projects. With a range of leisure, cultural and residential facilities, TDIC believes that Saadiyat Island will be both a premier tourist destination as well as a modern integrated residential community. Saadiyat Island covers an area of approximately 27 square kilometres and is located less than one kilometre east of the Meena district of Abu Dhabi island. The island is designed to include museums (including the Guggenheim Abu Dhabi Museum and the Louvre Abu Dhabi Museum), a Performing Arts Centre, two golf courses, several active marinas, as well as built-up areas representing 490,000 square metres of retail space, 2,926,000 square metres of office space, 9,025,000 square metres of residential space, 1,601,000 square metres of hospitality space, 718,000 square metres of civic facilities and 207,000 square metres of cultural facilities. The project will be approximately one-quarter of the size of Abu Dhabi island and is designed to house approximately 150,000 residents. The total gross built up floor area of the developments on Saadiyat Island is expected to exceed 16 million square metres, much of which is intended to be developed according to an ecologically sensitive, low density plan. With the exception of the furthest north-eastern tip, TDIC owns all the land comprising Saadiyat Island having been granted such land by the Government.

TDIC's completed master plan for Saadiyat Island consists of seven unique districts built in a varied but overall modern style of architecture. These districts include: (i) Saadiyat Cultural District, designed to be home to premier cultural institutions as well as other hospitality/leisure, residential and commercial/mixed-use developments; (ii) Saadiyat Beach District, designed to include nine five-star

landscaped resorts and an 18-hole golf course designed by Gary Player; (iii) Saadiyat Promenade, designed to be an active leisure orientated beachfront development at the heart of Saadiyat Island's resort offerings, oriented around middle-income families; (iv) Saadiyat Reserve, designed to include exclusive villas and a mangrove wetlands based tournament class golf course; (v) Saadiyat Lagoons District, designed to feature mid-range and luxury low and medium rise waterfront housing along the shallow lagoons; (vi) Saadiyat Marina District, designed to include waterfront food and beverage outlets and hotels around a 1,000 berth marina, residential properties at varying prices and transit oriented developments, leisure and entertainment facilities; and (vii) Saadiyat Retreat, planned as an exclusive luxury low density district comprising villas and boutique hotel offerings.

Saadyiat Island



Infrastructure

Saadiyat Island Infrastructure

As part of TDIC's Saadiyat Island master plan, TDIC is developing the island's infrastructure, including roads, bridges, canals, waste and water treatment plants, cooling plants, water networks, reservoirs and irrigation systems. Certain infrastructure projects, such as the temporary access road, enabling works and the bulk earthworks for Saadiyat Beach, have already been completed. Saadiyat Bridge, which will connect the island to the heart of Abu Dhabi island, is being built by a joint venture between Saif bin Darwish and ED Züblin AG and is expected to be completed in the fourth quarter of 2009. Other ongoing infrastructure projects include the permanent Saadiyat Mina Link (a five lane expressway tunnel that connects Saadiyat Island with the Corniche and Salam Street tunnels on Abu Dhabi island), the Saadiyat Waste Water Treatment Plant which is scheduled for completion in 2011 and the mangroves nursery. Saadiyat Island's entire infrastructure is expected to be completed in 2022. As at 30 June 2009, the total capital cost of the infrastructure for Saadiyat Island was estimated at AED 35.9 billion. For a further description of the infrastructure projects planned for Saadiyat Island, see "*Annex A*".

Culture

The Cultural District of Saadiyat Island, through its leading museums and performing arts centre, is designed to position Abu Dhabi as a leading tourist destination in the Middle East. The Saadiyat Island Cultural District will feature the first Louvre museum outside of France and the largest Guggenheim museum in the world. The day-to-day operations of each of the museums, including the Louvre Abu Dhabi Museum, the Guggenheim Abu Dhabi Museum and the Zayed National Museum, will be overseen by their respective museum operating bodies (each, a "**Museum Operating Body**"). Each Museum Operating Body is expected to be created before the end of 2009. As at 30 June 2009, the total capital cost of TDIC's cultural projects on Saadiyat Island was estimated to be AED 18.8 billion.

The Louvre Abu Dhabi Museum

On 6 March 2007, the government of the U.A.E. and the government of France entered into an intergovernmental agreement setting the groundwork for the development of the first Louvre museum outside of France. See "*Material Contracts – Museum Contracts – Louvre Abu Dhabi Museum – L'Etablissement Public du Musée du Louvre*". Currently in the design phase, the Louvre Abu Dhabi Museum is being designed to include a gross floor area of approximately 63,055 square metres. The museum is being designed by Ateliers Jean Nouvel and will exhibit fine art, decorative art and other artefacts from the Musée du Louvre's collection in Paris and from other French national museums. The new waterfront site on which the Louvre Abu Dhabi Museum will be built was made available for enabling works in May 2009. The ground breaking ceremony took place in June 2009 and the museum is expected to be completed in 2013.

The Guggenheim Abu Dhabi Museum

On 8 July 2006, TDIC entered into a memorandum of understanding with the Solomon R. Guggenheim Foundation pursuant to which TDIC has been granted rights to construct the largest Guggenheim museum in the world and the only Guggenheim museum in the Middle East. The museum is currently in the design stage and is designed to include a gross floor area of approximately 77,190 square metres. The museum is being designed by Gehry Partners and will exhibit modern and contemporary art. The new waterfront site on which the Guggenheim Abu Dhabi Museum will be built was made available for enabling works in May 2009 and the museum is expected to be completed in 2014.

The Zayed National Museum

The Zayed National Museum is being designed by Foster + Partners Ltd. and is in the design stage. The museum will present Emirati culture and convey the life and experiences of his late Highness Sheikh Zayed Bin Sultan Al Nahyan, the Founder and first President of the U.A.E., as well as the regional history context. The museum is expected to have a gross floor area of over 43,000 square metres, including approximately 7,000 square metres of exhibition space. TDIC has entered into an agreement with the British Museum to provide expert advice and counsel on the development of the Zayed National Museum. The British Museum will serve as a consulting partner to the Museum Operating Body and will advise on a range of issues, including design, construction and museography. The prominent Cultural District canal side site on which the Zayed National Museum will be built was made available for enabling works in April 2009 and construction work is expected to begin on site in the fourth quarter of 2009.

Other

In addition to the museums described above, the Cultural District is also designed to include a number of cultural pavilions along the canal. In addition, the Cultural District is designed to host a Performing Arts Centre, housing a number of theatres with a combined seating capacity of approximately 6,300. The adjacent Marina District is designed to house a Maritime Museum, showcasing Abu Dhabi's unique maritime and pearling heritage. In addition, the Cultural District is

expected to host various events and activities designed to attract the public to the area. For a further description of the cultural projects on Saadiyat Island, see "*Annex A*".

Hospitality/Leisure

The Gary Player Saadiyat Beach Golf Course and Academy

The 18-hole championship Saadiyat Beach Golf Course and Academy has been designed by the Gary Player Group and will be located adjacent to eight hotels and a residential community. The golf course includes a gross land area of approximately 1,246,158 square metres and a gross floor area, consisting primarily of the academy, of approximately 2,500 square metres. TDIC has engaged Leighton Contracting (Abu Dhabi) LLC ("**Leighton**") as the project's main contractor and all of the 18 holes have already been sculpted and seeded. In addition, TDIC has engaged Troon Golf Suisse Sàrl, a well-known and experienced golf course operator, to oversee the project's future operations. The golf course and golf academy are expected to be completed in the fourth quarter of 2009 and the clubhouse is expected to be completed in 2013. As at 30 June 2009, the total capital cost of the Saadiyat Beach Golf Course and Academy was estimated at AED 526.7 million.

St. Regis Resort

St. Regis Resort is designed to include a luxury hotel and residential community surrounding the Gary Player Saadiyat Beach Golf Course. The project will include 380 hotel rooms, 259 branded residential apartments, 33 signature villas, 75 villas and approximately 3,000 square metres of retail space. TDIC has engaged Mirage Mille to project manage the design and construction of this resort. TDIC has also engaged St. Regis, which is the luxury brand of Starwood Hotels & Resorts Worldwide Inc., to operate the hotel. See "*Material Contracts - Operations and Management Contracts – St. Regis*". Construction commenced in the third quarter of 2008 and the project is expected to be completed in 2011. As at 30 June 2009, the total capital cost of the St. Regis Resort was estimated at AED 3 billion.

Other

In addition to the projects described above, TDIC is also currently developing a Beach Retail Commercial Centre, two five-star beach resorts designed to offer 400 hotel rooms and 200 branded residential units, a luxury business resort designed to offer 250 hotel rooms and 125 branded residential units and a Saadiyat branded beach club. For further details, see "*Annex A*".

Residential

Saadiyat Beach Villas and Apartments

The Saadiyat Beach Villas and Apartments are designed to be a high-end, gated community surrounding the Gary Player Saadiyat Beach Golf Course. The Saadiyat Beach Villas project consist of 624 villas, 237 of which have been pre-sold. The villas have been sold as 99-year leaseholds to non-U.A.E. nationals and as freeholds to U.A.E. nationals. Saadiyat Beach Villas have three villa/townhouse styles: Arabian, Mediterranean and Contemporary. Interiors have been designed by California's Creative Design Consultants.

The infrastructure for the villas and associated community facilities and the construction of the villas and associated community facilities will be undertaken by Hilal Bilbadi & Partners Contracting Company WLL and Al Jaber, respectively, with construction of the first phase of 354 villas having commenced in the third quarter of 2009. Ten villas are scheduled to be delivered in the second quarter of 2010 to showcase the villa designs for sales and marketing purposes. As at 30 June 2009, the total capital cost, for all phases, of the Saadiyat Beach Villas was estimated at AED 4.2 billion.

The Saadiyat Beach Apartments and community facilities are planned to be the first medium density residential development available on Saadiyat Island. The project is designed to include a range of standard, mid-range and premium apartments developed in two architectural styles, Mediterranean

and Arabian. The project envisages approximately 975 apartments constructed in several phases by 2013, the first of which will commence construction in the first quarter of 2010. The concept design for each apartment building was undertaken by AN Design International and JZMK Partners. Detailed design of the project is currently underway by lead consultant GHD Pty Ltd. The first phase of apartments (495 units) will be developed to lease over a two-year period followed by a phased sales programme staggered over an additional two years. As at 30 June 2009, the total capital cost of the Saadiyat Beach Apartments, consisting of 495 units, was estimated at AED 1.3 billion for phase one.

Saadiyat Construction Village

The Saadiyat Construction Village is designed to house approximately 20,000 workers engaged in the construction of various projects on and around Saadiyat Island during the course of the island's development. The accommodation complex is designed as an enabling project to be leased to contractors during the development of Saadiyat Island, after which time the housing will be removed from the island to make land available for other developments. The village will include dining areas, sports and leisure facilities, shops, internet booths, recreational parks and laundry facilities. The accommodation is being constructed using a number of sustainable features such as solar water heating, light wells and water saving features in line with TDIC's sustainable development values. Work commenced in the second quarter of 2008 and the project is expected to be completed in the fourth quarter of 2009. As at 30 June 2009, the total capital cost of the Saadiyat Construction Village was estimated at AED 915.3 million.

Other

In addition to the projects set forth above, TDIC is additionally in the design phase for three other residential offerings: Saadiyat Marina SM4-13, a residential area which will include a hotel, office space, marina residences and retail offerings; Island Lagoon Villas and Apartments; and Saadiyat Reserve Villas. For further information, see "*Annex A*".

Commercial/Mixed-Use

Saadiyat Marina SM4-11

Saadiyat Marina SM4-11 is expected to be one of Saadiyat Island's primary residential districts. The project is designed to include a hotel with 350 rooms, a number of villas and apartments, approximately 7,250 square metres of retail area and approximately 60,000 square metres of commercial space. The project is currently in pre-concept design stage and is expected to break ground in early 2010 for a planned completion of 2014. This project will form part of the Saadiyat Marina District which is located between the Cultural District and the Saadiyat Marina. The project is located on a large oval shaped park and forms part of the Marina District high street precinct. As at 30 June 2009, the total capital cost of the Saadiyat Marina SM4-11 was estimated at AED 2.7 billion.

The Cultural District Souk and Canal

The Cultural District Souk and Canal is designed to serve as a link between the Cultural District's cultural institutions and museums as well as a stand-alone attraction featuring a diverse range of boutique hotels, approximately 116,000 square metres of office space (targeting creative and knowledge-based industries), approximately 49,700 square metres of retail space and 586,600 square metres of residential space. The canal, including a traditionally inspired souk, has been designed to serve as a pedestrian link between the area's cultural institutions and museums, as well as a stand-alone attraction. TDIC has commenced concept design of the various features along the canal. Construction, including the dredging of the canal, has commenced and the project is expected to be completed by 2013 in line with the opening of the museums.

Other

In addition to the Cultural District Souk and Canal, TDIC is also in the design phase of the Saadiyat Land Bridge which is a mixed-use link between the Cultural and Marina districts of Saadiyat Island. For further information, see "*Annex A*".

In July 2009, TDIC and Dulwich College, a leading independent school in the United Kingdom, entered into a memorandum of understanding setting out a general framework for their collaboration with the aim of Dulwich College opening a school on Saadiyat Island by 2012. TDIC has also commenced concept planning for the construction of approximately eleven educational nurseries across Saadiyat Island. The opening date of the first nursery is targeted for the third quarter of 2012, with the delivery of further nurseries being aligned to demand and the overall development of Saadiyat Island.

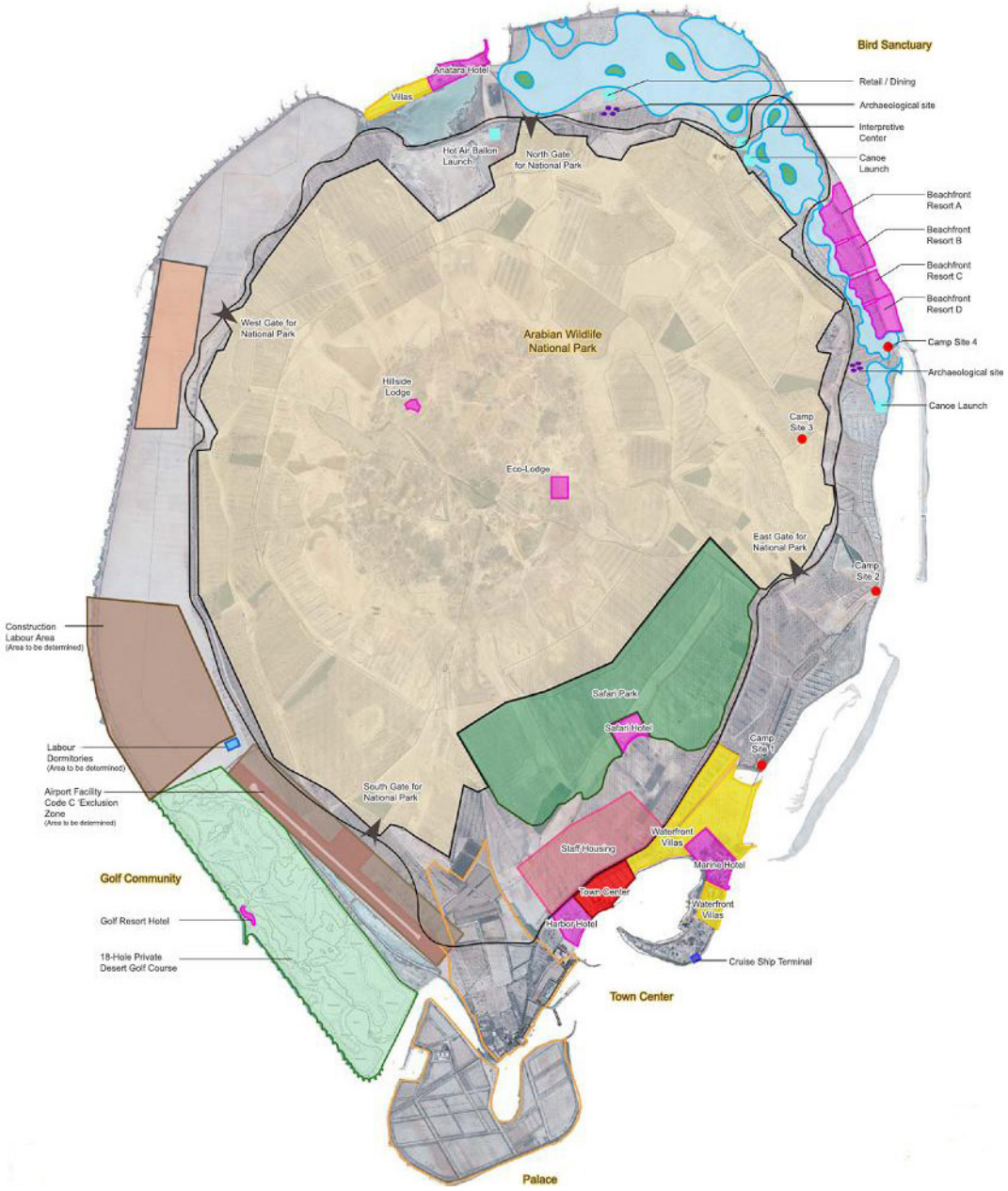
The Desert Islands

Overview

The Desert Islands consist of a grouping of seven islands situated approximately 200 kilometres west of Abu Dhabi island. The Desert Islands include Sir Bani Yas Island, the Desert Islands' largest island, which is an 87 square kilometre island, representing an area approximately as large as Abu Dhabi island, parts of neighbouring Dalma Island, and five smaller surrounding islands. Although Sir Bani Yas Island is owned by the Government, in 2007 the Government granted TDIC the rights to develop the island, together with the other Desert Islands, which TDIC owns, as one ecological tourism destination. The master plan for the Desert Islands includes 11 resorts and spas (consisting of 1,444 rooms), 528 branded residential villas, a golf course, 666 villas and apartments, two palaces, 22,000 square metres of commercial and retail space (including restaurants), an airport, ferries and transport facilities, heritage and cultural sites, educational and learning centres and recreation parks. TDIC expects to have 204 rooms available to accommodate approximately 11,000 visitors per annum to the Desert Islands by the end of 2010. All of those rooms are expected to be situated on Sir Bani Yas Island. The project is expected to be completed in 2015. As at 30 June 2009, the total capital cost of the Desert Islands was estimated at AED 11.8 billion.

With its wildlife sanctuaries, beaches and natural marine habitats, the Desert Islands are designed to further the vision of ecological preservation of the U.A.E.'s late President and Ruler of Abu Dhabi, H.H. Sheikh Zayed Bin Sultan Al Nahyan, who had previously established an Arabian wildlife preserve on Sir Bani Yas Island, the largest of these islands. The development of the island group also aims to use extensive sources of alternative energy, including wind farms and solar energy, to meet the islands' energy needs.

Sir Bani Yas Island



Infrastructure

The Desert Islands' infrastructure will consist primarily of developing: (i) a logistics area located in the western region of Sir Bani Yas Island; and (ii) the Desert Islands' bulk infrastructure. The logistics area is designed to include storage and logistics facilities, waste and composting facilities, labour accommodation, laundry facilities, stores and workshops. The bulk infrastructure is designed to include marinas, canals, bridges, utilities, relocation activities, bulk earthworks and landscaping. Infrastructure works commenced in 2008, including the airport upgrade and the bulk infrastructure project is expected to be completed in 2015. As at 30 June 2009, the total capital cost of the Desert Islands' infrastructure was estimated at AED 736 million.

Culture

The Desert Islands are designed to include a range of cultural and tourism offerings, including an equestrian centre, an outward bound camp and a dive fishing and sports centre.

Hospitality/Leisure

Sir Bani Yas Lodges

The Sir Bani Yas Lodges are designed to consist of four boutique lodges that will provide approximately 180 rooms. Each of the lodges will be designed to provide its own unique experience. The lodges will be operated by Anantara. Construction will commence in 2009, with two lodges scheduled for completion in 2010 and the two further lodges scheduled for completion in 2011. As at 30 June 2009, the total capital cost of the Sir Bani Yas Lodges was estimated at AED 795 million.

Residential

Sir Bani Yas Royal Bay Residences

The Sir Bani Yas Royal Bay Residences are designed to consist of 87 villas located on Royal Bay on Sir Bani Yas Island. Construction will commence in 2011 and the project is expected to be completed in 2013. As at 30 June 2009, the total capital cost of the Sir Bani Yas Royal Bay Residences was estimated at AED 2.175 billion.

Other

In addition to the Sir Bani Yas Royal Bay Residences, TDIC is currently designing additional residential offerings, including the Desert Island Resort Residences and South Zone Staff Housing.

Other Projects

Overview

Other significant projects currently under development include: (i) Abu Dhabi Golf Resort, a golf course and residential development located east of downtown Abu Dhabi island; (ii) Qasr Al Sarab, a desert resort situated in Liwa Desert's empty quarter; (iii) Angsana Resort and Spa Eastern Mangroves, an eco-retreat located on the east coast of Abu Dhabi island; (iv) TDIC and ADTA Headquarters, TDIC's headquarters in Abu Dhabi island featuring significant leasable office space; (v) the U.A.E. Military Museum; (vi) Hodariyat Crossing; and (vii) Qasr Al Ain Hotel.

Infrastructure

Hodariyat Crossing

The Hodariyat Crossing is designed to be a 1,300 metre, six lane bridge from Abu Dhabi island to Hodariyat Island. TDIC expects construction to commence in the fourth quarter of 2009, with completion scheduled for 2012. As at 30 June 2009, the total capital cost of the Hodariyat Crossing was estimated at AED 580 million.

Other

In addition to the Hodariyat Crossing, TDIC is also undertaking the development of the infrastructure for the Mafraq Hotel, a hotel in the eastern region of Abu Dhabi, as well as staff accommodation for the Mafraq Hotel. For further information, see "*Annex A*".

Culture

The U.A.E. Military Museum

In late 2008, TDIC undertook a design competition involving three international architects to provide concepts for the new U.A.E. Military Museum to be located on a high profile site in Abu Dhabi. The museum is being developed in cooperation with the U.A.E. Armed Forces and will focus on the historical importance of the U.A.E. military, its international humanitarian missions and its regional

and global influence. Initial traffic and infrastructure engineering studies for the site have been completed.

Khalifa Park

Khalifa Park will be redeveloped primarily to increase visitor numbers. The master plan for the redevelopment of Khalifa Park envisages adding new elements to the existing park that focus on culture (for example, a school for traditional arts), education for children and entertainment (including food and beverage outlets). For further information, see "*Annex A*".

Hospitality/Leisure

Abu Dhabi Golf Resort

The Abu Dhabi Golf Resort is located east of the Abu Dhabi island downtown area on the site of the existing Abu Dhabi Golf Club. In addition to the existing 27-hole championship golf course and academy managed by Troon, the resort is expected to include various leisure facilities, gated villages consisting of 76 exclusive villas with golf course frontage, 32 luxury townhouses, 138 premium apartments and 148 hotel rooms. TDIC began work on a substantial upgrade of the Abu Dhabi Golf Club in 2009, constructing a new gatehouse, improved signage, a new approach road and extensive landscaping.

At the resort's centre, TDIC has planned a 148 room Westin Hotel Spa, the first property in Abu Dhabi to be managed by Westin, a part of Starwood Hotels & Resorts Worldwide Inc., which manages an extensive global network of hotels and resorts. The hotel is designed to include a wellness centre, a spacious gymnasium, an indoor climbing wall, two squash courts, a tennis academy and a hamman-inspired spa with nine treatment rooms. The resort concept was designed by international resort and leisure experts Northpoint (Pty) Ltd of South Africa. The working design architect is Chicago's GREC Architects and the project's interior has been designed by the hospitality specialists GETTYS Worldwide. The townhouses have been conceptualised by Northpoint (Pty) Ltd and designed by Dubarch of the U.A.E., and their interiors have been designed by Southern California's CDC Design. Construction, including piling and the application of the base foundation for the main hotel complex, commenced in early 2008 and the project is expected to be completed in 2011. As at 30 June 2009, the total capital cost of the Abu Dhabi Golf Resort was estimated at AED 1.8 billion.

Qasr Al Sarab

Qasr Al Sarab, a five-star Arabian retreat, is currently under construction and is located seven kilometres from the main Hamim Highway crossing Abu Dhabi's Liwa Desert. The retreat covers over 2,400 hectares of land located 150 kilometres from the Abu Dhabi International Airport and will include a hotel with 140 rooms, 52 villas (with an option to sell 42 villas to U.A.E. nationals under a rental ownership plan), luxury health spa, conference centre, adjoining excursion and tented villages and a children's playground. At the adjoining excursion and activities centre, guests will be able to sample traditional desert pursuits, including falconry and camel riding, and will be able depart on a range of tours and safaris. Conference facilities are being constructed to host a wide range of conferences and conventions, with a banqueting and meeting hall capacity for 200 people.

The South African architecture firm Northpoint (Pty) Ltd. and the Dubai architecture firm Dubarch designed Qasr Al Sarab, the South African/U.A.E. joint venture ALEC/Al Jaber was awarded the construction contract, the international consultancy of Turner & Townsend was appointed project manager and the Thai hospitality operator Anantara Resorts & Spas will operate the hotel. Construction commenced in the first quarter of 2008 and is expected to be completed in the fourth quarter of 2009.

As at 30 June 2009, the total capital cost of Qasr Al Sarab was estimated at AED 1.9 billion. Given its remote location, this project would not be commercially viable without the Government's assistance in offsetting certain costs with respect to implementing necessary infrastructure. For example, the

Government has provided TDIC a monetary grant to cover the costs of building a road leading to the resort, building staff accommodation at the project location and ensuring the delivery of utilities.

Angsana Resort and Spa Eastern Mangroves

TDIC is developing the Angsana Resort and Spa Eastern Mangroves as an ecological tourism retreat located on the east coast of Abu Dhabi island within its protected eastern mangroves. The development is designed to consist of 223 hotel rooms, 77 serviced apartments, 52 luxury three bedroom apartments available for sale on a freehold basis to U.A.E. nationals and 92 marina apartments. The resort will include marina facilities, a quayside promenade, a signature spa, interactive educational media, retail outlets and a dining and entertainment area. The resort will be operated by Angsana, the sister company of the Banyan Tree Group that operates luxury hotels. Construction, including the stages of land reclamation, commenced in 2008 and the project is expected to be completed in the first quarter of 2011. As at 30 June 2009, the total capital cost of the Angsana Resort and Spa Eastern Mangroves was estimated at AED 1.8 billion.

Qasr Al Ain Hotel

The Qasr Al Ain Hotel is designed to be a luxury hotel in the style of Abu Dhabi's Emirates Palace Hotel. The hotel will feature 250 rooms, 40 golf villas, a 27-hole championship golf course, a golf club, a polo club, gym and spa facilities, an equestrian centre and a shooting range. Schematic design has commenced with preliminary earthworks expected to commence in the fourth quarter of 2009. The project is expected to be completed in 2012 in preparation for the GCC conference. As at 30 June 2009, the total capital cost of Qasr Al Ain Hotel was estimated at AED 4.8 billion.

Other

In addition to the projects set forth above, TDIC is undertaking the development of staff accommodation for employees working in its hotels in Abu Dhabi, Abu Dhabi Boulevard Hotel, a combined hotel and serviced apartment offering, Desert Village, a resort located in eastern Abu Dhabi, Hili Fun City, a redevelopment of Al Ain's existing theme park, Between Two Bridges Boardwalk, a waterfront retail and leisure redevelopment and the Abu Dhabi Royal Stables offering a five-star boutique hotel, equestrian centre, equestrian museum and equestrian facility. Two additional mixed-use beachfront resort and residential projects are planned for development on Saadiyat Island. For further information, see "*Annex A*".

Commercial/Mixed-Use

TDIC and ADTA Headquarters

The TDIC and ADTA corporate headquarters are being developed between the Maqta and Musaffah Bridges on Abu Dhabi island and are designed to stand nine storeys high and have three basements for parking. TDIC and ADTA expect to occupy 30 per cent. of the building's overall gross floor area of 56,355 square metres, with the remaining 70 per cent. available for lease by third party tenants. The building will also house the Middle East Council of the Urban Land Institute ("**ULI**"), a not-for-profit organisation dedicated to responsible land use.

The building has been designed by Singapore's Surbana Consultants and has been designed to employ environmentally sustainable features such as an integrated photovoltaic roof to harness solar energy as well as green decks at the rooftop level of adjoining blocks to actively reduce heat transfer into the building. The Japanese architect Shigeru Ban has been commissioned for the atrium design and all common area interior spaces, including TDIC's offices. The building will be constructed with a view to achieving a LEED Gold rating from the U.S. Green Building Council. TDIC commenced construction in 2007 and has so far completed all of the foundation works and two levels of the basement car park. The project is expected to be completed in the second quarter of 2011. As at 30 June 2009, the total capital cost of the TDIC and ADTA corporate headquarters was estimated at AED 1.3 billion.

Other

In addition to its headquarters, TDIC is developing the Al Bateen Wharf on Abu Dhabi island. This project consists of the rehabilitation of one of the oldest areas of Abu Dhabi island. The project includes providing berthing marinas for the traditional fishermen, together with associated services such as a community centre, repair facilities and car parking. The project also envisages a variety of food and beverage outlets and a luxury boat marina for both tourists and residents of Abu Dhabi. For further information, see "*Annex A*".

Associates and Strategic Alliances

Associates

TDIC has investments in a number of local companies to develop real estate projects. Historically, with the exception of TDIC's investment in Abu Dhabi Finance Company, TDIC has taken a 20 per cent. equity stake in an associate in return for the land which TDIC contributes to the associate. The underlying business purpose of these associates is to: (i) enhance the delivery process of properties, in particular hotels; (ii) allow TDIC to concentrate on its core business of master planning; and (iii) support the development of local enterprises.

TDIC has made the following investments in local companies:

Name of Company	Activities	Ownership Interest (as at the date of this Prospectus)
B2B Hotels & Properties LLC	Hospitality	20%
Emirates Pearl for Development & Investment LLC	Hospitality	20%
Parc Hospitality Investment LLC	Hospitality	20%
Qaryat Al Beri Resort Development Co LLC	Hospitality	20%
Abu Dhabi Finance Company PJSC*	Real Estate Finance	20%

* Entire shareholding expected to be shortly transferred to Mubadala.

In January 2007, TDIC entered into a development agreement with Alfahim, a joint liability company established in the U.A.E and one of the largest holding companies in Abu Dhabi, to develop the Fairmont Hotel at Abu Dhabi Creek. TDIC holds a 20 per cent. equity stake in the company, B2B Hotels & Properties LLC. The Fairmont Hotel is a five-star beachfront business resort being built at a cost of an estimated AED 800 million which will contain 369 guest rooms and conference and meeting facilities. Soft opening of the hotel occurred in September 2009.

In January 2007, TDIC entered into a development agreement with Atlas Telecommunications to develop the Emirates Pearl Hotel being built in Abu Dhabi island's Khalidiya area, opposite the seven-star Emirates Palace Hotel. TDIC holds a 20 per cent. equity stake in the company, originally named Emirates Pearl Hotel LLC but subsequently changed to Emirates Pearl for Development & Investment LLC. The 47 storey Emirates Pearl Hotel will sit atop a 22 metre, five-story podium and is being developed at an estimated cost of AED 900 million. The hotel is expected to be completed in August 2011.

In January 2008, TDIC entered into a development agreement with the Al Mada Tourism Investment Company LLC to develop the Park Rotana Complex, a multi-use development being built near Khalifia Park on the eastern side of Abu Dhabi island at Abu Dhabi Creek. TDIC holds a 20 per cent. equity stake in the company, Parc Hospitality Investment LLC. The Park Rotana Complex is a multi-use development due for completion in 2009, consisting of a 316 room hotel managed by Rotana Hotels & Resorts, 172 serviced apartments, 199 rental apartments, offices, restaurants, leisure and fitness facilities. The complex is being developed at an estimated cost of AED 900 million.

In July 2007, TDIC entered into a development agreement with Mr Obaid Khalifa Jaber al Marri, Chairman of the Al Jaber Group, a construction and development company in the U.A.E., to develop

the Shangri-La Hotel Qaryat Al Beri which opened in August 2008. TDIC holds a 20 per cent. equity stake in the associate, Qaryat Al Beri Resort Development Co LLC. The Shangri-La Hotel is a multi-use complex featuring a luxury hotel offering 214 rooms, 161 serviced apartments and 6 villas.

In August 2008, TDIC purchased a 20 per cent. stake in the newly formed Abu Dhabi Finance Company, which provides mortgage financing services to purchasers of residential property in Abu Dhabi. The remaining 80 per cent. of Abu Dhabi Finance Company is owned by Abu Dhabi Commercial Bank P.J.S.C., Aldar, Mubadala and Sorouh Real Estate P.J.S.C. ("**Sorouh**") each of which holds a 20 per cent. equity stake. Each of the five shareholders of the Abu Dhabi Financial Company is a prominent local company engaged in the development and financing of residential property in Abu Dhabi. However, TDIC expects to shortly transfer its entire shareholding in Abu Dhabi Finance Company to Mubadala.

Strategic Alliances

In 2008, TDIC entered into a strategic alliance with AECOM Technology Company ("**AECOM**"), a leading global provider of professional technical and management support services. The alliance with AECOM provides for AECOM to deliver overall programme-management services for the Cultural District (which includes the Guggenheim Abu Dhabi Museum and the Louvre Abu Dhabi Museum) and other parts of Saadiyat Island, from signage and lighting to irrigation systems and drainage. TDIC is also currently developing with AECOM a project management information technology system.

Health and Safety

The ADM is the body responsible for overseeing health and safety on construction sites. TDIC must comply with the ADM's Health and Safety Codes of Practice for Construction Projects. TDIC also has its own in-house health and safety experts and KPMG have been engaged by TDIC to undertake regular risk assessments and on-site visits.

The ADM's site safety inspectors have the legal right to enter any TDIC project site at any time and can issue either a 'prohibition notice' or an 'improvement notice' to any contractor who fails to comply with the ADM Health and Safety Codes of Practice. A prohibition notice requires that the contractors immediately cease work on the site if the violation could result in a serious or fatal injury to a worker. Contravening a prohibition notice results in an AED 10,000 fine for each day that the notice is contravened. If an improvement notice is given to a contractor, the contractor will have 28 days to rectify the violation indicated in the notice and, if no action is taken within this period, financial penalties will follow. Contravening an improvement notice will result in an AED 1,000 fine for each day that the notice has been contravened. As at the date of this Prospectus, TDIC has not received any improvement notice or prohibition notice or any related fines.

TDIC has developed and employs a range of safety policies and safe working practices. TDIC requires that safety audits, risk assessments and on-site visits are conducted regularly. The information gathered from these activities is used to produce reports, detailing health and safety issues, which are in turn used by TDIC's management for the continuous review and advancement of on-site safety procedures. TDIC believes that it has an excellent site safety record and actively commits to meeting and surpassing legal health and safety obligations.

TDIC makes all construction firms and contractors working on its developments aware of its safety regulations before on-site work is allowed to commence. Construction firms and contractors are selected, in part, on the basis of their ability to demonstrate that their objectives on corporate health and safety and risk management align with TDIC's.

Environment

TDIC is committed to complying with and, if possible, exceeding, the minimum standards of all relevant environmental rules and regulations in respect of the projects in which it is active. The ADM is the body responsible for overseeing compliance with environmental regulations in Abu Dhabi.

These responsibilities are carried out through ADEA which approves all permits, carries out environmental impact assessments and reviews construction environmental plans.

TDIC implements a number of strict sustainability and environmental guidelines, which it uses to ensure that all of the development projects it undertakes are sustainable, minimise environmental impact and meet stringent environmental guidelines. TDIC has produced a number of project-specific sustainable design regulations for its various developments. The sustainable design regulations contain design requirements and elements that are in-line with TDIC's vision for sustainable development and cover, amongst other things, marine and wildlife, green building guidelines, indigenous plant conservation and renewable energy.

TDIC ensures that all contractors working on its development projects devise and implement a strategic environment action plan and a construction environmental management plan before being permitted to work on site. A construction environmental management plan is a list of all environmental concerns that may result from a contractor's onsite activities. Once submitted to TDIC, the construction environmental management plan becomes an environmental management framework that ensures that a development's plans are followed consistently and legally. TDIC's environment affairs department, a department of specialist environmental experts, regularly reviews and assesses each project's construction environmental management plan to ensure that compliance to all guidelines is being upheld.

As at the date of this Prospectus, no material environmental issues have occurred at any project site whether the site is considered for development, has been developed or has been completed by TDIC, and no material claims have been made or asserted against TDIC.

Community

TDIC has adopted a set of core values that emphasise world-class performance in the areas of sustainability, health and safety, labour practices and philanthropy. As part of TDIC's mandate to benefit society, in 2009, TDIC instituted a corporate social responsibility programme and supports a variety of educational and cultural projects in Abu Dhabi.

TDIC also supports its employees' and partners' charitable and philanthropic activities where possible.

In addition, TDIC has participated in and sponsored certain cultural exhibitions, including The Arts of Islam exhibition, the Picasso exhibition and the Emirati Expressions exhibition. TDIC also undertakes educational initiatives and events for both children and adults.

TDIC has had a long-standing and extensive relationship with the ULI, a not-for-profit organisation. Together with assisting in the establishment of the ULI Middle East District Council, TDIC has supported the establishment of the ULI Real Estate Centre for Real Estate Education (the "**ULI Centre**"), with a number of TDIC's Board of Directors being members of the ULI. The Chairman of TDIC is the patron of the ULI Middle East District Council. The ULI Centre focuses on enhancing land use and the education of public sector employees throughout the U.A.E. and the Middle East. Its mission statement is to provide a world-class knowledge base in support of the real estate industry in the U.A.E. and the Middle East and to disseminate information about a more viable, sustainable built environment. TDIC currently directly funds the ULI Centre and anticipates that its relationship with the ULI Centre will grow over the coming years as the ULI Centre becomes more firmly established in the Middle East.

Competition

TDIC is a leading master developer in Abu Dhabi in terms of both the number of its ongoing projects and the size of its land bank. TDIC does not source or consider projects on its own, but is instead mandated to develop projects at the direction of the Government in accordance with the Policy Agenda. As such, TDIC does not focus on market-driven and speculative commercial projects to

support its operations. Accordingly, TDIC plays an integral part in Abu Dhabi's development strategy and therefore differentiates itself from other property developers.

The Abu Dhabi real estate market is, however, competitive and TDIC competes with all major developers, in particular at the sales and leasing stage where projects by other developers may be marketed at the same time or target the same segments. Other significant property development companies in Abu Dhabi include:

- Mubadala, which is developing the new central business district on Sowwah Island;
- Aldar, a public joint stock company formed by decree in 2005 and listed on the Abu Dhabi Securities Market. Its main developments include Raha Gardens and Yas Island; and
- Sorouh, a public joint stock company formed by decree in 2005 and listed on the Abu Dhabi Securities Market. Its main developments include Khalidiya Village, Oyoun Village, The Gate District, Shams Abu Dhabi and Golf Gardens.

Employees

As at the date of this Prospectus, TDIC has 384 employees.

TDIC undertakes initiatives to motivate employees to contribute to its success through bonus programmes.

In accordance with the laws of the U.A.E., TDIC provides end of service benefits to non-U.A.E. national employees. Under U.A.E. law, the entitlement to these benefits is based upon the employee's length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to U.A.E. national employees, TDIC contributes to the Abu Dhabi Retirement Pensions and Benefits Fund calculated as a percentage of the U.A.E. national employees' salaries. These obligations are limited to these contributions, which are expensed when due.

Insurance

TDIC 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. TDIC 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 TDIC considers to be appropriate price levels. TDIC also does not carry any insurance against certain risks, including those relating to environmental matters and directors' and officers' liability, acts of terrorism and income streams, as TDIC has determined that any such risk does not present any appreciable exposure to potential liability.

TDIC appointed Willis in June 2008 as its insurance broker. Willis has constructed an "Owner Controlled Insurance Programme" to cover all projects that TDIC deems necessary to cover "Contractors All Risk" and "Public Liability" from highly rated insurers and reinsurers (those with at least "A" credit ratings from the leading international rating agencies), as well as with local insurers who have provided local coverage in compliance with U.A.E. law. In addition, Willis is currently co-ordinating all corporate operational policies (e.g., for head office buildings and equipment and motor vehicle third party liability).

All of TDIC's employees have private health insurance as well as group life insurance. All of TDIC's contractors carry private health insurance. Health insurance is also compulsory for all labourers employed by TDIC's contractors.

TDIC has not historically experienced difficulty renewing its insurance policies and TDIC believes its insurance coverage is reasonable and consistent with industry standards.

See "*Risk Factors – Risk Factors Relating to TDIC's Business and the Master Development Industry – TDIC may not maintain sufficient insurance coverage for the risks associated with the operation of its business*".

Intellectual Property

TDIC retains all title, rights and interests in, or an irrevocable royalty free licence to use, any designs specifically created for TDIC and all names that TDIC considers material for its business, including, most importantly, "Tourist Development & Investment Company", "TDIC", "Saadiyat", "Sir Bani Yas" and "Desert Islands", are trademarked. TDIC aims to ensure that all such intellectual property is protected against infringement using all appropriate tools available.

In addition, certain trademark rights in relation to the Louvre Abu Dhabi Museum and the Guggenheim Abu Dhabi Museum (including the rights to use the names "Louvre Abu Dhabi" and "Guggenheim Abu Dhabi" for a certain period of time) are the subject of various agreements that ADTA and TDIC have entered into. See "*Material Contracts – Museum Contracts*".

Information Technology

TDIC's in-house information technology ("**IT**") team is responsible for IT support and development, ensuring that TDIC's IT systems and software, including those relating to disaster recovery, meet the requirements of TDIC's business, are regularly maintained and are kept up to date. TDIC has an on-line document management system, ACONEX, available 24 hours a day and seven days a week.

IT has embarked upon a business systems development programme that aims to systemise financial, procurement and revenue processes. The development programme comprises the Project Management System ("**EPMS System**"), ERP System (Finance, Project Costing and Procurement) as well as Real Estate Revenue Systems.

The EPMS System will allow TDIC to track budget, schedule and costs for all projects, thereby enhancing current project and financial controls. As at the date of this Prospectus, TDIC has commenced introducing the EPMS System to its projects. TDIC is also replacing its current accounting, project costing and procurement systems with a fully integrated Oracle system which is to be introduced from January 2010.

TDIC has in place an industry-standard disaster recovery system, including regular back-ups which are collected daily and stored in an off-site data warehousing facility. TDIC is supplementing these data loss prevention controls with comprehensive data security controls that will detect and prevent unauthorised changes and access to company data.

Litigation

TDIC has not been involved in any legal or arbitration proceedings (including any such proceeding which is pending or threatened of which TDIC is aware) in the past 12 months which has or may have a material adverse effect on TDIC's business, financial condition or results of operations.

Commercial Property

In addition to the properties owned by TDIC and described above, TDIC's principal property is its headquarters, located at Khalifa Park, P.O. Box 126888, Abu Dhabi, U.A.E. None of TDIC's properties are mortgaged or otherwise encumbered.

MATERIAL CONTRACTS

Overview

TDIC enters into a variety of construction, operation, management, design and other arrangements for the purposes of carrying out its business. The following are the contracts that TDIC has entered into that TDIC considers material to its business as at the date of this Prospectus.

Material Contracts

Construction Contracts

General

TDIC conducts a public tender or negotiates with a selected counterparty or partner with whom TDIC has a working history when appointing contractors. TDIC generally appoints contractors based on the contractor's qualification, expertise and price.

The forms of TDIC's construction contracts are typically based on The Fédération Internationale des Ingénieurs-Conseils Conditions of Contract for Construction for Building and Engineering works Designed by the Employer First Edition 1999 (the "**FIDIC Conditions**").

Under the terms of its standard construction contracts, TDIC is required to make progress payments to its contractors. Contractors issue a progress payment certificate along with an invoice on a monthly basis. These are certified by third parties acting on behalf of TDIC and then reviewed and approved for payment by the TDIC project director.

Leighton Contracting LLC for the Gary Player Saadiyat Beach Golf Course and Academy

Pursuant to a letter of award dated 31 March 2008 and countersigned by Leighton on 9 April 2008, TDIC has instructed Leighton to proceed with the construction of an 18 hole golf course on Saadiyat Island, including the related earthworks and the set-up works in relation to the turf nursery. The letter of award provides for works to be carried out up to a maximum cost of AED 147,831,278 and contemplates that works will be completed by 30 October 2010. Further, on 7 October 2008, TDIC instructed Leighton to carry out the construction of a number of buildings in relation to the Gary Player Saadiyat Beach Golf Course and Academy, including the Academy building itself. The letter of award provides for works to be carried out up to a maximum cost of AED 28,739,030 with the whole contract works to be completed by the end of September 2009. Under the letters of award, advance payments were made by TDIC on receipt of the countersigned letters and future payments are to be made within 30 days of submission of Leighton's monthly statements. TDIC and Leighton are in the process of finalising a contract based on the FIDIC Conditions to supercede the existing letters of award.

Al Jaber L.E.G.T. Engineering & Contracting for Anatara Qasr Al Sarab

On 19 October 2008, TDIC entered into a construction contract with Al Jaber L.E.G.T. Engineering & Contracting ("**ALEC**") worth approximately AED 1.6 billion for the construction of Qasr Al Sarab, together with associated external works. The scope of work includes, but is not limited to, the hotel, villas, an infrastructure development of 33 hectares, spa and fitness facilities, a staff village, service compound, a tented village and a desert excursion centre.

Museum Contracts

General

TDIC has entered into a number of agreements in relation to the Guggenheim Abu Dhabi Museum, the Louvre Abu Dhabi Museum and the Zayed National Museum relating to, amongst other things,

the development of the museums, the use of certain trademarks, provision of consultancy services and loans of artwork for the museums.

Guggenheim Abu Dhabi Museum – Solomon R. Guggenheim Foundation

On 8 July 2006, TDIC and the SRGF entered into a memorandum of understanding (the "**Guggenheim MOU**") setting out a general framework for their collaboration across a number of areas with the aim of establishing the Guggenheim Abu Dhabi Museum.

Further to the Guggenheim MOU, TDIC and/or ADTA entered into the following agreements with SRGF on 13 November 2007:

- the rights agreement, under which certain trademark rights in relation to the Guggenheim Abu Dhabi Museum were licensed;
- the pre-opening agreement, relating principally to the design and construction of the museum; and
- the operating agreement term sheet, which sets forth the material terms on which the museum will be operated.

Louvre Abu Dhabi Museum – L'Etablissement Public du Musée du Louvre

On 6 March 2007, the government of the U.A.E. and the government of France entered into an intergovernmental agreement which sets the groundwork for the creation of the Louvre Abu Dhabi Museum. Further to this intergovernmental agreement, TDIC, the U.A.E. government, represented by ADTA (together with TDIC, the "**Louvre Licensee**") and L'Etablissement Public du Musée du Louvre entered into a trademark licence agreement under which certain trademark rights in relation to the Louvre Abu Dhabi Museum were licensed to the Louvre Licensee.

Louvre Abu Dhabi Museum – Agence France-Muséums Agreement

On 7 January 2008, TDIC entered into a consultancy services agreement with Agence France-Muséums S.A.S. ("**AFM**") pursuant to which AFM will provide expert services to assist TDIC in the design, construction and operation of and, training of staff for, the Louvre Abu Dhabi Museum.

Zayed National Museum

TDIC entered into an agreement with the British Museum in April 2009 to provide expert advice and counsel on the development of the Zayed National Museum. The British Museum will serve as a consulting partner to the Museum Operating Body and will advise on a range of issues, including design, construction and museography. The agreement is subject to a strict confidentiality undertaking.

Education Contracts

Dulwich College

In July 2009, TDIC and Dulwich College, a leading independent school in the United Kingdom, entered into a memorandum of understanding setting out a general framework for their collaboration with the aim of Dulwich College opening a school on Saadiyat Island by 2012.

Design Services Agreements

Louvre Abu Dhabi Museum – Ateliers Jean Nouvel

On 9 September 2007, TDIC entered into an agreement with Ateliers Jean Nouvel to provide architectural consultancy services in connection with the Louvre Abu Dhabi Museum. Under the

terms of this agreement, Ateliers Jean Nouvel will provide certain consultancy services, including shell and core architecture, concept lighting and landscape design services. Subject to paying the amounts due under the contract, all documents produced by Ateliers Jean Nouvel in the execution of the services are owned by TDIC.

Guggenheim Abu Dhabi Museum – Gehry Partners LLP

On 3 June 2008, TDIC entered into a design services agreement with Gehry Partners LLP to provide specified architectural design services in relation to the Guggenheim Abu Dhabi Museum.

TDIC is granted an irrevocable royalty free licence to use designated design materials produced by Gehry Partners LLP in connection with the construction, reconstruction, renovation, repair, maintenance, use and occupancy and operation of the Guggenheim Abu Dhabi Museum.

Zayed National Museum – Foster + Partners Ltd. and WSP UK Ltd.

In November 2008, TDIC entered into a design consultancy agreement for the Zayed National Museum with Foster + Partners Ltd. and WSP UK Ltd., acting together in a joint venture. The architectural team is led by Foster + Partners Ltd. and the engineering team is led by WSP UK Ltd.

Operations and Management Contracts

General

TDIC has entered into a number of operations and management contracts in relation to its luxury hotels. These contracts include the following key terms:

- The operator is to be paid:
    - a monthly base fee, which is a percentage of gross operating revenues;
    - a monthly incentive fee, which is a percentage of gross operating profits;
    - a fee in respect of centralised marketing and reservations, which can be a percentage of gross revenues, a percentage of room revenues, a fixed fee, or a combination of each of these; and
    - reimbursable expenses incurred in respect of the management and operation of the hotel.
- Generally, the method of determining what constitutes operating costs and the method for determining gross operating profit is in accordance with the Uniform System of Accounts for the Lodging Industry.
- TDIC is also required to pay a percentage of gross revenues into a capital fund, which is separate from the hotel's other bank account(s), for the maintenance and replacement of items of furniture, fixtures and equipment. TDIC is also responsible for capital replacements and refurbishments required to maintain the hotel in accordance with the operator's brand standards.
- The balance of the profits of the hotel (after payment of the appropriate fees detailed above) are payable to TDIC.
- Many operators split the obligations to TDIC into a number of different agreements such as the management agreement, licence and royalty agreement and the centralised services agreement. Read together, they contain the full suite of services which the operator is required to provide TDIC in respect of a particular hotel.

The following are operations and management contracts that TDIC has entered into which are considered material to TDIC's business as at the date of this Prospectus:

St. Regis

On 24 April 2008, TDIC entered into an operating services agreement with Starwood EAME License and Services Company BVBA ("**Starwood**") to provide operations and management services for St. Regis (Saadiyat Island). In connection with this agreement, there is also a systems licence agreement, a centralised services agreement and a condominium marketing licence agreement in relation to the St. Regis residences, each dated 24 April 2008.

Westin Hotel Group

On 24 April 2008, TDIC entered into an operating services agreement with Starwood to provide operations and management services for the Westin Hotel and Spa (Abu Dhabi Golf Club). In connection with this agreement, there is also a development services agreement, a system licence agreement and a centralised services agreement, each dated 24 April 2008.

Qasr Al Sarab – Anantara Resorts & Spas

On 20 July 2007, TDIC entered into a management agreement with Lodging Management (Labuan) Limited ("**LML**") to engage LML to operate and manage the Anantara Resort & Spa at Qasr Al Sarab. In connection with this agreement, there is also a licence and royalty agreement and a technical services and pre-opening assistance agreement, each dated 20 July 2007.

The Angsana Resort and Spa Eastern Mangroves

On 10 April 2006, TDIC entered into a hotel management agreement with Banyan Tree Hotels & Resorts Pte Ltd. ("**Banyan Tree Hotels**") to provide operations and management services for the Angsana Resort and Spa Eastern Mangroves. Under the management agreement, Banyan Tree Hotels has granted TDIC a non-exclusive right to use its trademark in connection with the operation of the hotel. In connection with this agreement, there is also a licence and royalty agreement and a technical services agreement, each dated 10 April 2006.

Other

Saadiyat Island Infrastructure Development – Parsons International Limited

On 8 March 2007, TDIC entered into a signature agreement with Parsons International Limited to provide design and supervision services for the infrastructure development on Saadiyat Island. It is anticipated that the provision of these services will continue for the next three to five years. TDIC has paid Parsons International Limited AED 277 million to date and the estimated value of services as forecast for 2009 is AED 300 million.

Financing Agreements

As at 30 June 2009, TDIC had outstanding interest bearing loans and liabilities of AED 3.2 billion.

Debt obligations of TDIC

- A revolving overdraft facility dated 16 October 2008 for an amount of AED 200,000,000 with a review or expiry date of 27 July 2009 (as at the date of this Prospectus TDIC are in the process of extending the expiry date of this overdraft facility);
- a non-revolving term loan facility with Abu Dhabi Commercial Bank P.J.S.C. dated 17 December 2008 for a principal amount of AED 1,000,000,000 with a maturity date of 22 December 2009;

- a non-revolving term loan facility with HSBC Bank Middle East Limited, National Bank of Abu Dhabi P.J.S.C. and Standard Chartered Bank dated 21 December 2006 for a principal amount of AED 500,000,000 with a maturity date of 2 May 2010;
- a revolving credit facility with Abu Dhabi Commercial Bank P.J.S.C., National Bank of Abu Dhabi P.J.S.C., HSBC Bank Middle East Limited, Standard Chartered Bank and BNP Paribas dated 26 November 2007 for a principal amount of U.S.$360,000,000 with a maturity date of 4 December 2010;
- a revolving overdraft facility with Union National Bank P.J.S.C. dated 27 July 2008 for an amount of AED 200,000,000;
- a term loan facility with Union National Bank P.J.S.C. dated 23 June 2009 for an amount of AED 300,000,000, with a maturity date which is contingent upon the final drawdown under the term loan, after which, the term loan is repayable within three years of the final drawdown (in equal tranches of AED 100,000,000 per annum); and
- U.S.$1,000,000,000 global medium term notes issued on 2 July 2009 and repayable on 2 July 2014.

The indebtedness mentioned above matures between 2009 and 2014 and bears floating interest rates at the respective EIBOR/LIBOR rate plus applicable margins of between 35 and 300 basis points per year (save for the U.S.$1,000,000,000 global medium term notes which bear interest at a fixed rate of 6.50 per cent. per annum).

The standard covenants included in all of TDIC's bank facilities include, amongst others:

- limitations on incurring financial indebtedness in excess of U.S.$5,000,000,000;
- limitations on the sale, lease, transfer, loan or other disposal of any asset other than in the ordinary course of business or entry into an agreement to make any such disposal;
- limitations on the disposal of certain assets valued at an amount equal to 200 per cent. of outstanding loans;
- limitations, without prior consent, on undertaking any corporate restructuring; and
- limitations on making loans or granting credit other than in the normal course of business.

Management of TDIC

Board of Directors

The Board of Directors of TDIC is responsible for the management of the company and has unrestricted management powers, except to the extent provided by law, the Articles of Association or a resolution of ADTA (the sole shareholder of TDIC).

The Board of Directors acts as the overall supervisory and monitoring body of TDIC and, amongst other things, co-ordinates and manages TDIC's activities and projects in respect of its tourism projects. The Board of Directors has authority to enter into financial arrangements and to borrow money on behalf of TDIC so that TDIC can achieve its objectives as stipulated in the Articles of Association.

According to TDIC's Articles of Association, meetings of the Board of Directors must be held at least four times per year. TDIC's Articles of Association require that no more than three months may elapse between meetings.

The Board of Directors currently consists of five members and must be chaired by the then Chairman of ADTA. By virtue of its ownership of all of the shares of TDIC, ADTA has the power to appoint the Board of Directors of TDIC. Decisions of the Board of Directors are adopted by a majority of votes of directors present or represented in the meeting, although, in the event of a tie, the Chairman, or his representative, has the casting vote. Accordingly, the Government and ADTA may exercise influence in relation to decisions pertaining to TDIC. See "*Relationship with the Government*".

In accordance with the Articles of Association, for so long as the shares of TDIC are wholly-owned by ADTA, TDIC is not permitted to list its share capital on the Abu Dhabi Stock Exchange and/or one or more stock exchanges licensed to operate in the U.A.E.

Departments

TDIC has established the following core departments: (i) real estate services; (ii) commercial; (iii) design; (iv) development; (v) finance and accounting; (vi) human resources; (vii) legal services; (viii) marketing and public relations; and (ix) project delivery.

Real Estate Services: the real estate services and sales department manages client relations and the sales process for land sites, residential units and leased commercial and return space. The department is also responsible for the development and execution of new sales strategies, the maintenance of existing client relationships as well as creating new business opportunities. Real estate services also works alongside the various business departments to set sales targets and monitor the progress of these targets internally.

Commercial: the commercial department is responsible for the management and delivery of all commercial contracts, including the co-ordination of contract management, administration and reporting duties, tender management and delivering commercial frameworks.

Design: the design department is responsible for developing detailed design specifications for project developments. The department generates design specifications and plans as well as providing technical expertise and input.

Development: the development department is responsible for managing all master and asset developments and the general co-ordination of the development process throughout all of its phases. This includes the development of business cases for new developments alongside assessing the financial viability of all projects.

Finance and Accounting: the finance and accounting department is responsible for the development of finance strategies and policies, and the management of operations and the giving of support to

development projects. The department executes all the major funding strategies and co-ordinates the finance operations and reporting duties. Finance and accounting also have a supporting role for the development department whereby they provide analysis, budgeting, accounting and forecasting.

Human Resources: human resources is responsible for developing strategies, policies and procedures and managing all human resources operations. This includes developing recruitment policies, staff retention, professional and leadership development, alongside responsibilities for payroll, performance, planning, learning and development.

Legal Services: the legal department provides legal advice and support to the entire business with a particular focus on ensuring that all potential projects are legally viable. The legal department reviews all contracts and agreements, and assists with commercial regulations, as well as providing legal advice on local laws when required.

Marketing and Public Relations: the marketing and public relations department assists with promoting the TDIC brand for the purposes of land and property sales. The department is responsible for the development and execution of TDIC specific marketing strategies and supports the sales team with marketing and promotional material.

Project Delivery: the project delivery department manages the overall delivery and construction of asset developments involving project management, technical expense and the formation of strategic partnerships and alliances when appropriate. The team project manages all delivery projects and engages and manages suppliers for the construction services.

Members of the Board of Directors

As at the date of this Prospectus, the members of the Board of Directors of TDIC, their current positions in TDIC and their dates of appointment are as follows:

Name	Title	Date of Appointment
H.H. Sheikh Sultan bin Tahnoon al Nahyan	Chairman	25 October 2005
H.E. Mubarak Hamad Al Muhairi	Managing Director	25 October 2005
H.E. Saeed Mubarak Al Hajeri	Director	25 October 2005
H.E. Saif Mohamed Al Hajeri	Director	20 May 2009
H.E. Khalifa Mohamed Al Mazrouei	Director	25 October 2005

Set forth below is a short biography of each of the members of the Board of Directors:

H.H. Sheikh Sultan bin Tahnoon al Nahyan is the Chairman of TDIC and ADTA. He is also a member of the Executive Council of the Government of Abu Dhabi. The Chairman is responsible for progressing and safeguarding Abu Dhabi's tourism assets in line with the nation's diversification and development strategy. He also serves as Chairman of ADNEC and the Abu Dhabi Authority for Culture and Heritage ("**ADACH**"). He has been awarded the American Federation of Arts' "Cultural Leadership Award" for his role in spearheading the development of Saadiyat Island's Cultural District, including the Guggenheim Abu Dhabi Museum and Louvre Abu Dhabi Museum. He is also a board member of the Abu Dhabi Economic Council, the ADEA and the Urban Planning Council. He qualified as an architectural engineer from the U.A.E. University and holds a master's degree in economic studies, with a major in international relations from Tufts University, U.S.A.

H.E. Mubarak Hamad Al Muhairi is the Managing Director of TDIC responsible for overseeing the creation of TDIC's development projects. He worked for several years in real estate investment with ADIA and was Director General of the Al Ain Economic & Development Authority. He was appointed Director General of ADTA upon its creation in September 2004 – a position he continues to hold today. He holds a number of board member positions with authorities such as the ADACH, ADNEC and the Abu Dhabi Media Company. He graduated from the U.A.E. University with a degree in civil engineering before going to study at Portland State University, U.S.A., where he earned a master's

degree in engineering management. He is also a member of the board of directors of Abu Dhabi Airport Company and Ethiad Airways, the national airline of the U.A.E.

H.E. Saeed Mubarak Al Hajeri is a Director of TDIC. He is also a board member of ADIA and is the Executive Director of the Emerging Markets Department at ADIA. He represents the Government on the board of directors of Etisalat, Higher Corporation for Specialised Economic Zones, Dubai Cable Company and Arab Banking Corporation (B.S.C.). He is also a board member of the CFA Institute and Harvard Business School. In 2007, he was elected by the World Economic Forum as one of the top 250 Young Global Leaders for his contribution to the public and financial sectors in the U.A.E. He holds a bachelor's degree from Lewis and Clark College, U.S.A. and was awarded the CFA Charter in 2000.

H.E. Saif Mohamed Al Hajeri is a Director of TDIC. He is also Chief Executive Officer of the U.A.E. Offsets Program Bureau and Tawazun Holding. He is Chairman of Abu Dhabi National Hotels Company, Special Advanced Systems and German-based Merkel, owned by Caracal International. In addition, he is a member of the board of directors of the Khalifa Fund Program, Horizon International Flight Academy, Caracal International, Abu Dhabi Autonomous Systems Investments, Waha Capital, Al Yah Satellite Communications and Burkan Munitions. He was also recently appointed as a member of the board of directors of ADNEC, EXCEL London and General Holding Company.

H.E. Khalifa Mohamed Al Mazrouei is a Director of TDIC. He was appointed Chairman and Managing Director of the Abu Dhabi Airports Company in 2006. Since 2004, he has been the Chairman of the Supervision Committee for the Expansion of Abu Dhabi International Airport, which manages the implementation of the multi-billion dirham expansion of Abu Dhabi International Airport. He is also a member of the board of directors of Amiri Flight, Chairman of the World Trade Centre, Abu Dhabi, Chairman of the Executive Committee of Gulf Air and Vice Chairman of Al Taif Technical Services. He is also Chairman of the Project Committee of Al Jazeera Club and Chairman of the Audit Committee of Tabreed. In January 2009, he was appointed by decree as General Manager of the Municipality of Abu Dhabi.

The business address of the members of the Board of Directors in that capacity is P.O. Box 126888, Abu Dhabi, United Arab Emirates.

Directors' Interests

There are no interests of the members of the Board of Directors of TDIC in transactions which are or were unusual in their nature or conditions or significant to the business of TDIC. TDIC is not aware of any potential conflicts of interest between the duties owed by the members of the Board of Directors to TDIC and their private interests or other duties.

In the previous five years, no member of the Board of Directors of TDIC has been convicted of any fraudulent offence, served as director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer or from acting in the management or conduct of affairs of any issuer.

Compensation of the Board of Directors

For their services, members of the Board of Directors are entitled to remuneration from ADTA. For the year ended 31 December 2008, ADTA paid or accrued compensation (including salary, benefits and bonuses) to the Board of Directors of AED 3,750,000.

Executive Management

As at the date of this Prospectus, the members of the executive management of TDIC, their current positions in TDIC and their dates of appointment are as follows:

Name	Title	Date of Appointment
Lee Tabler	Chief Executive Officer	25 October 2005
Ahmed Hussein	Chief Operating Officer	26 October 2005
James Pringle	Executive Director, Development	1 June 2008
Wallace Long	Financial Director	27 October 2008
Stuart Magee	Executive Director, Project Delivery	10 June 2006
Alan Gordon	Executive Director, Marketing & PR	24 June 2006
Kier Riemersma	Director, Real Estate Services	1 October 2007
Mark Facey	Director, Legal Services	22 July 2006
Leon Geldenhuys	Director, Human Resources	23 December 2005

Set forth below is a short biography of the members of the executive management:

Lee Tabler is the Chief Executive Officer of TDIC. He has more than 30 years' experience of international real estate development, 20 of them in senior management positions with major multi-national corporations. Having been a founding member and past chairman of the Middle East District Council of the ULI, he is now Chairman of the Council's Real Estate Education Centre. He is also a member of the International Council of Shopping Centres, the International Real Estate Investment Council, the U.S. Real Estate Council and the Asia Society in New York. He holds a bachelor's degree in architecture from the Southern California Institute of Architecture, U.S.A., a master's degree in urban and regional planning from the American School of Architecture in France and a master's degree in real estate finance from the American University in Washington DC, U.S.A.

Ahmed Hussein is the Chief Operating Officer of TDIC responsible for supporting the executive management in the achievement of TDIC's operational objectives and targets. He is also a Deputy Director General of ADTA, responsible, in particular, for the marketing and events divisions. He has also worked at Emirates Media, Inc., a leading broadcaster and publisher based in Abu Dhabi, where he served on both the Technical Committee as well as the Structure and Planning Committee. He has been involved in establishing TDIC's Graphics Department and Abu Dhabi Television's News Centre. He has also served as Head of the Art Centre, Director of Technology & Technical Services and he is currently the Director of Investment at Emirates Media, Inc. He holds a degree in Programming and Systems Analysis from the Al Ain School.

James Pringle is the Executive Director of Development of TDIC. He is responsible for directing the development of all of TDIC's projects. He joined TDIC in June 2008, bringing with him extensive experience in the creation and delivery of luxury destination resorts and resort communities. Prior to joining TDIC, he worked for Kuwait's M.A. Kharafi Group as a Senior Counsellor for Development and for Bechtel as Vice President for Global Business Development and Director of Business Development for its hotel, theme park and urban development business groups across Europe, Africa, the Middle East and South Asia. He also served as Vice President for Europe and the Middle East of the U.S. construction and engineering company Morrison Knudsen. He is a member of the Advisory Board of the U.S.-Arab Council on Foreign Relations and of the ULI. He was also a former Chairman, Vice Chairman and board member of the American Chamber of Commerce in Egypt and was previously head of the Tourism Group for Egypt's International Economic Forum. He is a graduate in economics and international relations from the University of Minnesota, U.S.A., and has completed graduate studies in business and finance at the European Institute of Business Administration (INSEAD) in Fontainebleau, France.

Wallace Long is the Financial Director of TDIC, responsible for contributing to the formulation and implementation of TDIC's strategic direction and management, with specific emphasis on finance and accounting. He joined TDIC in 2008 and has more than 25 years of experience in the real estate

development industry. Prior to joining TDIC, he began his career as a Certified Public Accountant in the audit practice at Deloitte Haskins & Sells. He later went on to hold senior financial management positions at various commercial, residential and lodging developers, including Marriott, Hilton, Starwood Hotels & Resorts Worldwide Inc. and The Ginn Development Company. He holds an MBA from the University of Texas, Austin, U.S.A.

Stuart Magee is Executive Director of Project Delivery of TDIC. He is a chartered site surveyor with over 14 years' experience in the construction industry. He has worked on several significant Middle Eastern projects including the U.S.$5 million Dubai Creek Boardwalk and the Abu Dhabi Company for Onshore Oil Operations' headquarters. He holds a Diploma in Building from Scotland's Bell College of Technology and a certificate on Site Surveying from the UK's Chartered Institute of Building.

Alan Gordon is the Executive Director of Marketing and PR of TDIC responsible for developing the marketing strategies for TDIC's corporate brand and major project sub-brands, including the Cultural District on Saadiyat Island and its Guggenheim Abu Dhabi Museum and Louvre Abu Dhabi Museum, as well as the Desert Islands destination. He joined TDIC in June 2006 and brings with him 19 years of marketing, event management and public relations experience. Prior to joining TDIC, he worked for the Al Futtaim Group, one of the U.A.E.'s leading trading companies. Overseeing group marketing and communications, he has also supported leading brands such as Dubai Festival City, Toyota, Lexus, Honda, Hertz, IKEA, M&S and Panasonic. He is a member of the Chartered Institute of Marketing and holds a bachelor's degree in design and communication from the UK's Gray's School of Art. He is also a marketing lecturer and Dean of the Event Management Development Institute.

Kier Riemersma is the Director of Real Estate Services of TDIC. Prior to joining TDIC in 2007, he was Director of Waterfront Development at Dubai Properties, Senior Advisor at Liberty-Greenfield Real Estate Advisors, a broker at Trammell Crow Company, urban planner at Icon Architecture, Development Associate at Franklin Reality Advisors and Economic Mission Co-ordinator at the U.S. Department of State. He holds a master's degree in City Planning from the Massachusetts Institute of Technology, U.S.A. and a master's degree in International Studies from the University of California, U.S.A. He also holds a bachelor's degree in Creative Writing from Pitzer College, California, U.S.A.

Mark Facey is the Director of Legal Services of TDIC. Prior to joining TDIC in 2006, he worked as General Counsel at Baulderstone Hornibrook. He has also worked for the law firms Blake Dawson Waldron and Allens Arthur Robinson. In addition, he worked for ANZ Investment Bank. He holds a Bachelor of Law from Queensland University of Technology, Australia.

Leon Geldenhuys is the Director of Human Resources. He has more than 18 years of human resources management experience across several industries including engineering, construction, human resources consulting and real estate development and became involved with TDIC in December 2005. He is a founding member of the South African Business Council. He graduated with a bachelor's degree, majoring in Psychology and Industrial Sociology, from the University of Potchefstroom in South Africa.

Conflicts

There are no conflicts of interest between the duties of the executive management listed above to TDIC and their private interests or other duties.

Compensation of the Executive Management

For their services, the members of the executive management are entitled to remuneration, which is determined by the Board of Directors. For the year ended 31 December 2008, TDIC paid or accrued compensation (including salary, benefits and bonuses) to the members of the executive management of AED 12,364,321.

Corporate Governance

TDIC is committed to best practices in good corporate governance and has implemented a Delegation of Authority ("**DoA**") which was approved by the Board of Directors in January 2006 and revised subsequently in November 2006 and February 2008, respectively. The DoA serves the following purposes:

- it establishes levels of authorisation within TDIC facilitating operational decision-making in an informed manner while managing risk;
- it creates transparency and facilitates the establishment of policies and procedures detailing the DoA; and
- it establishes a framework for governance and specific areas that need approval of the Board of Directors.

Audit and Internal Audit

TDIC is subject to audit by the Abu Dhabi Audit Authority, the audit agency of the Government.

Since 2007, TDIC have established an internal audit function by outsourcing it to KPMG. The internal audit team have prepared risk registers and have completed internal audit reviews of certain key departments and also of key contracts.

Sole Shareholder of TDIC

ADTA was created on 13 September 2004 by Executive Decree under Law No. 7 of 2004 in order to execute and oversee Abu Dhabi's strategy for the tourism industry.

Key ADTA responsibilities include the development of an overall tourism strategy for Abu Dhabi, directing the implementation of activities needed to achieve strategic objectives and creating the physical infrastructure required by tourism operators and their clientele. See "*The Abu Dhabi Government's Development Strategy*".

H. H. Sheikh Sultan bin Tahnoon Al Nahyan, a member of the Abu Dhabi Executive Council, is the Chairman of both ADTA and TDIC. See "*Management – Members of the Board of Directors*".

As at the date of this Prospectus, TDIC's share capital as recorded in its share register was as follows:

Name of shareholder	Capacity	Number of ordinary shares	Percentage of issued share capital
ADTA	Beneficial owner	10 million	100

Related Party Transactions

TDIC's related parties include the Government, ADTA, TDIC's directors and businesses controlled by these parties and their families, or over which they exercise a significant influence, as well as TDIC's key management personnel.

Given its ownership by the Government and its mandate to oversee the development of ADTA's development initiatives, TDIC has entered into significant transactions with the Government since its inception. These transactions have been in the form of the acquisition of assets, capital contributions, other contributions and Government grants.

In addition, TDIC grants loans to senior management to meet accommodation costs. These loans are conducted in the ordinary course of business and on an arm's-length basis. TDIC also grants cash advances to general staff as part of their employment packages, which are reflected on TDIC's balance sheet.

As at the date of this Prospectus, TDIC has not entered into any other arrangements and agreements with any of its senior management. There are no stock options held by any of the senior management.

For a description of TDIC's related party transactions, see Note 14 "Related party transactions" to TDIC's Interim Financial Statements and Note 21 "Related party transactions" to TDIC's Year-End Financial Statements included elsewhere in this Prospectus.

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 Paying Agents, as further described under "General Information – Documents Available" below.

Master Musataha Agreement, as supplemented by each Supplemental Musataha Agreement

The Master Musataha Agreement was entered into on 1 October 2009 between the Trustee (in its capacity as *Musateh*) and TDIC (in its capacity as Owner). The Trustee and TDIC will subsequently enter into a Supplemental Musataha Agreement in relation to the issuance of each Series of Certificates. The Master Musataha Agreement and any Supplemental Musataha Agreement will be governed by the laws of Abu Dhabi and the federal laws of the U.A.E., as applied in Abu Dhabi.

Pursuant to the Master Musataha Agreement as supplemented by the relevant Supplemental Musataha Agreement, in relation to the issuance of each Series of Certificates, TDIC will grant, and the Trustee will receive, a grant of a *musataha* right, being the exclusive right to use, develop and benefit from the land identified in the relevant Supplemental Musataha Agreement (the "**Musataha**"). In consideration of the grant of the Musataha for the Musataha Term (as defined in the Master Musataha Agreement) the Trustee shall make or procure payment of the Musataha Consideration (as defined in the Master Musataha Agreement) (being equal to the net proceeds received by the Trustee in connection with the issue of the relevant Series of Certificates by the Trustee) to TDIC in freely available funds for value on the date of the Supplemental Musataha Agreement.

Master Ijara Agreement, as supplemented by each Supplemental Ijara Agreement

The Master Ijara Agreement was entered into on 1 October 2009 between TDIC (in its capacity as Lessee) and the Trustee (in its capacity as Lessor). The parties will subsequently enter into a Supplemental Ijara Agreement in relation to the issuance of each Series of Certificates. The Master Ijara Agreement and any Supplemental Ijara Agreement will be governed by the laws of Abu Dhabi and the federal laws of the U.A.E., as applied in Abu Dhabi.

Under the terms of the Master Ijara Agreement, as supplemented by the relevant Supplemental Ijara Agreement, in relation to the issuance of each Series of Certificates, the Lessor has agreed to lease to the Lessee, and the Lessee has agreed to lease from the Lessor, the relevant land that is the subject of the Musataha during the term of the lease. The term of the lease will commence and end on the dates specified in the relevant Supplemental Ijara Agreement and which, save as provided below in respect of a Total Loss Event, will correspond to the period during which any Certificates of the relevant Series remain outstanding.

During the term of the relevant lease, the Lessee will agree to pay the Lessor the rental payments specified in the Master Ijara Agreement and the relevant Supplemental Ijara Agreement for the lease term as specified in the Master Ijara Agreement and the relevant Supplemental Ijara Agreement.

The rental payments due under the Master Ijara Agreement and the relevant Supplemental Ijara Agreement in respect of the relevant Lease Assets will not be less than the Periodic Distribution Amounts payable on the Periodic Distribution Dates in respect of the relevant Series of Certificates.

Under the terms of the Master Ijara Agreement and the relevant Supplemental Ijara Agreement, the Lessee has agreed to release from liability, and has agreed that no liability shall attach to, the Lessor (nor any of its directors, officers, delegates, agents and duly appointed representatives) as against the Lessee or any third party, in contract or otherwise, for any loss (including loss of life), injury, damage, cost, expense, claim or demand occurring on, or caused directly or indirectly by or due to the usage of, any part of the relevant Lease Assets, and the Lessor shall not be liable to reimburse or compensate the Lessee in respect of any claim made against the Lessor for any such loss, injury, damage, cost, expense, claim or demand.

If a Total Loss Event occurs with respect to the land which is the subject of the Lease Assets of a particular Series of Certificates, then the relevant Supplemental Ijara Agreement and the lease in relation to such Lease Assets shall automatically terminate and the Lessor will be entitled to all insurance proceeds payable as a result of the Total Loss Event together with any accrued and unpaid rental payments to the date on which the Total Loss Event occurred. See *"– Servicing Agency Agreement*" below for further details.

The Lessee shall, at its own cost and expense, be responsible for the performance of all ordinary maintenance and repair required for the Lease Assets. The Lessor shall be responsible for: (i) the performance of all major maintenance and structural repair; (ii) the payment of any proprietorship taxes; and (iii) insuring the Lease Assets (to the extent consistent with general industry practice by prudent owners of assets substantially similar in nature to the relevant Lease Assets), and the Lessee acknowledges that the Lessor may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, the major maintenance and structural repair, the payment of such taxes and any insurance of the Lease Assets, in each case, on behalf of the Lessor.

All payments by the Lessee to the Lessor under the Master Ijara Agreement and relevant Supplemental Ijara Agreement shall be paid in full without any set off (save as provided in the Servicing Agency Agreement) or counterclaim of any kind and without any deduction or withholding for or on account of tax unless the deduction or withholding is imposed or levied by or on behalf of any relevant taxing authority, in which event the Lessee shall forthwith pay to the Lessor such additional amount so that the net amount received by the Lessor will equal the full amount which would have been received by it had no such deduction or withholding been made.

Under the Master Ijara Agreement, the Lessee bears the entire risk of loss of or damage to the relevant Lease Assets or any part thereof arising from the usage or operation thereof by the Lessee. In addition, the Lessor shall not be liable (and the Lessee will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the Lessee's use or operation of the relevant Lease Assets.

The Lessee has agreed that certain events or circumstances shall constitute a TDIC Event under the Master Ijara Agreement and any relevant Supplemental Ijara Agreement, the occurrence of which shall entitle the Lessor to terminate the Master Ijara Agreement and the relevant Supplemental Ijara Agreement. For a full list of TDIC Events, please see Condition 15 (*Dissolution Events*) under "*Terms and Conditions of the Certificates*" above.

The Certificateholders will also have the benefit of a negative pledge and certain other restrictive covenants given by TDIC in the Master Ijara Agreement, the full details of which are set out in Condition 5 (*Negative Pledge*) and Condition 7 (*Covenants*) under "*Terms and Conditions of the Certificates*" above.

Servicing Agency Agreement

The servicing agency agreement (the "**Servicing Agency Agreement**") was entered into on 1 October 2009 by TDIC (in its capacity as Servicing Agent) and the Trustee (in its capacity as Lessor) and is governed by English law.

Upon the issuance of a Series, the Lessor shall send a Confirmation of Appointment of Servicing Agent Notice on the relevant Issue Date of the Series, and the Servicing Agent shall acknowledge such notice, confirming the Servicing Agent's appointment with respect to the relevant Lease Assets in accordance with the terms of the Servicing Agency Agreement.

Under the terms of the Servicing Agency Agreement, the Servicing Agent will be responsible for ensuring on behalf of the Lessor that the relevant land which is the subject of the Lease Assets is properly insured (to the extent consistent with general industry practice by prudent owners of assets substantially similar in nature to the relevant Lease Assets), for the performance of all Major

Maintenance and Structural Repair (as defined in the Master Ijara Agreement) and for the payment of any proprietorship taxes charged, levied or claimed in respect of the relevant Lease Assets.

Other than on the first Rental Payment Date (as defined in the Master Ijara Agreement), the Lessor shall reimburse to the Servicing Agent any Services Charge Amount on the date falling two Business Days prior to the relevant Rental Payment Date for the next lease period or, in the case of the final lease period, on the date of termination of the lease.

An amount equal to the Services Charge Amount to be paid by TDIC (as Lessee under the Master Ijara Agreement and each Supplemental Ijara Agreement) to the Lessor as or as part of any: (i) Supplementary Rental under the Master Ijara Agreement as supplemented by a Supplemental Ijara Agreement; (ii) Exercise Price under the Purchase Undertaking or, as the case may be, the Sale Undertaking; or (iii) Surrender Price under the Redemption Undertaking, shall be set off against the Services Charge Amount to be paid by the Lessor to the Servicing Agent under the Servicing Agency Agreement.

Upon the occurrence of a Total Loss Event, all insurance proceeds are required to be paid into the relevant Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event. The Servicing Agency Agreement provides that if the insurance proceeds paid into the relevant Transaction Account are less than the Full Reinstatement Value specified in the relevant Supplemental Ijara Agreement, the Servicing Agent shall be responsible for paying the amount of any shortfall into the relevant Transaction Account by no later than close of business in Abu Dhabi on the 31st day after the Total Loss Event occurred, such that the amount standing to the credit of the Transaction Account on the 31st day following the occurrence of a Total Loss Event, represents the aggregate of the insurance proceeds payable in respect of a Total Loss Event (if any) and the shortfall amount funded by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

The Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust

The Master Declaration of Trust was entered into on 1 October 2009 between TDIC, the Trustee, the Trustee Administrator 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 issue of the Global Certificate initially representing the Certificates of any Series, the Master Declaration of Trust as supplemented by the relevant Supplemental 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 shall comprise: (i) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the relevant Musataha; (ii) all of the Trustee's rights, title, interest and benefit, present and future, in and to the Transaction Documents (excluding any representations given to the Trustee by TDIC in the Transaction Documents); (iii) all monies standing to the credit of the relevant Transaction Account; and (iv) any other assets, rights, cash or investments as may be specified in the applicable Final Terms.

Pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Trustee will, in relation to each Series of Certificates, *inter alia*:

- hold the relevant Trust Assets on trust absolutely for the holders of the Certificates as beneficiaries *pro rata* according to the face amount of Certificates of that Series held by each Certificateholder; and
- 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 Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust.

The Trustee irrevocably and unconditionally appoints the Delegate to exercise all of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by the Master

Declaration of Trust that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or a Potential Dissolution Event, exercise all of the rights (but not the obligations, liabilities, duties or covenants of the Trustee) of the Trustee under the Purchase Undertaking and any of the other Transaction Documents and make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. 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 alios*, the power to determine the occurrence of a Dissolution Event or a Potential Dissolution Event, the power to waive or authorise a breach of an obligation or determine that a Dissolution Event or Potential Dissolution Event shall not be treated as such, and the power to consent to certain types of amendments to any Transaction Document or the memorandum and articles of association of the Trustee.

The Master Declaration of Trust specifies, *inter alia*, that:

(i) following the enforcement, realisation and ultimate distribution of the net proceeds of the Trust Assets in respect of the Certificates to the Certificateholders in accordance with the Conditions and the Master 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 in respect of the relevant Certificates or the Trust Assets;

(ii) no Certificateholder shall be entitled to proceed directly against the Trustee or TDIC under any Transaction Document to which either of them is a party unless: (i) the Delegate fails to do so within a reasonable period of becoming so bound and such failure is continuing; and (ii) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against the Trustee or TDIC, as the case may be) holds at least 20 per cent. of the then aggregate face amount of the Certificates outstanding. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and TDIC shall be to enforce their respective obligations under the Transaction Documents; and

(iii) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the Trust Assets or take any action against the Trustee and/or TDIC under any Transaction Document to which either the Trustee and/or TDIC is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least 20 per cent. of the then 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 Trust Assets in accordance with Condition 6(b) (*Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the 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 Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

TDIC undertakes to the Delegate that, if any amount payable by TDIC to the Delegate pursuant to any Transaction Document is not recoverable from TDIC 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 Trust Assets, which cost, expense or loss is not recoverable under the Master Musataha Agreement or the related Supplemental Musataha Agreement or any other Transaction Document, then TDIC 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.

Purchase Undertaking

TDIC executed a purchase undertaking on 1 October 2009 (the "**Purchase Undertaking**") in favour of the Trustee (in its capacity as Trustee for the Certificateholders) and the Delegate, which is governed by English law.

Under the terms of the Purchase Undertaking, TDIC, provided there has been no Total Loss Event, irrevocably undertakes to purchase, transfer, convey and deliver all of the Trustee's interest, rights, benefits and entitlements in and to the Unexpired Musataha Assets on: (i) the Scheduled Dissolution Date of the Certificates of a particular Series; or (ii) any earlier due date following the occurrence of a Dissolution Event, in each case in exchange for payment of the relevant Exercise Price. An amount equal to the Services Charge Amount to be paid by TDIC as part of any Exercise Price and any Services Charge Amount to be paid by the Trustee in accordance with the Servicing Agency Agreement which has not been paid by way of payment of Supplementary Rental under the Master Ijara Agreement shall be set off against one another.

In order to exercise these rights, the Trustee or the Delegate is required to deliver an Exercise Notice to TDIC under the Purchase Undertaking.

TDIC agrees in the Purchase Undertaking that, except for the set off of any outstanding Services Charge Amount against the Exercise Price, all payments by it under the Purchase Undertaking will be made without set off or counterclaim of any kind and without any deduction or withholding for or on account of Tax unless required by law and, in the event that there is any deduction or withholding, TDIC 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 withholding or deduction had been made.

Simultaneously with payment of the Exercise Price in accordance with the Purchase Undertaking, the parties will enter into a Sale Agreement to effect the sale by the Trustee to TDIC of the Unexpired Musataha Assets that is the subject of the relevant Series. Such Sale Agreement will be governed by the laws of Abu Dhabi and the federal laws of the U.A.E., as applied in Abu Dhabi.

Sale Undertaking

The Trustee (in its capacity as Trustee for the Certificateholders) executed a sale undertaking on 1 October 2009 (the "**Sale Undertaking**") in favour of TDIC, which is governed by English law.

Under the terms of the Sale Undertaking, TDIC may, in the event of certain tax gross-ups being required or, in the event that TDIC exercises an Optional Dissolution Right (if applicable to the relevant Series), exercise its rights under the relevant Sale Undertaking to require the Trustee to sell the relevant Unexpired Musataha Assets to TDIC. The price payable by TDIC upon exercise of the Sale Undertaking shall be an amount equal to the Exercise Price. An amount equal to the Services Charge Amount to be paid by TDIC as part of any Exercise Price and any Services Charge Amount to be paid by the Trustee in accordance with the Servicing Agency Agreement which has not been paid by way of payment of Supplementary Rental under the Master Ijara Agreement shall be set off against one another.

Simultaneously with payment of the Exercise Price in accordance with the Sale Undertaking, the parties will enter into a Sale Agreement to effect the sale by the Trustee to TDIC of the Unexpired Musataha Assets that is the subject of the relevant Series. Such Sale Agreement will be governed by the laws of Abu Dhabi and the federal laws of the U.A.E., as applied in Abu Dhabi.

TDIC shall agree in any Sale Agreement to be entered into pursuant to the Sale Undertaking that except for the set off of any outstanding Services Charge Amount against the Exercise Price, all payments by it under the Sale Undertaking and the Sale Agreement will be made without set off or counterclaim of any kind and without any such deduction or withholding for or on account of Tax unless required by law and, in the event that there is any such deduction or withholding, TDIC 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 withholding or deduction had been made.

Redemption Undertaking

TDIC executed a redemption undertaking on 1 October 2009 (the "**Redemption Undertaking**") in favour of the Trustee (in its capacity as Trustee for the Certificateholders) and the Delegate, which is governed by English law.

Under the terms of the Redemption Undertaking, TDIC grants to the Trustee the right, following the occurrence of a Change of Control or, as the case may be, the exercise of a Certificateholder Put Option and the service by Certificateholders, holding at least five per cent. of the then aggregate face amount outstanding of the relevant Series of Certificates, on the Trustee of a Change of Control Exercise Notice or, as the case may be, a Certificateholder Put Option Exercise Notice, to require TDIC to accept the surrender of all of the Trustee's interest, rights, benefits and entitlements in and to the Surrendered Musataha Area (to be designated by TDIC in accordance with the Redemption Undertaking). The price payable by TDIC upon exercise of the Redemption Undertaking shall be the Surrender Price. An amount equal to the Services Charge Amount to be paid by TDIC as part of any Surrender Price and any Services Charge Amount to be paid by the Trustee in accordance with the Servicing Agency Agreement which has not been paid by way of payment of Supplementary Rental under the Master Ijara Agreement shall be set off against one another.

In order to exercise these rights, the Trustee is required to deliver a Surrender Notice to TDIC under the Redemption Undertaking.

TDIC agrees in the Redemption Undertaking that, except for the set off of any outstanding Services Charge Amount against the Surrender Price, all payments by it under the Redemption Undertaking will be made without set off or counterclaim of any kind and without any such deduction or withholding for or on account of Tax unless required by law and, in the event that there is any deduction or withholding, TDIC 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 withholding or deduction had been made.

Simultaneously with payment of the Surrender Price in accordance with the Redemption Undertaking, the Trustee and TDIC shall enter into a Deed of Surrender of Part and Variation of the Supplemental Musataha Agreement and the Supplemental Ijara Agreement (the "**Deed of Surrender of Part and Variation**"), which shall be governed by the laws of Abu Dhabi and the federal laws of the U.A.E. as applied in Abu Dhabi and shall agree to execute all such documents and do such further acts and things as may be required under applicable law to give effect to any surrender of the Surrendered Musataha Area.

Substitution Undertaking

The Trustee (in its capacity as Trustee for the Certificateholders) executed a substitution undertaking on 1 October 2009 (the "**Substitution Undertaking**") in favour of TDIC, which is governed by English Law.

Under the terms of the Substitution Undertaking, the Trustee has granted to TDIC the right to require the Trustee to sell, transfer, convey and deliver all of the Substituted Assets to TDIC, in consideration for the grant to the Trustee, by way of a new Supplemental Musataha Agreement, of the New Musataha over the New Assets. TDIC will be obliged to certify that the value of the New Musataha is not less than the then aggregate face amount of the Certificates outstanding of the relevant Series (as

determined by reference to an internal management valuation conducted by TDIC in accordance with prevailing market practice at the relevant time).

The substitution of the New Assets for the Substituted Assets will become effective on the Substitution Date (as specified in the Substitution Notice to be delivered by TDIC in accordance with the Substitution Undertaking) by the Trustee and TDIC entering into: (i) a Sale Agreement in substantially the form scheduled to the Substitution Undertaking to effect the sale of the Substituted Assets by the Trustee to TDIC; (ii) a new Supplemental Musataha Agreement in substantially the form scheduled to the Master Musataha Agreement to effect the grant of the New Musataha by TDIC to the Trustee; and (iii) a new Supplemental Ijara Agreement to effect the lease to TDIC by the Trustee of the land which is the subject of the New Musataha.

Agency Agreement

Pursuant to an agency agreement (the "**Agency Agreement**") entered into on 1 October 2009 between, amongst others, the Trustee, TDIC and the Principal Paying Agent, provision will be made for, *inter alia*, payment of all sums due in respect of the Certificates.

BOOK ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Trustee, TDIC, 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.*

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 worldwide 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.

Transfers of Certificates Represented by Global Certificates

Transfers of any interests in Certificates represented by a Global Certificate within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

On or after the Issue Date for any Series, transfers of Certificates of such Series between accountholders in Euroclear and Clearstream, Luxembourg, 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.

Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among accountholders of Euroclear and Clearstream, Luxembourg. 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, TDIC, the Agents, the Arrangers or any Dealer(s) will be responsible for any performance by Euroclear and Clearstream, Luxembourg or their respective direct or indirect 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

Prospective purchases of the Certificates are advised to consult their tax advisors as to the consequences, under the tax laws of the country 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.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Payments of all amounts due on the Certificates will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of any such amounts 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.

No stamp duty is payable in respect of the issue of the Certificates. An instrument of transfer in respect of a Certificate is stampable if executed in or brought into the Cayman Islands.

United Arab Emirates

The following summary of the anticipated tax treatment in the U.A.E. in relation to the payments on the Certificates is based on the taxation law and practice in force at the date of this 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 Abu Dhabi legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended)). The regime is, however, not enforced save in respect of companies active in the oil industry, some related service industries and branches of foreign banks operating in the U.A.E. 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 U.A.E. or Abu Dhabi taxation in respect of payments of any amounts due by TDIC under the Transaction Documents to which it is a party and/or by the Trustee to any holder of the Certificates. In the event of such imposition of any such withholding, the Trustee has undertaken to gross-up any payments subject to certain limited exceptions.

The Constitution of the U.A.E. specifically reserves to the U.A.E. government the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The U.A.E has entered into double taxation treaties with certain other countries, but these are not extensive in number.

EU Savings Directive

Under the EU Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual or certain limited types of entity in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and certain dependent or associated territories of certain Member States, including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

*The Dealers have, in a dealer agreement (the "**Dealer Agreement**") dated 1 October 2009, agreed with the Trustee and TDIC a basis upon which they or any of them may from time to time agree to purchase Certificates. 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, each of the Trustee and TDIC has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Certificates under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Certain of the Dealers and their respective affiliates have, in the past, performed investment banking and advisory services for, and provided credit facilities to, TDIC for which they have received customary fees and expenses. Each of the Dealers and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, TDIC in the ordinary course of their respective businesses.

United States

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold any Certificates, and will offer and sell any Certificates: (a) as part of their distribution at any time; and (b) otherwise until 40 days after the completion of the distribution of all Certificates of the Series of which such Certificates are a part as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who purchases Certificates of a Series (or in the case of a sale of a Series of Certificates issued to or through more than one Dealer, each of such Dealers as to the Certificates of such Series to be purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of Certificates of such Series.

On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Series. Each Dealer has further agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Certificate, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of Certificates, it or its affiliate(s) will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Certificates from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"*The Securities covered hereby have not been registered under the U.S. Securities Act of 1993, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.*"

Terms used in this sub-section have the meaning given to them by Regulation S.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (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 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:

(i) if the applicable Final Terms in relation to the Certificates specify that an offer of those Certificates may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Certificates which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or applicable Final Terms, as applicable;

(ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(iii) at any time to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iv) at any time to fewer than 100 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 and TDIC for any such offer; or

(v) 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 (ii) to (v) (inclusive) above shall require the Trustee, TDIC 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 and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Certificates which have a maturity of less than one year: (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or TDIC; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

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 or offer to subscribe for the Certificates has been or will be made to the public of the Cayman Islands.

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 to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the U.A.E. other than in compliance with any laws applicable in the U.A.E. governing the issue, offering and sale of securities.

Each Dealer acknowledges and each further Dealer appointed under the Programme will be required to acknowledge, that the information contained in this Prospectus does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and the information contained in this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the U.A.E.

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 be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(i) deemed to be an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"); and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Kingdom of 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 and will not offer any Certificates to the Public (as defined in Articles 142-146 of the Commercial Companies Law (decree Law No. 21/2001 of Bahrain)) in Bahrain.

Kingdom of Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Certificates pursuant to an offering should note that the offer of Certificates is a limited offer under Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the

Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "**KSA Regulations**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of the Certificates will not be directed at more than 60 Saudi Investors (excluding "Sophisticated Investors" (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor will be not less than Saudi Riyal (SR)1 million or an equivalent amount.

The offer of Certificates shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Certificates pursuant to a limited offer may not offer or sell those Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and: (a) the Certificates are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Certificates in any one transaction is equal to or exceeds SR1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Kuwait

The Certificates have not been licensed for offering in Kuwait by the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The offering of the Certificates in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990, as amended, and Ministerial Order No. 113 of 1992, as amended. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no private or public offering of the Certificates is being made in Kuwait, and no agreement relating to the sale of the Certificates will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Certificates in Kuwait.

State of Qatar

Each of the Dealers 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, directly or indirectly, any Certificates in the State of Qatar, except: (a) in compliance with all applicable laws and regulations of the State of Qatar; 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.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law 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 Certificates, 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 Control Law (Law 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, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than: (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer or issue of the Certificates in Malaysia can only be made to investors in the manner specified in Schedules 6 or 7 and 9 of the Capital Markets and Services Act 2007 (e.g. unit trust schemes, holders of a Capital Markets Services Licence ("**CMSL**") who carry on the business of dealing in securities, closed-end funds approved by the Securities Commission of Malaysia, holders of a CMSL who carry on the business of fund management, licensed financial institutions under the Banking and Financial Institutions Act 1989 or licensed Islamic banks under the Islamic Banking Act 1983, licensed offshore banks under the Offshore Banking Act 1990, insurance companies registered under the Insurance Act 1996, corporations with total net lease assets exceeding ten million Malaysian ringgit or its equivalent in foreign currencies based on the last audited accounts, statutory bodies established by an Act of Parliament of Malaysia or an enactment of any state in Malaysia and pension funds approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967).

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each 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 that it will not offer or sell any Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Certificates, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor pursuant to Section 274 of the SFA; (b) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (c) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Note:

Where Certificates are subscribed or purchased under Section 275 by a relevant person, which is:

(i) 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

(ii) 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,

shares, debentures and units of shares and debentures 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 except:

(i) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of certificates or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of 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 and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates or has in its possession or distributes this Prospectus or any other offering material 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 in all cases at its own expense.

None of the Trustee, TDIC or 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, TDIC and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Trustee dated 29 September 2009 and by a resolution of the Board of Directors of TDIC on 23 June 2009. The Trustee and TDIC have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates and their entry into and performance of the Transaction Documents.

Listing of Certificates

The admission of Certificates to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Series of 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 or Certificates initially representing the Certificates of such Series. Application has been made to the U.K. Listing Authority for Certificates issued under the Programme 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 Certificates is expected to be granted on or before 6 October 2009. Prior to the official listing and admission to trading however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the Regulated Market will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Certificates may be issued pursuant to the Programme.

Documents Available

For so long as any Certificate remains outstanding, copies of the following documents will, when published, be available for inspection at the specified offices of the Paying Agents for the time being in London:

(i) the constitutional documents of the Trustee and TDIC;

(ii) the consolidated audited annual financial statements of TDIC in respect of the financial years ended 31 December 2008 and 31 December 2007, together with the audit reports and notes prepared in connection therewith;

(iii) the most recently published consolidated audited annual financial statements of TDIC, together with the audit reports and notes prepared in connection therewith;

(iv) the most recently published consolidated quarterly financial statements of TDIC, together with any audit or review reports prepared in connection therewith;

(v) the Master Declaration of Trust, the Agency Agreement, the Master Musataha Agreement, the Master Ijara Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Redemption Undertaking, the Sale Undertaking, the Substitution Undertaking, any Deed of Surrender of Part and Variation entered into pursuant to the Redemption Undertaking, any Sale Agreement entered into pursuant to the Substitution Undertaking and the forms of the Global Certificates and the Certificates in definitive form;

(vi) each Supplemental Declaration of Trust, Supplemental Musataha Agreement and Supplemental Ijara Agreement in relation to Certificates which are admitted to listing, trading and/or quotation by any listing authority;

(vii) a copy of this Prospectus; and

(viii) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that the Final Terms relating to a Certificate which is neither admitted to

trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the relevant Paying Agent as to its holding of Certificates and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

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 allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B 1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.

Conditions for Determining Price

The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, TDIC and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position, or material adverse change in the prospects, of the Trustee since the date of its incorporation.

There has been no significant change in the financial or trading position of TDIC or the Group since 30 June 2009 and there has been no material adverse change in the prospects of TDIC or the Group since 31 December 2008.

Litigation

Neither the Trustee nor TDIC nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or TDIC is aware) in the twelve months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Trustee, TDIC or the Group.

Auditors

The consolidated financial statements of TDIC and its subsidiaries as of and for the years ended 31 December 2008 and 2007 and for the fourteen-month period from 25 October 2005 to 31 December 2006, included in this Prospectus, have been audited by Deloitte & Touche (M.E.), who are public accountants registered to practise as auditors with the Ministry of Economy in Abu Dhabi, as stated in their audit report appearing herein. The Interim Financial Statements have been reviewed by Deloitte & Touche (M.E.), as stated in their review report appearing herein.

Post-Issuance Information

Save as set out in the applicable Final Terms, neither the Trustee nor TDIC intends to provide post-issuance information in relation to any issue of Certificates.

Dealers Transacting with the Trustee and TDIC

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 Trustee, TDIC and the Group in the ordinary course of business.

ANNEX A

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Saadiyat Island									
Infrastructure									
Saadiyat Island Master Plan Infrastructure	Infrastructure for Saadiyat Island comprising utilities, roads, parks, community and civic facilities and bridges.	Design/ Construction	GG	15,400,000 of gross floor area. Gross leased area to be determined in design phase	To provide services to approx. 150,000 residents	2006	2018	35,968	Leighton, Parsons, Zubilin
Saadiyat North Beach District Cooling	Cooling network to service the Saadiyat Beach District	Construction	GL	—	—	November 2008	2011	142	Concession agreement based on advisory recommendation
Saadiyat Waste Water Treatment	Level 4 Water Treatment Plant	Design/ Construction	GG	—	—	May 2009	2011	540	—
Saadiyat Mina Link	Permanent connection of Saadiyat Bridge and Shahama Expressway to Downtown Abu Dhabi Road System	Construction	GG	—	—	December 2008	2013	2,400	—
Cultural									
Louvre Abu Dhabi Museum	Classical art museum designed by Ateliers Jean Nouvel. Located in the Cultural District	Design	GG/GL	63,055	—	Design: January 2008 Construction: May 2009	2013	Aggregate cultural costs 18,500*	Partnership agreement with Agence France Museums on behalf of certain French institutions

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Guggenheim Abu Dhabi Museum	Contemporary art museum designed by Frank Gehry Partners LLP. Located in the Cultural District	Design	GG/GL	77,190	—	Design: June 2008 Construction: Q4 2009	2014	Aggregate cultural costs 18,500*	Partnership Agreement with Solomon R. Guggenheim Foundation
Zayed National Museum	Cultural and historical museum designed by Foster + Partners Ltd. Located in the Cultural District	Design	GG	43,000 of gross floor area	—	Design: August 2008 Construction: Q4 2009	2013	Aggregate cultural costs 18,500*	Pre-opening partnership agreement with the British Museum
Saadiyat Island Education Centres	Development of 11 nurseries and 14 K-12 schools for Saadiyat Island	Design	GG	120,000 per school	—	Q1 2010	2012	988	Operating agreement currently under negotiation
Cultural Programming	Exhibitions, events, educational activities and publications to increase awareness of the Cultural District institutions	Operational	GG	—	—	—	—	1,071	—
Hospitality/Leisure									
Saadiyat Beach Golf Club House	Club house for Saadiyat Beach Golf Club with ocean views	Design	CDF	19,500	—	2009	2011	269	—
Gary Player Saadiyat Beach Golf Course and Academy	18 hole championship golf course with a golf academy and maintenance facility to be designed and constructed by Gary Player	Construction	CDF	1,246,158	—	Construction of Academy: January 2009 Construction of Golf Course: April 2008	2011	527	Leighton

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
St. Regis Resort	Luxury five-star beach resort	Re-tendered	CDF	181,145	380 hotel rooms, 33 villas, 259 apartments, 75 units	Q4 2007	2011	3,001	Starwood
Saadiyat Branded Beach Club	Luxury beach club	Design	GG	Approx. 6,000	Approx. three outlets	Q2 2009	2010	104	—
Residential									
Island Lagoon Villas and Apartments	High quality gated villa community	Design	CDF	557,092	Approx. 929 villas	2012	2018	—	—
Saadiyat Reserve Villas	High quality gated villa community	Design	CDF	Approx. 195,305	Approx. 414 villas	2011	2015	—	—
Saadiyat Beach Villas (Phase one)	High quality gated villa community	Design/Tender /Construction	CDF	171,669	Approx. 624 villas	Q3 2009	2013	2,412	—
Saadiyat Beach Apartments	High quality apartment buildings and community facilities	Design/Tender /Construction	CDF	129,550	Approx. 495 apartment units (phase one) and 500 apartment units (phase two)	2011	2013	1,327	JZMK Partners
Saadiyat Construction Village	A residential construction village to house construction workers engaged on Saadiyat projects	Construction	CDF	327,693	To house approx. 20,000 workers	May 2008	Q4 2009	915	Leighton
Commercial/Mixed-Use									
Saadiyat Al Manara	Saadiyat Experience Centre (1,200 sqm exhibition area for TDIC sponsored exhibitions), 200+ seat theatre, restaurant and two additional exhibition areas (each approx. 1,200 sqm)	Design	GG	Approx. 13,500	—	April 2009	First half of 2010	214	—

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Saadiyat Land Bridge	Multi-layer transport hub linking the Cultural and Marina Districts	Design	CDF	316,000	TBA	Q3 2009	2015	2,226	—
Cultural District Souk and Canal	Medium to low rise neighbourhood in the heart of the cultural district at close proximity to the museums consisting of retail and residential space, offices, hotels and cultural assets	Concept	CDF	870,000 of gross floor area. Gross leased area to be determined in design phase	To be determined	Design commenced in Q1 2009	2013	3,875	—
Saadiyat Beach Retail Community Centre	Retail/community centre to service the villas and apartments in the Saadiyat Beach District	Design	CDF	15,000	—	July 2009	2012	117	—
Saadiyat Marina SM4-11	Tower in central business district including a hotel, office space, high-end retail and marina residences	Design	CDF	159,929 of gross floor area, including a 350 room five-star hotel, 52,000 residential, 7,250 retail and 60,000 commercial	To be determined	Q3 2009	2014	2,709	—
Saadiyat Marina SM4-13	Tower in central business district including office space, high-end retail and marina residences	Design	CDF	119,000 of gross floor area, including 48,000 residential, 13,000 retail and 58,000 commercial	To be determined	Q3 2009	2014	1,876	—

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Desert Islands									
Infrastructure									
Desert Island Infrastructure	Western zone logistics area and delivery of bulk infrastructure	Concept/ Design	GG	—	—	Q3 2009	2015	736	—
Cultural									
Sheikh Zayed Animal Breeding Centre	Centre dedicated to the conservation of endangered animals	Concept/ Design	GG	—	—	Q1 2010	2011	217	—
Hospitality/Leisure									
Gary Player Sir Bani Yas Beach Golf Course & Academy	18 hole championship golf course with a golf academy and maintenance facility to be designed and constructed by Gary Player	Concept/ Design	GL	—	—	Q1 2011	2013	232	GP Design
Sir Bani Yas Equestrian Centre	Horse stables for approx. 30 horses	Concept/ Design	GG	—	—	Q3 2009	Q4 2009	12	—
Sir Bani Yas Luxury Hotel	Five-star luxury hotel	Design	GL	—	196	Q4 2009	2013	470	—
Sir Bani Yas Lodges	Boutique lodges	Concept/ Design	GL	—	Approx. 180 rooms	Q3 2009	Q1 2010 and 2011	795	—
Desert Island Resort Conference Centre	Conferencing facilities to accommodate approx. 250 people	Concept/ Design	GG	Approx. 1,500	—	Q3 2009	Second half of 2010	54	—

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Sir Bani Yas Outward Bound Camp	Outdoor leadership programme	Concept/ Design	GG	—	To house approx. 50 to 60 persons	Q4 2009	First half of 2010	41	—
Sir Bani Yas Dive Fishing and Sports Centre	Dive fishing centre, seafood restaurant and dive pool	Concept/ Design	GG	1,237	—	Q3 2009	First half of 2010	37	Mirage Mille
Residential									
Desert Island Resort Residences	Branded residential development	Concept/ Design	CDF	—	65 residences	Q3 2009	2011	201	—
Sir Bani Yas Royal Bay Residences	Branded residential development for the royal family of the U.A.E	Concept/ Design	CDF	185,000	87 residences	Q3 2009	2013	2,175	—
Sir Bani Yas South Zone Staff Housing	Housing to accommodate approx. 300 TDIC management staff and hotel staff (Phase 1)	Concept/ Design	GG	—	Approx. 300	Q3 2009	Second half of 2010	106	—
Other									
Infrastructure									
Hodariyat Crossing	Six lane, 1.4 km long bridge connecting Hodariyat to Abu Dhabi	Design/ Tender/ Construct	GG	—	—	Q3 2009	Q1 2012	580	—
Mafraq Hotel Site Infrastructure	Development of lands surrounding the existing Mafraq Hotel	Design	CDF	Plot 1: 60,071 Plot 2: 9,955 Plot 3: 17,500 Plot 4: 22,101 Plot 5: 34,800	To be determined	Q4 2009	—	—	—
Cultural									
U.A.E. Military Museum	National military museum	Concept	GG	Approx. 30,000	—	2011	2014	1,577	—

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Khalifa Park	Redevelopment of Khalifa Park	Design	GG	450,000 of gross programme area	—	Jan 2009	2014	200	—
Hospitality/Leisure									
AD Golf Club House Refurbishment	Refurbishment of Abu Dhabi Golf Club	Design/ Tender/ Construction	CDF	2,800	—	Q2 2009	2011	50	LW Design Dubai
AD Golf Club Temporary Club Facility	Temporary replacement for the Abu Dhabi Golf Club during its refurbishment	Construction	CDF	300	—	January 2009	April 2009	13	Action Impact
Qasr Al Sarab	Luxury five-star desert resort and retreat	Construction	CDF	84,146	140 hotel rooms and 52 villas	Q4 2007	Q4 2009	1,908	Anantara ALEC
Qasr Al Ain Hotel	"Emirates Palace" style hotel including a 27 hole championship golf course and an equestrian centre	Concept	GG	—	250 rooms, 40 golf villas	Q2 2009	Q4 2012	4,832	—
Abu Dhabi Golf Resort	Five-star Westin hotel with meeting facilities for up to 400 people, a 27 hole championship golf course and sporting facilities	Re-tendered	CDF	Approx 35,000	148 rooms	Q4 2007	2011	1,801	Westin
Angsana Resort and Spa Eastern Mangroves	Nature retreat, resort and spa	Re-tendered	CDF	129,574	223 hotel rooms, 52 luxury apartments, 92 marina apartments and 77 serviced apartments	Q4 2007	2011	1,738	Angsana

Project Name	Description	Phase	Funding Source	Gross Leased Area (sqm)	Number Units/Keys	Start Date	Estimated Completion Date	Estimated Total Project Cost (AED Millions)	Key Third Party Contracts
Desert Village	Intended to offer a desert village experience. Located close to the town of Al Shawaib	Design	GG	—	—	—	—	To be determined	—
Abu Dhabi Royal Stables	Five-star boutique hotel, equestrian centre, equestrian museum and equestrian facility	Design	GG	—	—	Q4 2009	2012	866	—
Residential									
TDIC Hotel Staff Accommodation	Accommodation for the staff working in TDIC owned hotels	Design	CDF	81,468	To house approx. 2,500 employees	May 2009	2011	519	Approved by UPC and ADMS
Mafraq Hotel Staff Accommodation	Development to house 35,000 staff employed in the hotel industry in Abu Dhabi. TDIC to provide infrastructure. Owners to construct their own housing facilities	Tender/ Construction	CDF	176,000	To house approx. 35,000 persons	Q1 2009	2013	603	—
Commercial/Mixed-Use									
TDIC /ADTA Headquarters	Nine-storey building with 1,135 parking spaces, including space to be leased to other tenants	Construction	GG/CDF	56,355	None	2007	Q2 2011	1,336	ULI Surbana Consultants
Al Bateen Wharf	Leisure fisherman's marina in the oldest section of Abu Dhabi	Design/ Construction	GG	8,000	None	2008	2010	760	—
AD Art Boulevard Hotel and Commercial	Combined hotel and serviced apartment	Design	CDF	—	—	Q3 2009	2012	1,254	—

* Represents the aggregate estimated costs of the Louvre Abu Dhabi Museum, the Guggenheim Abu Dhabi Museum and the Zayed National Museum.

Key

GG: Government Grants GL: Government Loan CDF: Commercial Debt Financing

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Tourism Development and Investment Company P.J.S.C.

Review report and interim financial information for the period ended 30 June 2009

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholder of
Tourism Development and
Investment Company P.J.S.C.
Abu Dhabi, UAE

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Tourism Development and Investment Company P.J.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as of 30 June 2009 and the related condensed consolidated statement of comprehensive income, condensed consolidated changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34")". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte & Touche

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23 August 2009

Unaudited condensed consolidated statement of financial position as at 30 June 2009

	Notes	30 June 2009 AED'000	31 December 2008 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,304,277	5,017,099
Investment properties		2,295,299	2,295,299
Investments in associates		672,412	672,412
Long-term receivables		2,829	3,004
Total non-current assets		10,274,817	7,987,814
Current assets			
Development work-in-progress	5	17,174,523	16,833,516
Inventories		1,792	2,008
Trade and other receivables	6	820,566	603,377
Prepayments	7	148,474	26,035
Bank balances and cash	8	819,417	920,342
Total current assets		18,964,772	18,385,278
Total assets		29,239,589	26,373,092
EQUITY AND LIABILITIES			
Equity			
Share capital		100,000	100,000
Increase in capital		18,184,743	18,184,743
Other contributions		374,912	374,912
Statutory reserve		124	124
Accumulated losses		(541,306)	(372,705)
Total equity		18,118,473	18,287,074
Non-current liabilities			
Derivative liability		55,806	77,050
Provision for end-of-service benefits		8,715	7,480
Advances from customers		1,096,945	994,251
Bank borrowings – long-term	9	1,057,248	1,822,064
Deferred government grants	10	4,701,235	1,908,962
Other long-term debt	11	547,008	-
Total non-current liabilities		7,466,957	4,809,807
Current liabilities			
Trade and other payables	12	1,528,371	2,235,335
Bank borrowings – short-term	9	1,764,816	1,000,000
Bank overdrafts	13	360,972	40,876
Total current liabilities		3,654,159	3,276,211
Total liabilities		11,121,116	8,086,018
Total equity and liabilities		29,239,589	26,373,092

.....	.....	.....
Chairman	**Chief Executive Officer**	**Finance Director**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Unaudited condensed consolidated statement of comprehensive income for the period ended 30 June 2009

	3 months ended 30 June		6 months ended 30 June	
	2009	2008	**2009**	2008
	AED'000	AED'000	**AED'000**	AED'000
Revenue	**15,107**	7,884	**31,420**	18,184
Direct costs	**(9,714)**	(1,586)	**(19,672)**	(6,656)
Gross profit	**5,393**	6,298	**11,748**	11,528
Abu Dhabi Government contribution	**18,750**	18,750	**37,500**	37,500
Administrative expenses	**(115,125)**	(82,055)	**(235,699)**	(123,569)
Management fees	**(551)**	(353)	**(1,241)**	(898)
Gain / (loss) on revaluation of derivative instruments	**29,644**	57,943	**21,244**	39,940
Finance costs	**(11,651)**	(372)	**(18,544)**	(4,851)
Finance income	**13,956**	4,656	**21,556**	13,290
Other (expenses) / income	**(4,657)**	1,830	**(5,165)**	2,789
Net (loss) / profit and other comprehensive (loss) / income for the period	**(64,241)**	6,697	**(168,601)**	(24,271)

The accompanying notes form an integral part of these condensed consolidated financial statements.

Unaudited consolidated statement of changes in equity for the period ended 30 June 2009

	Share capital AED'000	Increase in capital AED'000	Other contributions AED'000	Statutory reserve AED'000	Accumulated loss AED'000	Total AED'000
Balance at 1 January 2008	100,000	17,125,074	374,912	124	(4,125)	17,595,985
Net loss for the period	-	-	-	-	(24,271)	(24,271)
Balance at 30 June 2008 (unaudited)	100,000	17,125,074	374,912	124	(28,396)	17,571,714
Balance at 1 January 2009	100,000	18,184,743	374,912	124	(372,705)	18,287,074
Net loss for the period	-	-	-	-	(168,601)	(168,601)
Balance at 30 June 2009 (unaudited)	**100,000**	**18,184,743**	**374,912**	**124**	**(541,306)**	**18,118,473**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Unaudited condensed consolidated statement of cash flows for the period ended 30 June 2009

	6 months ended 30 June	
	2009	2008
	AED'000	AED'000
Net loss for the period	**(168,601)**	(24,271)
Non-cash adjustments to net loss	**11,111**	(42,706)
Movements in working capital	**(741,582)**	(636,653)
Other items	**(12,938)**	(5,083)
Net cash used in operating activities	**(912,010)**	(708,713)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(2,320,376)**	(510,618)
Interest received	**19,092**	13,290
Net cash used in investing activities	**(2,301,284)**	(497,328)
Cash flows from financing activities		
Government grants obtained	**2,792,273**	1,027,588
Net cash from financing activities	**2,792,273**	1,027,588
Net increase in cash and cash equivalents	**(421,021)**	(178,453)
Cash and cash equivalents at the beginning of the period	**879,466**	1,129,097
Cash and cash equivalents at the end of the period (Note 13)	**458,445**	950,644

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009

1 General

Background information

Tourism Development and Investment Company PJSC (the "Company") is a public joint stock company registered and incorporated on 25 October 2005 in the Emirate of Abu Dhabi, United Arab Emirates under the UAE Commercial Companies Law No. (8) of 1984 (as amended) and in accordance with Abu Dhabi law No. 12 of 2005. The Company is a wholly-owned subsidiary of Abu Dhabi Tourism Authority (ADTA) (the "Owner"), which is wholly-owned by the Abu Dhabi Government.

The Abu Dhabi Government and ADTA provide the Company financing for its operations in the form of capital contributions of assets and through grants of assets and cash.

The address of the Company's registered office is P.O Box 126888, Abu Dhabi, United Arab Emirates. UAE is non taxable jurisdiction and there are no operations in any taxable jurisdictions.

The Company and its subsidiaries (together referred to as "the Group") are principally engaged in the tourism and leisure activity business in Abu Dhabi primarily through developing and leasing investment properties, and acquiring, developing and operating real estate projects in the United Arab Emirate - Abu Dhabi.

2 Adoption of new and revised Standards

The Group adopted certain applicable accounting Standards and pronouncements during the period. The impact of the adoption of such Standards and Interpretations is described below.

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009)

IFRS 8 is a disclosure Standard that requires re-designation of the Group's reportable segments based on the segments used by the Chief Operating Decision Maker to allocate resources and assess performance. There was no material impact of this Standard on the previous disclosures and reported results of the financial position of the Group.

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

The revised Standard has introduced a number of terminology changes (including revised titles for the financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Group.

IAS 23 (Revised) Borrowing Costs (effective for annual periods beginning on or after 1 January 2009)

The revisions to IAS 23 have had no impact on the Group's accounting policies. The principal change to the Standard, which was to eliminate the previously available option to expense all borrowing costs when incurred, has no impact on these consolidated financial statements because it has always been the Group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

IFRIC 15 Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2009)
IFRIC 15 had no impact on the Group's accounting policies because the Group's treatment has always been in line with IFRIC 15.

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

2 Adoption of new and revised Standards (continued)

At the date of authorisation of the condensed financial information, the following Standards and Interpretations which have not been applied in the condensed financial information were in issue but not yet effective:

IFRS 3 (revised 2008) Business Combinations	Effective from 1 July 2009
IAS 27 (revised 2008) Consolidated and Separate Financial Statements	Effective from 1 July 2009
IAS 28 (revised 2008) Investments in Associates	Effective from 1 July 2009
IAS 39 (revised 2008) Financial Instruments: Recognition and Measurement	Effective from 1 July 2009
IFRIC 17 Distributions of Non-cash Assets to Owners	Effective from 1 July 2009
IFRIC 18 Transfers of Assets from Customers	Effective from 1 July 2009

The Directors anticipate the adoption of those Standards and Interpretations in future periods will have no material impact on the condensed financial information of the Company in the period of initial application.

3 Summary of significant accounting policies

Statement of compliance

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) no. 34 "Interim Financial Reporting" issued by International Accounting Standards Board and also comply with the applicable requirements of the laws in the UAE.

The condensed consolidated financial statements have been prepared on the historical cost basis except derivatives. The accounting policies and estimates used in the preparation of these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements for the year ended 31 December 2008.

The 31 December 2008 balance sheet included in these condensed consolidated financial statements was derived from the audited financial statements for the year ended 31 December 2008.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Details of the Company's subsidiaries at 30 June 2009 are as follows:

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
Desert Islands L.L.C [(a)]	100%	UAE	Real estate development
TDIC Finance Limited [(b)]	100%	Cayman Islands	Financing activities

(a) Desert Islands LLC was formed by the Company in 2008 and has not commenced operations.
(b) TDIC Finance Limited was formed by the Company in 2009 and has not commenced operations.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

4 Property, plant and equipment

	Land AED'000	Buildings AED'000	Furniture, fixtures and office equipment AED'000	Machinery, tools and equipment AED'000	Vehicles AED'000	Aircraft AED'000	Capital-work-in progress AED'000	Total AED'000
Cost								
1 January 2009	2,286,210	467,215	53,343	22,265	22,145	15,910	2,188,693	5,055,781
Additions	-	2,374	12,519	1,488	6,258	-	2,297,737	2,320,376
Disposals	-	(561)	(28)	-	(225)	-	-	(814)
Transfers	-	19,655	1,040	654	-	-	(21,349)	-
30 June 2009 (unaudited)	**2,286,210**	**488,683**	**66,874**	**24,407**	**28,178**	**15,910**	**4,465,081**	**7,375,343**
Accumulated depreciation								
1 January 2009	-	17,145	9,685	8,172	3,571	109	-	38,682
Charge for the period	-	18,761	9,090	2,339	2,105	529	-	32,824
Disposals	-	(317)	-	-	(123)	-	-	(440)
30 June 2009 (unaudited)	**-**	**35,589**	**18,775**	**10,511**	**5,553**	**638**	**-**	**71,066**
Carrying amount								
30 June 2009 (unaudited)	**2,286,210**	**453,094**	**48,099**	**13,896**	**22,625**	**15,272**	**4,465,081**	**7,304,277**
31 December 2008	2,286,210	450,070	43,658	14,093	18,574	15,801	2,188,693	5,017,099

During the period ended 30 June 2009, the Group capitalized bank borrowing interest amounting to AED 26,229 thousand.

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

5 Development work-in-progress

Development work-in-progress represents the value of Saadiyat Island, Emirate of Abu Dhabi, received in 2006 and 2007 as increase in capital, in addition to the development work in progress. Movement during the period is as follow:

	Land AED'000	Development work in progress AED'000	Total AED'000
Balance at 1 January 2009	12,819,954	4,013,562	16,833,516
Additions	-	341,007	341,007
Balance at 30 June 2009 (unaudited)	**12,819,954**	**4,354,569**	**17,174,523**

Addition to development work in progress during the period includes capitalized borrowing interest amounting to AED 13,656 thousand.

6 Trade and other receivables

	30 June 2009 AED'000	31 December 2008 AED'000
Trade receivables	**5,397**	8,189
Receivable on sale of land	**37,758**	69,392
Less: allowance for doubtful debts	**(89)**	(1,472)
	43,066	76,109
Advances to contractors	**362,097**	516,974
Due from Abu Dhabi government	**385,250**	-
Other receivables	**30,153**	10,294
Balance at 30 June 2009 (unaudited)	**820,566**	603,377

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

6 Trade and other receivables (continued)

Due from Abu Dhabi Government:

The Group receives advances from Abu Dhabi Government to execute certain projects on behalf of the Abu Dhabi Government. As at 30 June 2009 the amount paid on those projects where more than the advances received by AED 385,250 thousand and was shown as amount due from Abu Dhabi Government. As at 31 December 2008 the amount received was more than the amount paid by AED 45,468 thousand (note 12).

7 Prepayments

The 30 June 2009 prepayment of AED 148,474 thousand includes prepaid lease payments of AED 120,110 thousand. During 2009 the Group entered into a lease agreement of a residential compound for five years commencing February 2009 to be used for management staff accommodation for a total amount of AED 245,238 thousand. Terms consist of two payments, one of AED 140,472 thousand, paid during the six months ended 30 June 2009, and a second of AED 104,766 thousand that falls due on February 2012.

The remaining balance consists of rent, insurance, bank loan fees, marketing expenses and other prepaid expenses.

8 Bank balances and cash

	30 June 2009 AED'000	31 December 2008 AED'000
Cash at hand	**264**	178
Cash at banks:		
Current accounts	**30,380**	19,747
Term deposits	**788,773**	900,417
Balance at 30 June 2009 (unaudited)	**819,417**	920,342

Term deposits represent deposits placed at local banks denominated in AED and have maturities within 3 months and effective interest rates ranging from 3.15% to 6.25%.

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

9 Bank borrowings

Banks loans are repayable as follows:

	30 June 2009 AED'000	31 December 2008 AED'000
Within one year	**1,764,816**	1,000,000
In the second year	**1,057,248**	1,822,064
Amount due for settlement after 12 months	**1,057,248**	1,822,064
Total bank loans	**2,822,064**	2,822,064

10 Deferred government grants

The Group receives contributions from Abu Dhabi Government as government grant to finance certain projects of the Group. During the period, the Group received an amount of AED 2,792,273 thousand to finance its projects.

11 Other long-term debt

During 2009, the Group received advances of AED 547,008 thousand from Abu Dhabi Government to finance the Group's operations. This debt is not repayable within 12 months. The terms and conditions including the maturity date and the interest rate still not finalised and, as a result, this debt is interest free until such time that the rates are set.

12 Trade and other payables

	30 June 2009 AED'000	31 December 2008 AED'000
Trade payables	**162,327**	305,980
Contractors payables	**738,833**	1,329,885
Retention payables	**283,935**	244,701
Provision for infrastructure costs	**265,717**	270,439
Deferred revenue	**3,880**	4,153
Accrued expenses	**36,179**	34,709
Deferred contribution income – government grants	**37,500**	-
Due to Abu Dhabi Government	**-**	45,468
Balance at 30 June 2009 (unaudited)	**1,528,371**	2,235,335

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

13 Cash flow information

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	6 months ended 30 June	
	2009	2008
	AED'000	AED'000
Cash and bank balances	**819,417**	1,008,243
Bank overdrafts	**(360,972)**	(57,599)
	458,445	950,644

The Group has an existing AED 400 million bank overdraft facility from local banks. The bank overdraft facilities carry interest at prevailing market interest rates. At 30 June 2009, the Group had AED 360.9 million outstanding on this bank overdraft facilities and AED 39.10 million was undrawn.

14 Related party transactions

Related parties include the Group's major shareholders, directors, and businesses controlled by these parties and their families, or over which they exercise a significant influence, as well as key management personnel.

Significant transactions with related parties during the period comprise:

	6 months ended 30 June	
	2009	2008
	AED'000	AED'000
Short term management benefits	**11,983**	11,391
Deferred Government grant obtained	**2,792,273**	-

15 Commitments

As at the balance sheet date, the Group's estimated commitments for capital expenditure amounted to AED 6,927 million (2008: AED 4,804 million).

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

16 Contingent liabilities

	30 June 2009 AED'000	31 December 2008 AED'000
Letters of guarantee	**73**	73

Letters of guarantee are issued by various financial institutions and they mainly take the form of advance payment guarantees. The above letters of guarantee were issued in the normal course of business.

17 Segment reporting

Primary reporting format - business segments
For management purposes, the Group is organised into three main business segments – property development and land sales, hospitality and leisure. Segment information about the Group's continuing operations for the period then ended is presented below:

The following is an analysis of the Group's revenues and results by operating segment:

	6 months ended 30 June (unaudited)									
	Property development and land sales		Hospitality		Leisure		Unallocated		Group	
	2009 AED'000	2008 AED'000	**2009 AED'000**	2008 AED'000	**2009 AED'000**	2008 AED'000	**2009 AED'000**	2008 AED'000	**2009 AED'000**	2008 AED'000
Revenue	**-**	-	**12,330**	1,870	**19,090**	16,314	**-**	-	**31,420**	18,184
Direct expenses	**-**	-	**(5,640)**	(164)	**(14,032)**	(6,492)	**-**	-	**(19,672)**	(6,656)
Net (loss) / income for the period	**(155,762)**	(45,415)	**(12,747)**	556	**17,090**	20,588	**(17,182)**	-	**(168,601)**	(24,271)

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

17 Segment reporting (continued)

	3 months ended 30 June (unaudited)									
	Property development and land sales		Hospitality		Leisure		Unallocated		Group	
	2009 AED'000	2008 AED'000	**2009 AED'000**	2008 AED'000	**2009 AED'000**	2008 AED'000	**2009 AED'000**	2008 AED'000	**2009 AED'000**	2008 AED'000
Revenue	-	-	**6,781**	1,008	**8,344**	6,876	-	-	**15,125**	7,884
Direct expenses	-	-	**(3,027)**	(87)	**(6,687)**	(1,499)	-	-	**(9,714)**	(1,586)
Net (loss) / income for the period	**(63,085)**	(4,456)	**(7,841)**	518	**7,980**	9,995	**(1,295)**	638	**(64,241)**	6,695

The following is an analysis of the Group's assets and liabilities by operating segment:

	Property development and land sales		Hospitality		Leisure		Unallocated		Group	
	June 30, 2009 AED'000	December 31, 2008 AED'000	**June 30, 2009 AED'000**	December 31, 2008 AED'000	**June 30, 2009 AED'000**	December 31, 2008 AED'000	**June 30, 2009 AED'000**	December 31, 2008 AED'000	**June 30, 2009 AED'000**	December 31, 2008 AED'000
Assets	28,686,053	25,750,176	400,276	411,410	113,441	86,492	39,819	125,014	29,239,589	26,373,092
Liabilities	10,910,783	7,932,374	5,258	3,992	163,624	139,573	41,451	10,079	11,121,116	8,086,018
Capital expenditures	2,315,299	1,959,313	407,688	395,052	23,899	59,788	(426,510)	27,593	2,320,376	2,441,746
Depreciation	8,295	5,920	14,090	6,575	8,421	7,038	2,018	7,808	32,824	27,341

The Group operated only in one geographical segment, which is United Arab Emirates.

Notes to the unaudited condensed consolidated financial statements for the period ended 30 June 2009 (continued)

18 Events after the end of the reporting period

(a) On 2 July 2009, the Group issued USD 1 Billion five-year bonds under its newly established Global Medium Term Note Programme. The bonds are repayable on 2 July 2014, carry an annual interest rate of 6.5%, which is paid semi-annually and are not subject to restrictive financial covenants.

(b) Subsequent to the reporting period, the Group signed an agreement to dispose its investment in Abu Dhabi Finance P.J.S.C. ("Associates") at cost.

19 Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved by the management and authorised for issue on 23 August 2009.

Tourism Development and Investment Company P.J.S.C.

Report and consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006

TOURISM DEVELOPMENT AND INVESTMENT COMPANY P.J.S.C.

Report and consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Tourism Development and
Investment Company P.J.S.C.
Abu Dhabi, UAE

Report on the consolidated financial statements

We have audited the consolidated financial statements of Tourism Development and Investment Company P.J.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated balance sheet as at 31 December 2008, 2007 and 2006 and the consolidated statements of income, changes in equity and cash flows for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2008, 2007 and 2006 and of its financial performance and its cash flows for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 in accordance with International Financial Reporting Standards.

Deloitte & Touche

11 June 2009



Consolidated balance sheet
At 31 December 2008, 2007 and 2006

	Notes	2008 AED' 000	2007 AED' 000	2006 AED' 000
ASSETS				
Non-current assets				
Property, plant and equipment	5	5,017,099	2,353,614	305,277
Investment properties	6	2,295,299	1,485,323	8,816
Investments in associates	7	672,412	572,352	-
Long term receivables	8	3,004	3,366	23,845
Total non-current assets		7,987,814	4,414,655	337,938
Current assets				
Development work-in-progress	9	16,833,516	14,453,521	8,783,570
Inventories		2,008	2,037	3,283
Trade and other receivables	10	603,377	280,139	116,990
Prepayments	11	26,035	10,713	3,689
Bank balances and cash	12	920,342	1,232,171	185,347
Total current assets		18,385,278	15,978,581	9,092,879
Total assets		26,373,092	20,393,236	9,430,817
EQUITY AND LIABILITIES				
Equity				
Share capital	13	100,000	100,000	100,000
Increase in capital	13	18,184,743	17,125,064	8,672,244
Other contributions	13	374,912	374,912	374,912
Statuary reserve	13	124	124	-
Accumulated losses		(372,705)	(4,125)	(5,245)
Total equity		18,287,074	17,595,975	9,141,911
Non-current liabilities				
Derivative liability	25	77,050	-	-
Provision for end of service benefits	14	7,480	4,314	4,223
Advances from customers	15	994,251	296,902	160,947
Bank borrowings – long term	16	1,822,064	1,822,064	-
Deferred government grants	17	1,908,962	147,000	-
Total non-current liabilities		4,809,807	2,270,280	165,170
Current liabilities				
Trade and other payables	18	2,235,335	423,907	121,016
Bank borrowings – short term	16	1,000,000	-	-
Bank overdrafts	24	40,876	103,074	2,720
Total current liabilities		3,276,211	526,981	123,736
Total liabilities		8,086,018	2,797,261	288,906
Total equity and liabilities		26,373,092	20,393,236	9,430,817

Chairman **Chief Executive Officer** **Finance Director**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated income statement
For the years ended 31 December 2008 and 2007
and for the period from 25 October 2005 (inception) to 31 December 2006

	Notes	2008 AED' 000	2007 AED' 000	Period from 25 October 2005 (inception) to 31 December 2006 AED' 000
Continuing operations				
Revenue		435,575	26,887	1,681
Direct costs		(468,273)	(10,409)	(246)
Gross (loss)/profit		(32,698)	16,478	1,435
Abu Dhabi Government contribution	17	75,000	75,000	50,000
Administrative expenses	19	(339,060)	(136,986)	(66,197)
Management fees		(1,363)	(933)	(126)
Loss on revaluation of derivative instruments	25	(77,050)	-	-
Finance costs	23	(17,976)	(2,447)	(18)
Finance income		22,930	17,000	5,327
Gain on sale of property, plant and equipment		(313)	-	-
Other income		1,950	340	107
Net loss for the year / period from continuing operations		(368,580)	(31,548)	(9,472)
Discontinued operations				
Profit from discontinued operations	20	-	9,324	4,227
Gain on sale of discontinued operations	20	-	23,468	-
Net (loss)/profit for the year / period		(368,580)	1,244	(5,245)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the years ended 31 December 2008 and 2007
and for the period from 25 October 2005 (inception) to 31 December 2006

	Share capital AED' 000	Increase in capital AED' 000	Other contributions AED' 000	Statutory reserve AED' 000	Accumulated losses AED' 000	Total AED' 000
Issued capital	100,000	-	-	-	-	100,000
Other contributions (note13)	-	-	374,912	-	-	374,912
Net loss for the period	-	-	-	-	(5,245)	(5,245)
Increase in capital	-	8,672,244	-	-	-	8,672,244
Balance at 31 December 2006	**100,000**	**8,672,244**	**374,912**	**-**	**(5,245)**	**9,141,911**
Balance at 1 January 2007	100,000	8,672,244	374,912	-	(5,245)	9,141,911
Net profit for the year	-	-	-		1,244	1,244
Transfer to statutory reserve	-	-	-	124	(124)	-
Increase in capital	-	8,452,820	-	-	-	8,452,820
Balance at 31 December 2007	**100,000**	**17,125,064**	**374,912**	**124**	**(4,125)**	**17,595,975**
Balance at 1 January 2008	100,000	17,125,064	374,912	124	(4,125)	17,595,975
Net loss for the year	-	-	-	-	(368,580)	(368,580)
Increase in capital	-	1,059,679	-	-	-	1,059,679
Balance at 31 December 2008	**100,000**	**18,184,743**	**374,912**	**124**	**(372,705)**	**18,287,074**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the years ended 31 December 2008 and 2007
and for the period from 25 October 2005 (inception) to 31 December 2006

	2008 AED'000	2007 AED'000	Period from 25 October 2005 (inception) to 31 December 2006 AED'000
Operating activities			
Net (loss)/profit for the year/period	(368,580)	1,244	(5,245)
Adjustments for:			
Depreciation for property, plant and equipment	27,341	11,009	11,149
Provision for end of service benefits	4,372	2,459	4,882
Provision for doubtful receivables	1,472	-	-
Unrealized loss on derivative instruments	77,050	-	-
Finance cost recognized in income statement	17,976	2,447	18
Interest income recognized in income statement	(22,930)	(17,000)	(5,327)
gain from sale of discounted operations	-	(23,468)	-
gain from sale of property, plant and equipments	(313)	-	-
Net foreign exchange (gain)/loss	-	(68)	(28)
Operating cash flow before movements in working capital	(263,612)	(23,377)	5,449
Increase in development work in progress	(2,319,861)	(1,280,526)	(186,821)
Decrease /(increase) in inventory	29	1,246	(3,283)
(Increase)decrease in trade and other receivables	(324,293)	(168,771)	100,754
Decrease/(increase) in long term receivables	362	20,479	-
Increase in prepayments	(15,322)	(6,810)	(3,903)
Increase in advances from customers	697,349	135,955	160,947
Increase in trade and other payables	1,801,747	296,061	121,045
Cash (used in)/ from operations	(423,601)	(1,025,743)	194,188
Interest paid	(68,288)	(17,445)	(18)
End of service benefits paid	(1,206)	(2,368)	(659)
Net cash (used in)/from operating activities	(493,095)	(1,045,556)	193,511
Investing activities			
Acquisition of property plant and equipment	(2,441,745)	(201,559)	(115,593)
Proceeds from disposal of property, plant and equipment	936	211,980	-
Investments in associates	(100,060)	(180)	-
Interest received	22,371	12,721	4,709
Net cash (used in)/ from investing activities	(2,518,498)	22,962	(110,884)
Financing activities			
Issued capital	-	-	100,000
Bank borrowing obtained	1,000,000	1,822,064	-
Government grants obtained	1,761,962	147,000	-
Net cash from financing activities	2,761,962	1,969,064	100,000
Net (decrease)/increase in cash and cash equivalents	(249,631)	946,470	182,627
Cash and cash equivalents at beginning of year/period	1,129,097	182,627	-
Cash and cash equivalents at end of year/period	879,466	1,129,097	182,627

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006

1 General

Background information

On October 25, 2005, Tourism Development and Investment Company PJSC (the "Company") registered and incorporated as a public joint stock company in the Emirate of Abu Dhabi, United Arab Emirates under the UAE Commercial Companies Law No. (8) of 1984 (as amended) and in accordance with Abu Dhabi Law No. 12 of 2005. The Company is wholly owned subsidiary of Abu Dhabi Tourism Authority (ADTA) (the "Owner"), which is wholly owned by the Abu Dhabi Government.

The Abu Dhabi Government and ADTA provide financing to the Company for its operations in the form of capital contributions of assets and through grants of assets and cash. The accounting for these items is described in detail in Notes 13 and 17.

The address of the Company's registered office is P.O Box 126888, Abu Dhabi, United Arab Emirates. UAE is non taxable jurisdiction and there are no operations in any taxable jurisdictions.

Principal business activities

The Company was formed by ADTA to expand the tourism and leisure activity business in Abu Dhabi primarily through developing and leasing investment properties, and acquiring, developing and operating real estate projects in the United Arab Emirate - Abu Dhabi.

The Company and its subsidiary (the "Group") are managed in three segments including property development and land sales, hospitality and leisure.

The Group's property development and land sales are related primarily to the development and sale of land located on Al Saadiyat Island. The Group obtained this land from ADTA through capital contribution. Al Saadiyat Island will be developed around seven distinctive districts with 29 hotels, three marinas with mooring for 1,000 yachts, a culture and arts hub, two golf courses and 19 kilometres of beachfront. Al Saadiyat Island will comprise an infinite combination of desirable residential property. As at 31 December, the Group entered into sale and purchase agreements to sell four plots of land on Al Saadiyat Island and all risk and rewards have transferred to the buyer.

The Gorup's property development also includes the development of Sir Bani Yas Island into a tourism destination through increased hotels and amenities and to operate the island activities to promote the growth in tourism. In addition, the project will implement a plan to manage the native and non-native wildlife on the island. Sir Bani Yas Island land is owned by the Government and the Group has an agreement to develop on the island. Any developments of the Island is owned by the Group.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

1 General (continued)

Principal business activities (continued)

The Group's leisure activities relate to the Abu Dhabi Golf Club property (the "Abu Dhabi Golf Club"). The Abu Dhabi Golf Club offers sports and leisure facilities together with food and beverages outlets. The Abu Dhabi Golf Club is operated by Troon Golf Suisse Sarl ("Troon") under a management agreement which expires on 31 December 2013. The Group pays Troon a management fee as stipulated by the management agreement.

The Group's hospitality segment relates to an existing hotel (Desert Island Resort and Spa) located in Sir Bani Yas Island and Rest House operations located in the Emirate of Abu Dhabi. The principle activities of the Rest Houses is to provide accommodation, restaurant services, recreation and sports facilities in the Emirate of Abu Dhabi. The Rest Houses are managed by National Corporation for Tourism and Hotels (NCTH). The Operating and Management Agreement dated 1 July 2000 is for a period of 3 years renewable for a further period of 3 years. NCTH continued to manage the Rest Houses in 2008.

The principle activities of Desert Island Resort and Spa (the "Hotel") are to provide accommodation, restaurant services and sports facilities in the Emirate of Abu Dhabi. The Hotel is managed by Lodging Management Labuan Limited (Anantara). The Operating and Management Agreement dated 20 July 2007 is for a period of 10 years renewable for a further period of 10 years. The Hotel commenced its operations on 1 October 2008.

2 Adoption of new and revised standards

Three interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) effective for the current year are as follows:

- IFRIC 11: *IFRS 2 Group and Treasury Share Transactions*
- IFRIC 12: *Service Concession Arrangements*
- IFRIC 14: *IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction.*

The adoption of these Interpretations has not led to any changes in the Group's accounting policies.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

2 Adoption of new and revised standards (continued)

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

New Standards and Amendments to Standards:

• IAS 1 (Revised) *Presentation of Financial Statements*	Effective for annual periods beginning on or after 1 January 2009
• IAS 1 (Revised) *Presentation of Financial Statements* and IAS 32 (Revised) *Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation*	Effective for annual periods beginning on or after 1 January 2009
• IAS 23 (Revised) *Borrowing Costs*	Effective for annual periods beginning on or after 1 January 2009
• IAS 39 (Revised) *Financial Instruments: Recognition and Measurement- Amendments for eligible hedged Items*	Effective for annual periods beginning on or after 1 July 2009
• IFRS 1 (Revised) *First time Adoption of IFRS* and IAS 27 (Revised) *Consolidated and Separate Financial Statements – Amendment relating to cost of an investment on first time adoption*	Effective for annual periods beginning on or after 1 January 2009

New Standards and Amendments to Standards (continued):

• IFRS 2 (Revised) *Share-based payment – Amendment relating to vesting conditions and cancellations*	Effective for annual periods beginning on or after 1 January 2009
• IFRS 3 (Revised) *Business Combinations – Comprehensive revision on applying the acquisition method and consequential amendments to* IAS 27 (Revised) *Consolidated and Separate Financial Statements,* IAS 28 (Revised) *Investments in Associates* and IAS 31 (Revised) *Interests in Joint Ventures*	Effective for annual periods beginning on or after 1 July 2009
• IFRS 8 *Operating Segments*	Effective for annual periods beginning on or after 1 January 2009
• Amendments to IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 *resulting from the May and October 2008 Annual Improvements to IFRSs*	Effective for annual periods beginning on or after 1 January 2009

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

2 Adoption of new and revised standards (continued)

New Interpretations:

• IFRIC 13 *Customer Loyalty Programmes*	Effective for annual periods beginning on or after 1 July 2008
• IFRIC 15 *Agreements for the Construction of Real Estate*	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*	Effective for annual periods beginning on or after 1 October 2008
• IFRIC 17 *Distributions of Non-cash Assets to Owners*	Effective for annual periods beginning on or after 1 July 2009
• IFRIC 18 *Transfers of Assets form Customers*	Effective for annual periods beginning on or after 1 July 2009

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group in the period of initial application.

3 Summary of significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except derivatives, which are recorded at fair value at each balance sheet date.

The principal accounting policies are set out below:

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Details of the Company's subsidiary at 31 December 2008 are as follows:

Name of subsidiary	Ownership interest	Country of incorporation	Principal activity
Desert Islands L.L.C. [(a)]	100%	UAE	Real estate development

[(a)] Desert Islands LLC was formed by the Company in 2008 and has not started its operations.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities.

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in the consolidated income statements as follows:

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Sale of properties

Revenue from the sale of properties is recognised when equitable interest in a property vests in a buyer and all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the properties;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Lease income from operating leases is recognised on a straight-line basis over the lease term.

Hotels and Rest Houses

Hotels and Rest Houses revenue represents total amounts invoiced to customers and guests during the year excluding service charges, as and where applicable, plus unbilled guest ledger totals at the balance sheet date. Revenue is stated net of rebates and allowances.

Leisure services - Abu Dhabi Golf Club

Revenue represents the value of services provided by the Club during the year, net of rebates and allowances. Revenue is recognized as services are performed.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Investment in an associate

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Where the Group transacts with an associate, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. The costs of property, plant and equipment is their purchase cost, together with any incidental expenses of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated so as to write off the cost of property, plant and equipment over their useful lives using the straight line method on the following basis:

Buildings	5 to 20 years
Furniture, fixtures and office equipment	3 to 5 years
Machinery, tools and equipment	5 to 10 years
Vehicles	2 to 5 years
Aircrafts	12 to 20 years

The Group does not depreciate land. In addition, capital work in process is recorded at cost until completion and then transferred to the appropriate asset category and depreciated over its useful life.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Inventories

Inventories consist of food, beverage and consumables and are stated at the lower of cost and net realisable value. Cost comprises direct materials costs and, where applicable, directs labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted-average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its cost, including transaction costs. The cost of assets granted to the Group by the government for at nominal value (as described in Note 6 and 13).

Depreciation is recorded to income so as to write off the cost of a property over its estimated useful life, using straight-line method. No depreciation is recorded for land.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Development work-in-progress

Development work-in-progress consists of property on Al Saadiyat Island that is being developed principally for sale and is stated at the lower of cost or net realisable value. Cost comprises all direct costs attributable to the design and construction of the property including staff costs. Net realisable value is the estimated selling price in the ordinary course of the business less applicable variable selling expenses.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Impairment of long-lived tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its long lived tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a recoverable and consistent basis of allocation can be identified, the corporate assets are also allocated to individual cash-generating units for which a reasonable and consistent allocation can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. As of year end, all lease agreements entered by the Group are classified as operating leases.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Leasing (continued)

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Foreign currencies

The functional and presentation currency of the Company and its subsidiary is the U.A.E Dirhams ("AED") which is the currency of the primary economic environment in which the entity operates and reflects the economic substance of its operations.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Currencies exchange differences are recognised in the income statement in the period in which they arise.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in income statement in the period which they are incurred.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Government grants

Government grants are assistance by the government in the form of transfers of resources to the group in return for past or future compliance with certain conditions relating to the operating activities of the Group. This type of grant is available to various companies both owned and not owned by the Government. The Government grants received to date consist primarily of three types of grants:

- Non-monetary government grants: The Government grants to the Group undeveloped land in areas of the country where significant investment is required to derive value from the land. This land is recorded at nominal value, which approximates the value prior to development, where there is reasonable assurance that the asset will be received and the Group will comply with all attached conditions, where applicable.
- Cash grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets: These grants are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.
- Cash grants to fund the operating costs associated with Sir Bani Yas Island: These grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

In addition, the Government provides other grants as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. These grants are recognised in profit or loss in the period in which they become receivable.

Employee benefits

Provision is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the balance sheet date.

Provision is also made for the full amount of end of service benefits due to non-UAE national employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the balance sheet date. This provision is calculated as 21 days remuneration for each year of the first five years of service and 30 days remuneration for additional year service. The provision relating to annual leave and leave passage is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the Abu Dhabi Retirement and Pension Benefits Fund, calculated in accordance with Government regulations. Such contributions are charged to the statement of income during the employees' period of service.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps.

Derivative financial instruments are initially measured at fair value at contract date, and are subsequently re-measured at fair value at each balance sheet date. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair values of the derivatives are carried out by independent valuers by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate.

Changes in the fair value of derivative financial instruments are recorded directly to profit and loss unless they are designated as hedge for accounting purposes. Derivative financial instruments that are not accounted for as hedge for accounting purposes as fair value through the profit and loss. The Group did not designate any of its financial instruments as accounting hedges.

Financial assets

The Group has the following financial assets: Bank and cash balances, Investment in Associates and trade and other receivables. These financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Bank and cash balances

Bank and cash balances are comprised of cash and balances with banks in current accounts or term deposits which mature within three months of the date of placement.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

3 Summary of significant accounting policies (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty

While applying the accounting policies as stated in note 3, management of the Group has made certain judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimate made by management are summarised as follows:

Critical judgements in applying accounting policies

The following are the critical judgments, apart from those involving estimations described below, that the management have made in the process of applying the Group's accounting polices and have the most significant effect on the amounts recognised in the financial statements.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property plant and equipment and land held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property as determined by management.

Key sources of estimation

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Key sources of estimation (continued)

Useful lives of property, plant and equipment

The Group's property, plant, and equipment are depreciated using the straight-line method over their estimated useful lives which are based on management's business plans and operations estimates related to those assets. The factors that could affect that estimation of the useful lives and residual values include the following:

- Changes in asset utilsation rates
- Changes in maintenance technology
- Changes in regulations and legislations; and
- Unforeseen operational issues.

Any of the above could affect prospective depreciation of property, plant and equipment and their carrying and residual values. Management periodically reviews the appropriateness of assets' useful economic lives. This review is based on current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

Impairment assessment of long lived tangible assets

Long-lived tangible assets are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. This requires the Group to make judgements regarding long-term forecasts of future revenues and costs related to the assets subject to review. In turn, these forecasts are uncertain in that they require assumptions about demand for properties and future market conditions. Significant and unanticipated changes to these assumptions and estimates included within the impairment reviews could result in significantly different results that those recorded in the consolidated financial statements.

Allowances for doubtful debts

Management has estimated the recoverability of accounts receivable and has considered the allowance required for doubtful debts. Management has estimated for the allowance for doubtful debts on the basis of prior experience and the current economic environment. Estimating the amount of the allowance for doubtful accounts requires significant judgment and the use of estimates related to the amount and timing of estimated losses based on historical loss experience, consideration of current economic trends and conditions and debtor-specific factors, all of which may be susceptible to significant change. A provision for bad debt is charged to operations based on management's periodic evaluation of the factors previously mentioned, as well as other pertinent factors. To the extent actual outcomes differ from management estimates, additional provision for bad debt could be required that could adversely affect earnings or financial position in future periods.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Key sources of estimation (continued)

Provision for infrastructure construction

The Group has an obligation under the terms of its sale and purchase agreements to develop the infrastructure of the sold land. Infrastructure cost is deemed to form part of the cost of revenue and is based on management estimate of the future budgeted costs to be incurred in relation to the project including, but are not limited to, future subcontractor costs, estimated labor costs, and planned other material costs. The Group estimated the provision for infrastructure cost related to the sold plots of land by dividing the total estimates infrastructure cost by the total Gross Floor Area (GFA) and multiplied the cost per GFA by the GFA of the sold land.The provision for infrastructure costs requires the Group's management to revise its estimate of such costs on a regular basis in light of current market prices for inclusion as part of the cost of revenue.

Impairment of Development work in progress

Properties classified under development work in progress are assessed for impairment based on assessed cash flows on individual cash-generating units when there is indication that those assets have suffered an impairment loss. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash-generating units. The net present values are compared to the carrying amounts to assess any probable impairment.

Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. The discounted cash flow model requires numerous estimates and assumptions regarding the forward rates. Due to its subjective nature, these estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

5 Property, plant and equipment

	Land AED'000	Building AED'000	Furniture, fixtures and office quipment AED'000	Machinery, tools and equipment AED'000	Vehicles AED'000	Aircrafts AED'000	Capital work in progress AED'000	Total AED'000
Cost								
Balance at inception	-	-	-	-	-	-	-	-
Additions	32,610	153,370	37,518	12,921	2,278	-	77,729	316,426
1 January 2007	32,610	153,370	37,518	12,921	2,278	-	77,729	316,426
Additions	2,036,507	-	2,675	4,385	2,871	-	191,628	2,238,066
Disposals	(32,610)	(122,477)	(34,098)	-	-	-	-	(189,185)
1 January 2008	2,036,507	30,893	6,095	17,306	5,149	-	269,357	2,365,307
Additions	249,703	4,689	14,044	3,348	15,141	15,910	2,388,613	2,691,448
Disposals	-	-	(974)	-	-	-	-	(974)
Transfer	-	431,633	34,178	1,611	1,855	-	(469,277)	-
31 December 2008	**2,286,210**	**467,215**	**53,343**	**22,265**	**22,145**	**15,910**	**2,188,693**	**5,055,781**

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

5 Property, plant and equipment (continued)

	Land AED'000	Buildings AED'000	Furniture, fixtures and office equipment AED'000	Machinery, tools and equipment AED'000	Vehicles AED'000	Aircrafts AED'000	Capital work in progress AED'000	Total AED'000
Accumulated depreciation								
Balance at inception	-	-	-	-	-	-	-	-
Charge for the period	-	4,933	4,234	1,631	351	-	-	11,149
1 January 2007	-	4,933	4,234	1,631	351	-	-	11,149
Charge for the year	-	3,792	3,007	3,289	921	-	-	11,009
Disposal	-	(5,276)	(5,190)	-	-	-	-	(10,466)
1 January 2008	-	3,449	2,051	4,920	1,272	-	-	11,692
Charge for the year	-	13,696	7,985	3,252	2,299	109	-	27,341
Disposals	-	-	(351)	-	-	-	-	(351)
31 December 2008	**-**	**17,145**	**9,685**	**8,172**	**3,571**	**109**	**-**	**38,682**
Carrying amount								
31 December 2008	**2,286,210**	**450,070**	**43,658**	**14,093**	**18,574**	**15,801**	**2,188,693**	**5,017,099**
31 December 2007	2,036,507	27,444	4,044	12,386	3,877	-	269,357	2,353,614
31 December 2006	32,610	148,437	33,284	11,290	1,927	-	77,729	305,277

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

5 Property, plant and equipment (continued)

During 2008, the Group capitalised bank borrowing interest on qualified assets amounting to AED 733 thousands ((2007: AED 366 thousands) (2006: AED nil)).

During 2008 and 2007 the Group received the following plots of land as capital contribution from ADTA (Note 13):

	2008 AED'000	2007 AED'000	2006 AED'000
Saadiyat Island	-	2,003,488	-
ADTA/TDIC Permanent Offices	-	33,019	-
UAE Military Museum	150,000	-	-
Khalifa Park – Temporary Offices	99,703	-	-
Other			75,494
	249,703	2,036,507	75,494

During 2007, the Group received two plots of land as government grant located in Abu Dhabi, United Arab Emirates and recorded at nominal value of one Dirham. The purpose of these plots is to develop two hotels, the Eastern Mangroves / Angsana Spa and Qasr al Sarab.

During the year, the construction of Desert Island Resort and Spa hotel was completed and transferred from the capital work in progress to the appropriate property and equipment category.

6 Investment properties

Movement during the year/period is as follows:

	2008 AED'000	2007 AED'000	2006 AED'000
At the beginning of the year/period	1,485,323	8,816	-
Investments properties received as increase in capital (note 13)	809,976	2,048,679	-
Acquisition of investment properties	-	-	8,816
Less: Investment properties contributed as an investment in associate (note 7)	-	(572,172)	-
At the end of the year/period	2,295,299	1,485,323	8,816

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

6 Investment properties (continued)

Investment properties comprise the following land:

	2008 AED'000	2007 AED'000	2006 AED'000
Land held for rent	**430,165**	**430,165**	-
Held for a currently undetermined future use	**1,865,134**	**1,055,158**	**8,816**
	2,295,299	**1,485,323**	**8,816**

Land held for rent

The Group entered into lease agreements with third parties under which the third parties will develop these plots. Details of these plots of land are as follow:

	2008 AED'000	2007 AED'000	2006 AED'000
Zayed Sports City	**84,937**	**84,937**	-
Mazrui Lagoon Club	**159,463**	**159,463**	-
Khalidiya Hotel	**76,865**	**76,865**	-
Marina Al Bateen	**108,900**	**108,900**	-
	430,165	**430,165**	-

The fair value of the above land on the date of contribution has been calculated based upon the discounted cash flow projections based on reliable estimates of future cash flows, supported by the existing lease contracts and using a discount rate of 15% per annum. No rental income has been recognised in 2007 and 2008 as the rental income is due from the date of the completion of the projects being developed on these plots as per the lease agreement and includes an element of both fixed and contingent rental payments. The contingent rentals included in the computation are based on a percentage of operating revenue of the hotel developed on the land.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

6 Investment properties (continued)

Land held for a currently undetermined future use

The Group has the following plots of land in different locations as held for currently undetermined future use:

	2008 AED'000	2007 AED'000	2006 AED'000
Lands recognized at fair value			
Al Ain land	**660,000**	**-**	**-**
Island City	**77,298**	**77,298**	**-**
Tourist Club land	**424,989**	**275,013**	**-**
Mafraq lands	**537,025**	**537,025**	**-**
Abu Dhabi Art Boulevard	**157,006**	**157,006**	**-**
Mafraq & Mirfa lands	**8,816**	**8,816**	**8,816**
	1,865,134	**1,055,158**	**8,816**

During 2008, the group received three plots of land as government grant located in the western region of Abu Dhabi United Arab Emirate and recorded at nominal value of one Dirham, these plots are held for currently undetermined future use.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

7 Investments in associates

Details of the Group's associates as at 31 December are as follows:

Name of associate	Principal activities	Place of incorporation and operation	Ownership interest
Abu Dhabi Finance PJSC	Real estate financing	UAE	20%
Parc Hospitality Investment L.L.C	Hospitality and Investment	UAE	20%
Qaryat Al Beri Resort Development Co L.L.C.	Hospitality	UAE	20%
Emirates Pearl Hotel L.L.C	Hospitality	UAE	20%
B2B Properties LLC	Hospitality	UAE	20%

Movement in investment in associates during the year/period is as follow:

	2008 AED'000	2007 AED'000	2006 AED'000
At the beginning of the year/period	**572,352**	-	-
Acquisition of investment in associates	**100,060**	**180**	-
Contribution of land for investment in associates (note 6)	-	**572,172**	-
At the end of the year/period	**672,412**	**572,352**	-

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

7 Investments in associates (continued)

Summarized financial information in respect of the Group's associates is as follow;

	2008 AED'000	2007 AED'000
Total assets	**3,443,760**	**1,154,051**
Total liabilities	**2,942,560**	**1,153,151**
Net assets	**501,200**	**900**
Group's share of net assets	**100,240**	**180**
Contribution of land	**572,172**	**572,172**
	672,412	**572,352**

The associates did not have significant operations as most of them are still under development.

Contribution of land for investment in associates

The Group entered into agreements with third parties to develop hotels on plots of land owned by the Group. The Group and the third parties have established companies to own the hotels in which the Group will own 20% interest in these companies. The value of this contribution will be equal to 25% of the development cost of the hotels being developed on these plots. All projects are currently under development.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

8 Long term receivables

	2008 AED'000	2007 AED'000	2006 AED'000
Receivable on sale of land (note 13)	-	-	23,845
Loans to key management personnel	3,004	3,366	-
	3,004	3,366	23,845

The Group has provided its key management personnel long-term loans at zero interest rate for personal reasons as advances. These loans are repayable in ten years and deducted on a monthly basis.

9 Development work-in-progress

Development work in progress represents the value of Al Saadiyat Island, Emirate of Abu Dhabi, received in 2006 and 2007 as increase in capital (note 13) in addition to the development work in progress. The fair value of land has been determined on the basis of evaluation carried by chartered surveyor "CB Richard Ellis Ltd" an industry specialist in land valuation and not connected to the Group.

	Land AED'000	Development work in progress AED'000	Total AED'000
Additions	8,596,750	186,820	8,783,570
Balance at 1 January 2007	**8,596,750**	**186,820**	**8,783,570**
Additions	4,367,634	1,302,317	5,669,951
Balance at 1 January 2008	**12,964,384**	**1,489,137**	**14,453,521**
Additions	-	2,563,530	2,563,530
Cost of land sold	(144,430)	(39,105)	(183,535)
Balance at 31 December 2008	**12,819,954**	**4,013,562**	**16,833,516**

Addition to Capital and development work in progress includes capitalised borrowing cost of AED 60,134 thousands ((2007: AED 21,790 thousands)(2006: AED nil)).

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

10 Trade and other receivables

	2008 AED'000	2007 AED'000	2006 AED'000
Trade receivables	8,189	1,460	7,037
Receivable on sale of land	69,392	24,105	95,378
Less: allowance for doubtful debts	(1,472)	-	-
	76,109	25,565	102,415
Advances to contractors	516,974	242,888	9,154
Due from Abu Dhabi government	-	9,118	-
Other receivables	10,294	2,568	5,421
	603,377	280,139	116,990

The average credit period on sales of goods or services is 60 days. No interest is charged on the trade receivables. Trade receivables over 60 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Prior to 2008, the Group has not historically recorded an allowance for doubtful debts. During the current year, the Group recorded AED 1,472 thousands related to doubtful debts.

Before accepting any new customer the Group assesses the potential credit quality of the customer. As at the year/period end, there was no past due trade receivables.

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Receivable on Land Sale

During 2008, the Group recognized the sale of four plots of land in Saadiyat Island at AED 397,027 thousands. This represents the remaining receivable associated with this sale.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

10 Trade and other receivables (continued)

Due from Abu Dhabi Government

The Group receives advances from Abu Dhabi Government to execute certain projects on behalf of the Abu Dhabi Government. The Group has a right of offset related to any receivables or payables resulting from these activities. As at 31 December 2007 the amount paid on those project were more than the advances received by AED 9,118 thousand and was shown as amount due from Abu Dhabi Government As at 31 December 2008 the amount received was more that the amount paid by AED 45,468 thousand (note 18).

11 Prepayments

	2008 AED'000	2007 AED'000	2006 AED'000
Prepaid rent	12,364	847	922
Prepaid insurance	1,169	364	35
Prepaid bank loan fees	6,067	9,305	750
Prepaid marketing expenses	5,774	-	-
Others	661	197	1,982
	26,035	10,713	3,689

12 Bank balances and cash

	2008 AED'000	2007 AED'000	2006 AED'000
Cash at hand	178	63	35
Cash at banks:			
Current accounts	19,747	116,633	34,015
Term deposits	900,417	1,115,475	151,297
	920,342	1,232,171	185,347

Time deposits represent deposits placed at local banks denominated in AED, have original maturities of less than three months and have effective interest rates of 3.15% to 4.92 for the years/period ended 31 December 2008, 2007 and 2006, respectively.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

13 Shareholder's Equity

Share capital

The authorised and paid up share capital of the Group is 10 million shares at AED 10 each.

Increase in capital

The increase in capital resulted from the contribution of land and property, plant and equipment by ADTA. Unlike the government grants of land, assets, and cash, these assets have an immediate value to the Group, are available for the Group to use based on its own discretion without any specific requirements, are in populated and extremely valuable areas of Abu Dhabi and are contributed by ADTA instead of through the government grant process. The assets contributed as capital are recorded at fair value. The contributions to date consist of the following:

	2008 AED'000	2007 AED'000	2006 AED'000
Fair value of land received - Saadiyat Island	**12,964,384**	**12,964,384**	**8,596,750**
Fair value of land received - Investment property	**2,858,655**	**2,048,679**	**-**
Fair value of property and equipment	**2,361,704**	**2,112,001**	**75,494**
	18,184,743	**17,125,064**	**8,672,244**

The Group is currently in the process of registering the capital increase with the concerned authorities.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

13 Shareholder's Equity (continued)

Increase in capital (continued)

The fair values of assets contributed each year/period are as follows:

	2008 AED'000	2007 AED'000	2006 AED'000
Fair value of land received - Saadiyat Island (note 9)	-	4,367,634	8,596,750
Fair value of land received - Investment property (note 6)	809,976	2,048,679	-
Fair value of property and equipment (note 5)	249,703	2,036,507	75,494
	1,059,679	8,452,820	8,672,244

The fair value of the assets at the date of contribution were determined based on valuation carried out by independent valuation experts. The valuation experts are members of various professional valuers' associations, and have appropriate qualifications and recent experience in the valuation of properties at the relevant locations. The valuation was determined by reference to recent prices for similar properties in the same location and similar condition and by discounting cash flow projections based on estimates of future cash flows.

Other contributions

Upon formation of the Group in 2005, ADTA transferred to the Group a plot of land for which a sales agreement with a third party had already been entered into by ADTA. The sales agreement with the third party had a value of AED 240,757 thousands and made an advance payment of AED 90.9 million at that time of the agreement. At the time of transfer, ADTA assigned the agreement to the Company (including a receivable from ADTA for the AED 90.9 million). As this land is similar in nature to the assets recorded as a capital contributions, the Group has recorded this asset at its fair value at the date of transfer. As this is not a legal capital contribution, it is reflected as other contributions in the statement of shareholders equity. Upon the actual sale of the land in 2006, the Company recorded the cash received and associated receivable. As at 31 December 2006 and 2007, the Company had a receivable of AED 119,223 thousands and AED 23,845 thousands, respectively. There was no gain or loss on this transaction.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

13 Shareholder's Equity (continued)

Other contributions (continued)

In 2006, the Group entered into an agreement with ADTA to acquire the ownership in Marfaq, Mirfa, Mercure and Liwa hotels (the "Hotels") and certain Rest Houses in Abu Dhabi in exchange for the settlement of the intercompany receivable described above. The fair value of the businesses acquired was approximately AED 225 million. The difference between the value of the business acquired and the AED 90.9 million represents a contribution from ADTA for accounting purposes and has been reflected as other contributions.

Statuary reserve

In accordance with the Articles of Association of the Group, and in line with the provisions of the UAE Federal Commercial Companies Law No.(8) of 1984 (as amended) the Group is required to transfer annually to a legal reserve account an amount equal to 10% of its net profit, until such reserve equals 50% of the paid-up capital of the Company. This reserve is not available for distribution.

14 Provision for end of service benefits

	2008 AED'000	2007 AED'000	2006 AED'000
Balance at the beginning of the year/period	4,314	4,223	-
Charged during the year/period	4,372	2,459	4,882
Paid during the year/period	(1,206)	(2,368)	(659)
Balance at the end of the year/period	**7,480**	**4,314**	**4,223**

15 Advances from customers

Advances from customers represent installments collected from customers for the sale of the Group's property developments.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

16 Bank borrowings

The Group obtained four loans from local banks, details are as follow:

	Effective interest rate %	2008 AED'000	2007 AED'000
a) US$ 288 million bank loan	LIBOR + 0.35%	**1,057,248**	1,057,248
b) AED 265 million bank loan	EIBOR + 0.35%	**264,816**	264,816
c) AED 500 million bank loan	EIBOR + 0.45%	**500,000**	500,000
d) AED 1000 million bank loan	EIBOR + 3%	**1,000,000**	-
		2,822,064	1,822,064

Loans (a), (b) and (c) are due for repayment after three years from the execution date; interest is due on a quarterly basis. Loan (d) is due for repayment in one year from the execution date; interest is due on a monthly basis.

The above loans are unsecured and for general corporate purposes in relation to the Group's various projects. Banks loans are repayable as follow:

	2008 AED'000	2007 AED'000
Within one year	**1,000,000**	-
In the second year	**1,822,064**	-
In the third to fifth years inclusive	-	**1,822,064**
Amount due for settlement after 12 months	**1,822,064**	**1,822,064**
Total bank loans	**2,822,064**	**1,822,064**

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

17 Deferred government grants

Details of deferred government grants are as follows:

	2008 AED'000	2007 AED'000	2006 AED'000
Sir Bani Yas Island hotel development	**108,625**	**55,000**	-
Marina Al Bateen project	**115,000**	-	-
Sir Bani Yas Island infrastructures development	**92,194**	**92,000**	-
Qasr Al Sarab Project	**75,888**	-	-
Saadiyat Expressway Project	**1,517,255**	-	-
	1,908,962	**147,000**	-

These deferred grants represent cash amounts received to fund specific projects as described below:

Sir Bani Yas Island infrastructure development project represent the development of the Island Marinas, Canals, Bridges and Utilities in addition to the TDIC labor accommodation, Nursery and other facilities on the Island. The total budget of the project is AED 12,159 million, Abu Dhabi Government is committed to provide grants to finance AED 736 million of the development to be paid over eight years. As at 31 December 2008 AED 92,194 thousands was received.

Desert Island Resort and Spa Hotel (DIRS) project represent the development of DIRS hotel located in Sir Bani Yas Island. The total budget of the project is AED 274.5 million, Abu Dhabi Government is committed to provide grants to finance AED 110 million of the total development As at 31 December 2008 AED 108,625 thousands was received. Most of the development cost has been completed and the hotel started its operation on 1 October 2008.

Marina Al Bateen project represent the development of Al Bateen fishermen's area which includes a leisure Fisherman's Marina, Car park, Fisherman community centre and other facilities. The total budget of the project is AED 921 million, Abu Dhabi Government is committed to provide an amount of AED 115 million towards the development costs. As at 31 December 2008 total amount was received.

Qasr Al Sarab project represent a five star luxury desert resort located in Hamim Liwa - Abu Dhabi. The total budget of the project is AED 1,412 million, Abu Dhabi Government is committed to provide an amount of AED 485 million towards the total development costs. As at 31 December 2008 AED 75,888 thousands was received.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

17 Deferred government grants (continued)

Saadiyat Expressway Project represent one of the major infrastructure projects related to Saadiyat Island. The total budget of the project is AED 2,982 million, Abu Dhabi Government is committed to contribute an amount of AED 2,880 million. As at 31 December 2008 AED 1,517 thousands was received.

In addition to these amounts, in accordance with the provision of resolution No. 7 of the Executive Council of the Emirate of Abu Dhabi dated 6 August 2006 and starting from 1 July 2006, the Group will receive an annual government's subsidy to offset costs of managing and supervising of developments operations on Sir Bani Yas Island equal to AED 50 Million for the first six months and AED 75 Million thereafter for each of the next 5 years.

18 Trade and other payables

	2008 AED'000	2007 AED'000	2006 AED'000
Trade payables	**305,980**	**30,057**	**19,661**
Contractors payables	**1,329,885**	**290,099**	**62,215**
Retention payables	**244,701**	**90,793**	**9,935**
Provision for infrastructure costs	**270,439**	**-**	**-**
Deferred revenue	**4,153**	**6,323**	**3,234**
Accrued expenses	**34,709**	**6,635**	**11,936**
Due to Abu Dhabi Government	**45,468**	**-**	**14,035**
	2,235,335	**423,907**	**121,016**

The average credit period on purchase of goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within credit time frame.

Deferred revenue

Deferred revenue represents the membership fee of Abu Dhabi Golf Club received in advance.

Due to Abu Dhabi Government

Represent advances received from Abu Dhabi Government to execute certain projects on behalf of the Abu Dhabi Government.

Accrued expenses

Accrued expenses include accrued employees bonuses, leave accruals and accrued interest expenses.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

19 Administrative expenses

	2008 AED'000	2007 AED'000	Period from 25 October 2005 (inception) to 31 December 2006 AED'000
Payroll and employee related costs	138,067	78,258	30,407
Development consultancy services	50,227	-	-
Professional and advisory fees	18,564	3,803	3,729
Exhibition costs	14,832	6,345	907
Advertisement expenses	46,402	12,924	15,239
Survey and design cost	113	6,182	2,721
Depreciation of property, plant and equipment	25,052	11,009	6,197
Office general expenses	9,469	4,341	2,127
Transportation	2,860	1,472	966
Other expenses	33,474	12,652	3,904
	339,060	136,986	66,197

20 Discontinued operations

As discussed in Note 13, during 2006 the Group acquired the Hotels and Rest Houses from ADTA. The fair value of the net assets acquired of AED 225 million was recorded as property, plant and equipment, cash, trade receivable, inventory, and trade and other payables with the difference between the fair value and the consideration reflected as other contributions in the statement of shareholder's equity.

During 2007, the Group sold the Hotels to third parties. The Hotels were located in four different geographical locations (Mafraq area – Emirates of Abu Dhabi, Liwa area - western region of the Emirates of Abu Dhabi, Mirfa - western region of the Emirates of Abu Dhabi and Jabal Hafeet - Al Ain, Emirate of Abu Dhabi. The disposal was completed on 30 September 2007. As a result of the different geographical locations, the Group identified these operations as discontinued operations in the period of disposal.

The results of the discontinued operations included in the income statement are set out below. The income statement has been represented to include those operations classified as discontinued in the current period.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

20 Discontinued operations (continued)

Profit from discontinued operations

	2007 AED'000	Period from 25 October 2005 (inception) to 31 December 2006 AED'000
Revenue	27,787	27,642
Direct expenses	(9,154)	(14,356)
Gross profit	18,633	13,286
Administrative expenses	(9,944)	(9,678)
Other income	635	619
Profit from discontinued operations	9,324	4,227

The details of net assets disposed are as follows:

	AED'000
Book value of net assets sold	
Cash and cash equivalents	15,943
Trade receivables	4,770
Inventories	1,606
Property, plant and equipment	178,719
Trade and other payables	(11,246)
Provision for end of service benefits	(1,280)
Net assets	188,512
Consideration received	211,980
Net gain	23,468

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

21 Related party transactions

Related parties include the Group's direct and indirect shareholders, directors, and business controlled by these parties and their families, or over which they exercise a significant influence, as well as key management personnel.

Significant transactions with related parties during the year comprise:

	2008 AED'000	2007 AED'000	2006 AED'000
Short term management benefits	**36,722**	**27,796**	**2,324**
Acquisition of the Hotels and Rest Houses (note 13)	-	-	**225,096**
Assets received as capital contribution (note13)	**1,059,679**	**8,452,820**	**8,672,244**
Assets received as other contribution (note13)	-	-	**374,912**
Deferred government grants (notes17)	**1,761,962**	**147,000**	-

Amount due from/to related parties including amount due from Abu Dhabi Government is disclosed in notes 10 and 18.

The Group also received plots of land as government grants (note 6).

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

22 Commitments and contingencies

Commitments

As at the balance sheet date, the Group's estimated contractual commitments for capital expenditure amounted to AED 4,804 million ((2007: AED 3,500 million) (2006: AED 186.6 million)).

Contingencies

	2008 AED'000	2007 AED'000	2006 AED'000
Letters of guarantee	73	53	53

Letters of guarantee are issued by various financial institutions and they mainly take the form of advance payment guarantees. The above letters of guarantee were issued in the normal course of business.

23 Finance costs

	2008 AED'000	2007 AED'000	Period from 25 October 2005 (inception) to 31 December 2006 AED'000
Interest on bank loans:			
Gross	74,639	23,165	-
Less: Amounts included in the cost of qualifying assets	(60,867)	(22,156)	-
	13,772	1,009	-
Interest on overdraft and other facilities	4,204	1,438	18
	17,976	2,447	18

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

24 Cash flow information

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	2008 AED'000	2007 AED'000	2006 AED'000
Bank balances and cash	920,342	1,232,171	185,347
Bank overdraft	(40,876)	(103,074)	(2,720)
	879,466	1,129,097	182,627

The Group obtained a 400 million AED bank overdraft facility from a local bank. This bank overdraft facility carries interest at prevailing market interest rates. At 31 December 2008, the Group had 40.9 million AED outstanding on this bank overdraft facilities and 358.1 million AED was undrawn.

The following significant non-cash transactions were excluded from the cash flow statement:

	2008 AED'000	2007 AED'000	2006 AED'000
Property, plant and equipment received as capital contribution	249,703	2,036,507	75,494
Investment property received as capital contribution	809,976	2,048,679	-
Development work in progress received as capital contribution	-	4,367,634	8,596,750
Capitalised interest on property, plant and equipment	733	366	-
Capitalised interest on Development work in progress	60,134	21,790	-

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

25 Financial instruments

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2007.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 17 and 20, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

Gearing ratio

The Group's Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and debt. The Group has targeted a maximum gearing ratio of 1:1 determined as the proportion of debt to equity. The Group expects to increase its gearing ratio closer to the targeted ratio through the issue of new debt.

The gearing ratio at the year/period end was as follows:

	2008 AED'000	2007 AED'000	2006 AED'000
Debt (1)	**2,862,940**	**1,925,138**	**2,720**
Equity (2)	**18,287,074**	**17,595,975**	**9,141,911**
Debt to equity ratio	**16%**	**11%**	**0.03%**

(i) Debt is defined as long and short-term borrowings, as detailed in Note 16.

(ii) Equity includes all capital and reserves of the Group.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

25 Financial instruments (continued)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

	2008 AED'000	2007 AED'000	2006 AED'000
Financial assets			
Investment in associate	672,412	572,352	-
			-
Loans and receivables (including cash and cash equivalent)	1,526,723	1,515,676	326,182
Total	2,199,133	2,088,028	326,182
Financial liabilities			
Trade and other payables	2,235,335	423,907	121,016
Bank borrowings	2,862,940	1,925,138	2,720
Total	5,098,275	2,349,045	123,736

The carrying amount reflected above represent the Group's maximum exposure to credit risk for such loans and receivables.

Financial risk management objectives

The Group is exposed to the following risks related to financial instruments- credit risk, liquidity risk, and interest rate risk.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

25 Financial instruments (continued)

Foreign currency risk management

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have any significant exposure to currency risk as most of its assets are denominated in UAE Dirhams and United States Dollars (USD). The exchange rate of the UAE Dirhams is fixed to the US Dollars and therefore the risks associated therewith are considered to be insignificant.

Interest rate risk management

The Group is exposed to interest rate risk as it borrows funds at floating interest rates. The Group's exposures to interest rates on financial liabilities are detailed in Notes 17 and 20.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used to represent management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2008 would decrease/increase by AED 14.3 million (2007: decrease/increase by AED 9.6 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

25 Financial instruments (continued)

Interest rate risk management (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

Interest rate swap contracts

	Average contracted fixed interest rate	Notional principal amount	Fair value
	2008 %	2008 AED'000	2008 AED'000
Outstanding contracts, to receive floating and pay fixed rates for 2 to 5 years	3.27	367,500	(27,191)
	3.38	367,500	(22,406)
	3.43	323,400	(16,978)
	3.80	250,000	(4,718)
	3.89	250,000	(5,757)
		1,558,400	(77,050)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's trade and other receivables and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties, however significant revenue is generated by dealing with high profile well known customers, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

25 Financial instruments (continued)

Credit risk management (continued)

The amount that best represents maximum credit risk exposure on consolidated financial assets at the consolidated balance sheet date, in the event counter parties fail to perform their obligations generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collateral.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Effective Interest Rate %	Less than one year AED'000	More than one year AED'000
2008			
Non-interest bearing		2,235,335	-
Variable interest bearing instruments	Note 16	1,040,876	1,822,064
		3,276,211	1,822,064
2007			
Non-interest bearing		423,907	-
Variable interest bearing instruments	Note 16	103,074	1,822,064
		526,981	1,822,064
2006			
Non-interest bearing		121,016	-
Variable interest bearing instruments	Note 16	2,720	-
		123,736	-

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

25 Financial instruments (continued)

Fair value of financial assets and liabilities

The fair value of the Group's financial assets and liabilities that are recorded at amortized cost is as follows:

- Loans and Receivables and trade payables: The Group estimates the carrying value approximates the fair value due to the short nature of these assets and liabilities.
- Long term loans: The estimated fair value of long term loans is approximately AED 1,736 million. This is determined based by applying the rate at which management believes it could borrow similar loans at December 31, 2008.
- Short term loans: The Group estimates the carrying value approximates the carrying value approximates the fair value due to the short nature of the loan and the variable interest rate associated with the loan.

The fair value for investments in associates (note 7) has not been disclosed because it cannot be reliably measured due to the fact that those investments are not quoted and the Group does not have information to estimate the fair value. However, there are no indications of impairment associated with the investment in associates.

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

26 Segment reporting

Primary reporting format - business segments

For management purposes, the Group is organised into three main business segments – property development and land sales, hospitality and leisure. The Group operated only in one geographical segment, i.e., United Arab Emirates.

The following table shows the Group's primary segment analysis

Year ended 31 December 2008	Property development and land sales AED'000	Hospitality AED'000	Leisure AED'000	Unallocated AED'000	Group AED'000
Revenue	397,027	8,062	30,486	-	435,575
Direct expenses	(453,975)	(779)	(13,519)	-	(468,273)
Net profit/(loss) for the year	(383,660)	(4,871)	28,627	(8,676)	(368,580)
Assets	25,750,176	411,410	86,492	125,014	26,373,092
Liabilities	7,932,374	3,992	139,573	10,079	8,086,018
Capital expenditures	1,959,313	395,052	59,788	27,593	2,441,746
Depreciation	5,920	6,575	7,038	7,808	27,341

Notes to the consolidated financial statements for the years ended 31 December 2008 and 2007 and for the period from 25 October 2005 (inception) to 31 December 2006 (continued)

26 Segment reporting (continued)

Primary reporting format - business segments (continued)

Year ended 31 December 2007	Property development and land sales AED'000	Hospitality AED'000	Leisure AED'000	Unallocated AED'000	Group AED'000
Revenue	-	3,216	23,671	-	26,887
Direct expenses	-	(331)	(10,078)	-	(10,409)
Net profit/(loss) for the year	(76,654)	(2,792)	47,101	33,589	1,244
Assets	20,118,391	18,221	160,991	95,633	20,393,236
Liabilities	2,748,261	1,096	24,730	23,174	2,797,261
Capital expenditures	198,580	-	2,978	-	201,558
Depreciation	1,237	3,523	6,249	-	11,009

Year ended 31 December 2006	Property development and land sales AED'000	Hospitality AED'000	Leisure AED'000	Unallocated AED'000	Group AED'000
Revenue	-	1,681	-	-	1,681
Direct expenses	-	(246)	-	-	(246)
Net profit/(loss) for the year	(41,976)	1,533	36,275	(1,077)	(5,245)
Assets	9,116,877	237,148	36,762	40,030	9,430,817
Liabilities	263,122	1,036	9,120	15,628	288,906
Capital expenditures	81,655	79,370	26,698	-	187,723
Depreciation	541	8,006	2,602	-	11,149

27 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 11 June 2009.

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