BASE PROSPECTUS

MAF SUKUK LTD.

(incorporated in the Cayman Islands with limited liability)

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

Under the U.S.$1,000,000,000 trust certificate issuance programme described in this Base Prospectus (the **Programme**), MAF Sukuk Ltd. (in its capacities as issuer and as trustee, the **Trustee**), subject to compliance with all applicable laws, regulations and directives, may from time to time issue trust certificates (the **Certificates**) in any currency agreed between the Trustee and the relevant Dealer (as defined below).

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

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by (i) an amended and restated master trust deed (the **Master Trust Deed**) dated 17 July 2013 entered into between the Trustee, Majid Al Futtaim Properties LLC (**MAF Properties**), Majid Al Futtaim Holding LLC (**MAF Holding** or the **Guarantor**) and BNY Mellon Corporate Trustee Services Limited as delegate of the Trustee (the **Delegate**, which expression shall include any co-Delegate or any successor) and (ii) a supplemental trust deed (the **Supplemental Trust Deed** and, together with the Master Trust Deed, each a **Trust Deed**) 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 certain payments (as more particularly described herein) arising from a *pro rata* interest in the assets of a trust declared by the Trustee in relation to the relevant Series (the **Trust**) over the Trust Assets (as defined below) which will include, *inter alia*, (i) the relevant Wakala Portfolio (as defined herein); and (ii) the Transaction Documents (as defined below). MAF Properties has certain obligations under the Master Lease Agreement and Management Agreement including the payment of certain amounts to the Trustee which are intended to be sufficient to fund the Periodic Distribution Amounts payable by the Trustee under the relevant Series and shall be applied by the Trustee for that purpose. See *"Structure Diagram and Cash Flows / Description of the Programme—Structure Diagram and Cash Flows"* for further details.

Pursuant to the Master Trust Deed, the Guarantor will unconditionally and irrevocably guarantee (the **Guarantee**) in favour of the Trustee the due and punctual payment by MAF Properties of the Guaranteed Amounts (as defined herein) in respect of each Series.

The Certificates may be issued on a continuing basis to one or more of the Dealers (each a **Dealer** and together the **Dealers**) specified under "*Structure Diagram and Cash Flows / Description of the Programme—Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Trustee, MAF Properties and the Guarantor, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Certificates.

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

This Base Prospectus has been approved by the Central Bank of Ireland (the **Central Bank**) as competent authority under Directive 2003/71/EC, as amended (the **Prospectus Directive**). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union (**EU**) law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for Certificates issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the **Irish Official List**) and trading on its regulated market (the **Main Securities Market**). Such approval relates only to Certificates which are to be admitted to trading on its regulated market or any other regulated markets for the purposes of Directive 2004/39/EU (each such regulated market being a **MiFID Regulated Market**).

Application has been made for this Base Prospectus to be approved by the Dubai Financial Services Authority (the **DFSA**) under Markets Rule 2.6 of the DFSA. Application has also been made to the DFSA for Certificates issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities maintained by the DFSA (the **Dubai Official List**) and to NASDAQ Dubai for such Certificates to be admitted to trading on NASDAQ Dubai. An application may be made for any Series (as defined under *"Terms and Conditions of the Certificates"*) to be admitted to trading on NASDAQ Dubai.

References in this Base Prospectus to Certificates being **listed** (and all related references) shall mean that: (i) such Certificates have been admitted to trading on the Main Securities Market and have been admitted to the Irish Official List and/or (ii) such Certificates have been admitted to trading on NASDAQ Dubai and have been admitted to the Dubai Official List.

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, MAF Properties, the Guarantor 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 face amount of Certificates and certain other terms and conditions which are applicable to each Series will be set out in a final terms document (the **applicable Final Terms**) which, with respect to Certificates to be listed on the Irish Stock Exchange, will be delivered to the Central Bank and the Irish Stock Exchange and which, with respect to Certificates to be listed on NASDAQ Dubai, will be delivered to the DFSA and NASDAQ Dubai.

The Trustee and MAF Properties may agree with any Dealer that Certificates may be issued with terms and conditions not contemplated by the Terms and Conditions of the Certificates herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

Neither the Certificates nor the Guarantee have been nor will be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) nor with any securities regulatory authority of any state or other jurisdiction of the United States and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, Certificates may be offered or sold solely to persons who are not U.S. persons (as defined in Regulation S) outside the United States in reliance on Regulation S. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Each of Standard & Poor's Credit Market Services Europe Limited (**S&P**) and Fitch Ratings Limited (**Fitch**) has rated MAF Holding. S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation. Fitch is established in the European Union and is registered under the CRA Regulation. As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation.

Fitch has rated MAF Holding's long-term issuer default rating and senior unsecured rating at 'BBB', with a stable outlook. Fitch has rated MAF Holding's short-term issuer default rating at 'F3'. Fitch has not independently rated the Issuer or MAF Properties. Fitch has also rated the Issuer's Programme at 'BBB'. S&P has given MAF Holding a corporate credit rating of 'BBB/A-2', with stable outlook. S&P has not independently rated the Issuer or MAF Properties.

The rating of certain Series of Certificates to be issued under the Programme may be specified in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the HSBC Saudi Arabia Sharia Executive Committee and the Sharia Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own Sharia advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Sharia principles.

Arrangers and Dealers

Abu Dhabi Islamic Bank **Dubai Islamic Bank**

HSBC **Standard Chartered Bank**

The date of this Base Prospectus is 17 July 2013.

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State (as defined below)) (the *Prospectus Directive*).

Each of the Trustee, MAF Properties and the Guarantor accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Trustee, MAF Properties and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with the Trustee, MAF Properties and the Guarantor and other persons, whose opinions are included in this Base Prospectus with their consent. The DFSA has also not assessed the suitability of any Certificates issued under this Programme to any particular investor or type of investor and has not determined whether they are Shari'a compliant. If you do not understand the contents of this Base Prospectus or are unsure whether any Certificates issued under this Base Prospectus are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

Certain information under the heading "*Description of the Group*" has been extracted from information provided by Retail Planet, 2010, the Dubai Statistics Center, the Economist Intelligence Unit and the Dubai Department of Tourism and Commerce Marketing and the source of such information is specified where it appears under that heading. Each of the Trustee, MAF Properties and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Series of Certificates, should be read and construed together with the applicable Final Terms.

The only persons authorised to use this Base Prospectus in connection with an offer of Certificates are the persons named in the relevant Subscription Agreement as the relevant Dealer or the Managers, as the case may be.

Copies of 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.

No person is or has been authorised by the Trustee, MAF Properties or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus 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, MAF Properties, the Guarantor, the Dealers (as defined under "*Subscription and Sale*"), the Delegate, the Agents (each as defined herein) or any other person. Neither the delivery of this document nor any sale of any Certificates shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Delegate and the Dealers expressly do not undertake to review the financial condition or affairs of the Trustee, MAF Properties or the Guarantor at

any point, including during the life of the Programme, or to advise any investor in the Certificates of any information coming to their attention.

None of the Dealers, the Trustee, the Delegate or the Agents has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Base Prospectus or any other information provided by the Trustee, MAF Properties or the Guarantor in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates is (i) intended to provide the basis of any credit or other evaluation save for making an investment decision on the Certificates or (ii) should be considered as a recommendation by the Trustee, MAF Properties, the Guarantor, the Dealers, the Delegate or the Agents that any recipient of this Base Prospectus nor any other information supplied in connection with the Programme or the issue of 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, MAF Properties and the Guarantor. None of the Dealers, the Trustee, the Delegate or the Agents accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Trustee, MAF Properties and the Guarantor in connection with the Programme.

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

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

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

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

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

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

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

No comment is made or advice given by the Trustee, MAF Properties, the Guarantor, the Dealers, the Delegate or the Agents in respect of taxation matters relating to any Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Certificates are legal investments for it, (2) Certificates can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

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 ANY CERTIFICATES.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, MAF Properties, the Guarantor, the Dealers, the Delegate or the Agents represents that this Base Prospectus may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, MAF Properties, the Guarantor, the Dealers, the Delegate or the Agents which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base 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 Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the European Economic Area (including the United Kingdom), the Cayman Islands, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, Qatar (excluding the Qatar Financial Centre), the Qatar Financial Centre, Singapore, Hong Kong and Malaysia, see "*Subscription and Sale*".

This Base 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 Base Prospectus as completed by the Final Terms in relation to the offer of those Certificates may only do so in circumstances in which no obligation arises for the Trustee, MAF Properties, the Guarantor 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. None of the Trustee, MAF Properties, the Guarantor or 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, MAF Properties, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF GROUP FINANCIAL INFORMATION

The financial statements relating to the Group (as defined below) referred to in, and incorporated by reference into, this document are as follows:

- audited consolidated financial statements as at and for the financial year ended 31 December 2012 of MAF Holding (previously known as Majid Al Futtaim Group LLC) (the **2012 Group Financial Statements**); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2011 of MAF Holding (previously known as Majid Al Futtaim Group LLC) (the **2011 Group Financial Statements** and, together with the 2012 Group Financial Statements, the **Group Financial Statements**).

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (the **IASB**). The Group Financial Statements have been audited in accordance with International Standards on Auditing by KPMG Lower Gulf Limited (**KPMG**) without qualification. The Group publishes its financial statements in UAE dirham.

During 2012, the Group sold its investment and operations in Syria and Iran to MAF Capital (see "*Description of the Group—Discontinued operations in Syria and Iran*" for further details on the transfer of these businesses). As a result, certain reclassifications have been made in the 2012 Group Financial Statements and, as a result, these statements are not comparable in all respects to the 2011 Group Financial Statements.

The table below summarises the effect of these reclassifications:

Consolidated income statement

	Year ended 31 December 2011	
	After reclassification	**Before reclassification**
	(*AED thousands*)	
Revenue	18,730,475	19,589,821
Cost of sales	(12,914,450)	(13,605,102)
Operating expenses	(4,052,422)	(4,171,505)
Finance income	45,450	60,386
Profit before tax	**697,035**	**761,582**
Income tax charge/(credit)	24,232	(386)
Profit after tax for the year	**721,267**	**761,196**
Discontinued operations	39,929	—

Consolidated statement of financial position

	As at 31 December 2011	
	After reclassification	**Before reclassification**
	(*AED thousands*)	
Investments	1,196,456	1,182,599
Other non-current assets	**1,494,719**	**1,480,862**
Total non-current assets	**31,483,310**	**31,469,453**
Due from related parties	73,484	87,341
Current assets	**4,646,710**	**4,660,567**
Trade and other payables	5,493,651	5,176,604
Net current liabilities	**(3,452,673)**	**(3,438,816)**

For more detail on these reclassifications, please see notes 3(a), 3(b) and 33 to the 2012 Group Financial Statements.

PRESENTATION OF MAF PROPERTIES FINANCIAL INFORMATION

The financial statements relating to MAF Properties referred to in, and incorporated by reference into, this document are as follows:

- audited consolidated financial statements as at and for the financial year ended 31 December 2012 of MAF Properties (the **2012 MAF Properties Financial Statements**); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2011 of MAF Properties (the **2011 MAF Properties Financial Statements** and, together with the 2012 MAF Properties Financial Statements, the **MAF Properties Financial Statements**).

The MAF Properties Financial Statements have been prepared in accordance with IFRS. The MAF Properties Financial Statements have been audited in accordance with International Standards on Auditing by KPMG without qualification. MAF Properties publishes its financial statements in UAE dirham.

As outlined above in relation to the Group Consolidated Financial Statements, during 2012, MAF Properties sold its investment and operations in Syria to MAF Capital (see *"Description of the Group—Discontinued operations in Syria and Iran"* for further details on the transfer for this business). As a result, certain reclassifications have been made in the 2012 MAF Properties Financial Statements and, as a result, these statements are not comparable in all respects to the 2011 MAF Properties Financial Statements.

The table below summarises the effect of these reclassifications:

Consolidated income statement

	Year ended 31 December 2011	
	After reclassification	**Before reclassification**
	(*AED thousands*)	
Operating expenses	(1,657,463)	(1,661,910)
Profit for the year before tax	**44,406**	**39,959**
Income tax	81,900	76,359
Profit for the year	**126,306**	**116,318**
Loss on discontinued operations	(9,988)	—
Share of loss in joint ventures and associates	(93,335)	(93,361)

Consolidated statement of financial position

	As at 31 December 2011	
	After reclassification	**Before reclassification**
	(*AED thousands*)	
Investment in joint ventures and associate	1,061,910	1,048,053
Other non-current assets	**1,214,394**	**1,200,537**
Due from related parties	61,575	75,432
Current assets	**1,458,548**	**1,472,405**
Net current liabilities	**(2,961,895)**	**(2,948,038)**

For more detail on these reclassifications, please see notes 3(a), 3(b) and 17(iv) to the 2012 MAF Properties Financial Statements.

MAF Properties' financial position and results of operations are included in this Base Prospectus in view of (i) the significance of MAF Properties to the Group's business, financial position and results of operations (as at 31 December 2012, MAF Properties accounted for 14.1 per cent. of the revenue, 61.0 per cent. of EBITDA and 85.3 per cent. of the assets of the Group respectively) and (ii) MAF Properties' position in the transaction structure relating to the Certificates, as described in this Base Prospectus, including as seller under the Master Purchase Agreement, lessee under the Master Lease Agreement and managing agent under the Management Agreement. See "*Structure Diagram and Cashflows / Description of the Programme*", "*Terms and Conditions of the Certificates*" and "*Summary of the Principal Transaction Documents*".

EBITDA

In certain places within this document, reference is made to EBITDA. EBITDA is not an IFRS measure. As referred to in this document, the Group has calculated EBITDA for each period as profit for the relevant period after adding back extraordinary items, interest, tax, depreciation and amortisation.

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

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

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

UNAUDITED FINANCIAL INFORMATION

The information relating to the Group's and MAF Properties' financial performance during the first quarter of 2013 included in this Base Prospectus is sourced from the internal management accounts and records of MAF Holding and MAF Properties respectively. Such financial information is unaudited.

PRESENTATION OF OTHER INFORMATION

In this document, references to:

- **Carrefour** are to Carrefour France SA and Carrefour Nederland BV and (when referring to the Group's stores) include reference to the Group's Carrefour stores in Pakistan which are branded as "Hyperstar";
- **Group** are to MAF Holding and its consolidated subsidiaries, associates and joint ventures;
- **MAF Retail** are to Majid Al Futtaim Retail LLC and, unless the context does not permit, include its subsidiaries;

- **MAF Properties**, unless the context does not permit, include its subsidiaries;

- **MAF Ventures** are to Majid Al Futtaim Ventures LLC and, unless the context does not permit, include its subsidiaries;

- **Abu Dhabi, Dubai, Sharjah, Fujairah** and **Ajman** are to the Emirates of Abu Dhabi, Dubai, Sharjah, Fujairah and Ajman, respectively;

- a **Member State** are, unless the context does not permit, references to a Member State of the European Economic Area;

- the **MENA region** are to the Middle East and North Africa region and include Pakistan in this document;

- **U.S.$** or **U.S. dollars** are to the lawful currency of the United States;

- **EUR**, **euro** or **€** are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time; and

- **AED**, **dirham** or **fils** are to the lawful currency of the UAE. One dirham equals 100 fils.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.$1.00. All U.S.$ translations of dirham amounts appearing in this document have been translated at this fixed exchange rate. Such translations should not be construed as representations that dirham amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

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

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning MAF Properties' or, as the case may be, the Guarantor's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*", "*Group Financial Review*", "*MAF Properties Financial Review*" and "*Description of the Group*" and other sections of this Base Prospectus. Each of MAF Properties and the Guarantor has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although MAF Properties or, as the case may be, the Guarantor believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which MAF Properties or Guarantor have otherwise identified in this Base Prospectus, or if any of MAF Properties' or, as the case may be, the Guarantor's underlying assumptions prove to be incomplete or inaccurate, MAF Properties' or, as the case may be, the Guarantor's actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "*Risk Factors*", "*Group Financial Review*", "*MAF Properties Financial Review*" and "*Description of the Group*", which include a more detailed description of the factors that might have an impact on the Group's business development and on the industry sector in which the Group operates.

The risks and uncertainties referred to above include:

- **each of MAF Properties' and the Guarantor's ability to successfully manage the growth of its business;**

- **the economic and political conditions in the markets in the UAE and the wider region in which MAF Properties and the Guarantor operate;**

- **each of MAF Properties' and the Guarantor's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;**

- **each of MAF Properties' and the Guarantor's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and capital expenditures;**

- **changes in political, social, legal or economic conditions in the markets in which MAF Properties and the Guarantor and their respective customers operate; and**

- **actions taken by each of MAF Properties' and the Guarantor's respective joint venture partners or associates that may not be in accordance with its policies and objectives.**

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

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations (including, without limitation, the Central Bank of Ireland's and the Irish Stock Exchange's rules and regulations regarding ongoing disclosure obligations), each of MAF Properties and the Guarantor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

NOTICE TO UK RESIDENTS

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" within the meaning of Article 77A of the FSMA as amended by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 (*Non-Regulatory AFIBs*) will 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 Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any 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*), (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order and (B) if the Certificates are Non-Regulatory AFIBs and the distribution is 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 set out 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 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 Base Prospectus, any Final Terms or any other marketing materials in relation to any Certificates.

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

Any individual intending to invest in any investment described in this Base 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.

CAYMAN ISLANDS NOTICE

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

NOTICE TO BAHRAIN RESIDENTS

A copy of this Base Prospectus has been submitted to the Central Bank of Bahrain (the *CBB*) by a bank licensed by the CBB. Submission of this Base Prospectus with the CBB does not imply that any Bahraini legal or regulatory requirements have been complied with. The CBB has not in any way considered the merits of the Certificates to be offered for investment whether in or outside of the Kingdom of Bahrain.

Neither the CBB nor the licensed exchange assumes responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and each expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Base Prospectus.

KINGDOM OF SAUDI ARABIA NOTICE

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

NOTICE TO QATAR RESIDENTS

This Base Prospectus is not intended to constitute an offer, sale or delivery of bonds or other debt financing instruments under the laws of Qatar. The Certificates have not been and will not be authorised by the Qatar Financial Markets Authority, the Qatar Financial Centre or the Qatar Central Bank in accordance with their regulations or any other regulations in Qatar. The Certificates are not and will not be traded on the Qatar Exchange.

NOTICE TO RESIDENTS OF MALAYSIA

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

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

IN CONNECTION WITH THE ISSUE OF ANY SERIES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISING MANAGER(S) (OR ANY PERSONS 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 CAN BE NO ASSURANCE THAT THE STABILISING MANAGER (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 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 CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE CERTIFICATES. ANY STABILISATION ACTION SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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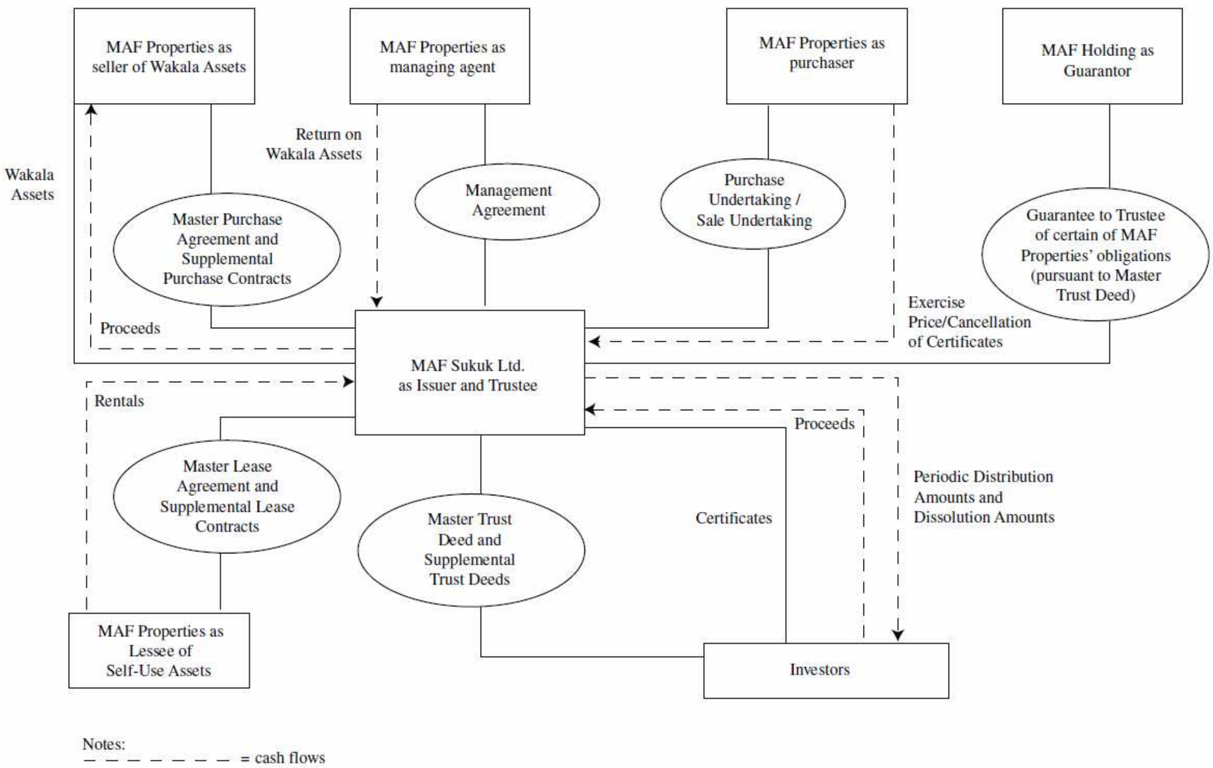
STRUCTURE DIAGRAM AND CASHFLOWS / DESCRIPTION OF THE PROGRAMME

STRUCTURE DIAGRAM AND CASHFLOWS

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

Structure Diagram



Principal cash flows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Series of Certificates, the Trustee will use the proceeds for the relevant Series to purchase from MAF Properties a portfolio (the **Initial Wakala Portfolio**) of (i) income generating real estate related assets (the **Real Estate Assets**) which are either externally leased to third parties immediately prior to the relevant Issue Date (each, an **Externally Leased Asset** and the lease relating thereto, an **External Lease**) or which will become Leased Assets (as defined below) on the relevant Issue Date; and (ii) other income generating Sharia compliant tangible assets (**Other Sharia Compliant Tangible Assets**) which are either Externally Leased Assets immediately prior to the relevant Issue Date or which will become Leased Assets on the relevant Issue Date (each such Real Estate Asset and Other Sharia Compliant Tangible Asset, a **Wakala Asset** and such Wakala Assets from time to time the **Wakala Portfolio**). Each:

(a) real estate related asset which, immediately prior to the relevant Issue Date, is either a plot of land to be developed in accordance with a development plan or is used by MAF Properties for its own account (and therefore does not generate any income); and

(b) Other Sharia Compliant Tangible Asset which, immediately prior to the relevant Issue Date, is used by MAF Properties for its own account (and therefore does not generate any income),

(each such asset, a **Self-Use Asset**), shall be leased (each a **Leased Asset**) by the Trustee (in such capacity, the **Lessor**) to MAF Properties (in such capacity, the **Lessee**) pursuant to a master lease agreement (the **Master Lease Agreement**), as supplemented by a supplemental lease contract relating to that Series of Certificates (each a **Supplemental Lease Contract** and, together with the Master Lease Agreement, the **Lease Agreement**).

Periodic Distribution Payments

Prior to each Periodic Distribution Date, the Managing Agent will pay to the Trustee (by way of a payment into the relevant Transaction Account) an amount reflecting returns generated (including all rental payable under a Lease Agreement) by the relevant Wakala Portfolio (**Wakala Portfolio Income Revenues**) during the relevant Wakala Distribution Period, which is intended to be sufficient to fund the Periodic Distribution Amounts payable by the Trustee under the relevant Series and shall be applied by the Trustee for that purpose.

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

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

(a) provide Sharia compliant funding to the Trustee itself; or

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

in each case in the amount required to ensure that there is no Shortfall on terms that such funding is repayable from Wakala Portfolio Income Revenues in the future or on the date on which the Certificates of the relevant Series are redeemed in full (each a **Liquidity Facility**).

Dissolution Payments

On each Scheduled Dissolution Date, the Trustee will have the right under the Purchase Undertaking to require MAF Properties to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the relevant Wakala Portfolio. The exercise price payable by MAF Properties, together with any principal revenues in respect of the relevant Wakala Assets then held by the Managing Agent and payable to the Trustee under the Management Agreement (the **Wakala Portfolio Principal Revenues**), are intended to fund the Final Dissolution Amount payable by the Trustee under the relevant Certificates.

The Trust in relation to any Series may be dissolved prior to the relevant Scheduled Dissolution Date for the following reasons: (i) redemption following a Dissolution Event, (ii) an early redemption for tax reasons, (iii) if so specified in the applicable Final Terms, at the option of the Trustee (which option also includes the Trustee's option to redeem in whole but not in part any outstanding Certificates of the relevant Series if, following the occurrence of a Change of Control Event, holders of 75 per cent. or more of the aggregate outstanding face amount of those Certificates exercise their Change of Control Put Option), (iv) if so specified in the applicable Final Terms, at the option of the Certificateholders on any Certificateholder Put Option Date, (v) if so specified in the applicable Final Terms, at the option of the Certificateholders following a Change of Control Event and (vi) upon the occurrence of a Total Loss Event.

In the case of sub-paragraphs (i) to (iii) inclusive, the amounts payable by the Trustee on the due date for dissolution will be funded in a similar manner as for the payment of the Final Dissolution Amount. Upon the exercise by Certificateholders of the options described in sub-paragraphs (iv) and (v), the Trustee will redeem the relevant Certificates on the Certificateholder Put Option Date or Change of Control Put Option Date, as the case may be, at the Optional Dissolution Amount (Certificateholder Put) or Change of Control Dissolution Amount. Any such redemption shall be funded through the exercise by the Trustee of its right under the Purchase Undertaking to require MAF Properties to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the relevant Wakala Portfolio with an aggregate value no greater than the aggregate face amount of the Certificates to be redeemed. In the case of sub-paragraph (vi), the amounts payable to Certificateholders will be an amount equal to the sum of (A) the proceeds of any insurance policies which the Managing Agent has entered into in respect of the relevant **Tangible Assets** (being a Real Estate Asset or a Other Sharia Compliant Tangible Asset in respect of which the same representations and warranties can be given by MAF Properties as those given under the Master Purchase Agreement) and/or any Total Loss Shortfall Amount; and (B) all of the Wakala Portfolio Revenues credited to the Collection Accounts of the relevant Series (each as defined in the Management Agreement) which the Managing Agent is required to transfer to the Transaction Account immediately upon the occurrence of a Total Loss Event, such amount being intended to be sufficient in order to redeem the relevant Certificates in full.

Guarantee

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed in favour of the Trustee (the **Guarantee**) the due and punctual payment of the Guaranteed Amounts. The proceeds received by or on behalf of the Trustee following a valid claim under the Guarantee shall be paid into the relevant Transaction Account for distribution to the Certificateholders of the relevant Series. For this purpose, the **Guaranteed Amounts** means the amounts guaranteed by the Guarantor, in respect of each Series, being, (i) the Wakala Portfolio Income Revenues to be paid into the relevant Transaction Account by the Managing Agent in accordance with the terms of the Management Agreement; (ii) any Total Loss Shortfall Amount; (iii) any Wakala Portfolio Principal Revenues (as defined in the Management Agreement) payable by the Managing Agent to the Trustee under Clause 6.5 of the Management Agreement; (iv) any Exercise Price payable under the Purchase Undertaking and the Sale Undertaking; and (v) any amount payable by MAF Properties under Clause 2.2(c) and Clause 4 of the Purchase Undertaking.

DESCRIPTION OF THE PROGRAMME

This description must be read as an introduction to this Base Prospectus. Any decision to invest in any Certificates should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, by any investor. The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series of Certificates, is completed by the applicable Final Terms.

Words and expressions defined in *"—Structure Diagram and Cashflows"*, *"Form of the Certificates"* and *"Terms and Conditions of the Certificates"* shall have the same meanings in this description.

Issuer and Trustee:	MAF Sukuk Ltd., a limited liability exempted company incorporated in accordance with the laws of, and formed and registered in, the Cayman Islands with registered number 263902 and its registered office at MaplesFS Limited, 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.
Seller and Managing Agent:	Majid Al Futtaim Properties LLC.
Guarantor:	Majid Al Futtaim Holding LLC.
Risk Factors:	There are certain factors that may affect the Trustee's ability to fulfil its obligations under Certificates issued under the Programme, and MAF Properties' and the Guarantor's obligations under the Transaction Documents to which they are a party. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme.
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 each, of which 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held by MaplesFS Limited on trust for charitable purposes.
Administration of the Trustee:	The affairs of the Trustee are managed by MaplesFS Limited (the **Trustee Administrator**), who provides, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to an Amended and Restated Corporate Services Agreement dated 4 July 2013 between the Trustee and the Trustee Administrator (the **Corporate Services Agreement**). The Trustee Administrator's registered office is P.O. Box 1093, Queensgate House, Grand Cayman KY1 - 1102, Cayman Islands.

Arrangers and Dealers:	Abu Dhabi Islamic Bank PJSC Dubai Islamic Bank PJSC HSBC Bank plc Standard Chartered Bank and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Series of Certificates.
Delegate:	BNY Mellon Corporate Trustee Services Limited Pursuant to the Master Trust Deed, the Trustee shall delegate to the Delegate certain present and future duties, powers, trusts, authorities and discretions vested in the Trustee by certain provisions of the Master Trust Deed. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Seller and/or the Managing Agent and/or MAF Properties and/or the Guarantor following a Dissolution Event.
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent:	The Bank of New York Mellon (Luxembourg) S.A.
Certain Restrictions:	Each Series denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). The proceeds of each Series will not be accepted in the United Kingdom except in compliance with applicable law, including article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Programme Size:	Up to U.S.$1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Trustee, MAF Properties and the Guarantor may increase the size of the Programme in accordance with the terms of the Programme Agreement.
Issuance in Series:	The Certificates will be issued in Series, the specific terms of which will be completed in the applicable Final Terms.
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, MAF Properties, the Guarantor and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, MAF Properties, the Guarantor 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 relevant Specified Currency.
Issue Price:	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, MAF Properties, the Guarantor and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
Form of Certificates:	The Certificates will be issued in registered form as described in "*Form of the Certificates*". The Certificates of each Series will be represented on issue by ownership interests in a Global Certificate which will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in each Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. See "*Form of the Certificates*". Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in a Global Certificate only in limited circumstances.
Clearance and Settlement:	Holders of the Certificates must hold their interest in the relevant Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearance systems.
Face Amount of Certificates:	The Certificates will be issued in such face amounts as may be agreed between the Trustee, MAF Properties, the Guarantor and the relevant Dealer save that the minimum face amount 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 relevant Specified Currency, see "—*Certain Restrictions*" above, and save that the minimum face amount 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 €100,000 (or, if the Certificates are issued in a currency other than euro, the equivalent amount in such currency).
Status of the Certificates:	Each Certificate will evidence an undivided ownership interest of the Certificateholders in the Trust Assets of the relevant Series, will be a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without any preference or priority, with all other Certificates of the relevant Series issued under the Programme.

The Trust Assets of the relevant Series will be all of the Trustee's rights, title, interest and benefit, present and future, in, to and under (i) the relevant Wakala Portfolio, (ii) the Transaction Documents (other than (A) in relation to any representations given to the Trustee by MAF Properties or the Guarantor pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (B) the covenant given to the Trustee pursuant to Clause 14.1 of the Master Trust Deed), (iii) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of the foregoing listed (i) to (iii) (the **Trust Assets**), and such Trust Assets will be held upon trust absolutely for the Certificateholders pro rata according to the face amount of Certificates held by each Certificateholder for the relevant Series.

Status of the Guarantee: The Guarantor's obligations under the Guarantee will be direct, unconditional and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

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

Redemption of Certificates: Unless the Certificates are previously redeemed or purchased and cancelled, the Certificates shall be redeemed by the Trustee at the relevant Dissolution Amount and on the relevant Scheduled Dissolution Date specified in the applicable Final Terms and the Trust in relation to the relevant Series will be dissolved by the Trustee.

Dissolution Events: Upon the occurrence of any Dissolution Event, the Certificates may be redeemed in full on the Dissolution Date at the relevant Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amount and the relevant Return Accumulation Period may be adjusted accordingly. See Condition 14.

Early Dissolution for Tax Reasons: Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 11 or the Managing Agent has or will become obliged to pay any additional amounts in respect of amounts payable under the Management Agreement as a result of a change in the laws of a Relevant Jurisdiction (as defined in the Conditions) and such obligation cannot be avoided by the Trustee or the Managing Agent, as applicable, taking reasonable measures available to it, the Trustee may, following receipt of an exercise notice from MAF Properties pursuant to the Sale Undertaking, redeem the Certificates in whole but not in part at an amount equal to the relevant Early Dissolution Amount (Tax) together with

	any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date and, if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable, the Dissolution Date must be a Periodic Distribution Date.
Optional Dissolution Right:	If so specified in the applicable Final Terms, the Trustee may, following receipt of an exercise notice from MAF Properties pursuant to the Sale Undertaking, redeem in whole but not in part the Certificates of the relevant Series at the relevant Optional Dissolution Amount (Call) on the relevant 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.
Certificateholder Put Option:	If so specified in the applicable Final Terms, 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 (Certificateholder Put) together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 10.4(a). Following the payment by MAF Properties of the relevant exercise price under the Purchase Undertaking, the Trustee will redeem the relevant Certificates on the relevant Certificateholder Put Option Date.
Change of Control Put Option:	If so specified in the applicable Final Terms, each investor will have the right to require the redemption of its Certificates upon Majid Al Futtaim Capital LLC ceasing to be the ultimate owner (either directly or indirectly) of more than 50 per cent. of the share capital of the Guarantor. Any such redemption will take place on the Change of Control Put Option Date at an amount equal to the relevant Change of Control Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 10.4(b). Following payment by MAF Properties of the relevant exercise price under the Purchase Undertaking, the Trustee will redeem the relevant Certificates on the relevant Certificateholder Put Option Date.
Cancellation of Certificates held by the Guarantor, MAF Properties and/or any of their respective Subsidiaries:	Pursuant to Condition 13, the Guarantor, MAF Properties and/or any of their respective Subsidiaries may at any time purchase Certificates in the open market or otherwise. If MAF Properties wishes to cancel such Certificates purchased by it and/or the Guarantor and/or any of their respective Subsidiaries, MAF Properties will deliver those Certificates to the Principal Paying Agent for cancellation. MAF Properties may also exercise its option under the Sale Undertaking to require the Trustee to transfer to MAF Properties all of its rights, title, interests, benefits and entitlements in, to and under a portion of the relevant Wakala Portfolio with an aggregate

value no greater than the aggregate face amount of the Certificates so delivered to the Principal Paying Agent for cancellation and, upon such cancellation, the Trustee will transfer those Wakala Assets to MAF Properties.

Wakala Asset Substitution:	The Managing Agent may substitute Wakala Assets in accordance with the relevant provisions of the Management Agreement, the Sale Undertaking and, where relevant, the relevant Lease Agreement, provided that the value of any substitute assets shall have an aggregate value which is not less than the aggregate value of the Wakala Assets to be so substituted.
Withholding Tax:	All payments by MAF Properties under the Purchase Undertaking and Sale Undertaking and all payments by the Managing Agent under the Management Agreement shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, MAF Properties and/or the Managing Agent, as the case may be, will be required to pay additional amounts so that the Trustee will receive the full amounts that it would have received in the absence of such withholding or deduction. All payments in respect of Certificates by the Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Trustee will, save in the limited circumstances provided in Condition 11, be required to pay additional amounts so that the holders of the Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.
Negative Pledge and other Covenants:	The Master Trust Deed contains a negative pledge and certain other covenants given by each of MAF Properties and the Guarantor. See "*Summary of the Principal Transaction Documents*".
Cross Default:	The Master Trust Deed contains a cross default provision in relation to each of MAF Properties and the Guarantor. See "*Summary of the Principal Transaction Documents*".
Trustee Covenants:	The Trustee has agreed to certain restrictive covenants as set out in Condition 5.
Ratings:	The ratings assigned to certain Series to be issued under the Programme will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to

	the relevant Series of Certificates will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the applicable Final Terms.
Certificateholder Meetings:	A summary of the provisions for convening meetings of Certificateholders of each Series to consider matters relating to their interests as such is set out in Condition 18.
Tax Considerations:	See "*Taxation*" for a description of certain tax considerations applicable to the Certificates.
Listing and Administration to Trading:	This Base Prospectus, as approved and published by the Central Bank, in accordance with the requirements of the Prospectus Directive, comprises a Base Prospectus for the purposes of the Prospectus Directive and the Prospectus (Directive 2003/71/EC) Regulations 2005, and for the purpose of giving information with regard to the issue of Certificates issued under this Programme, during the period of twelve months after the date hereof. Application has been made to the Irish Stock Exchange for such Certificates to be admitted to trading on the Main Securities Market. Application has been made to the DFSA for Certificates to be issued under the Programme during the period of 12 months from the date hereof to be admitted to the Official List maintained by the DFSA for such Certificates to be admitted to trading on NASDAQ Dubai. 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, MAF Properties, the Guarantor and the relevant Dealer in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Transaction Documents:	The Transaction Documents are the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Contract, the Master Lease Agreement (if a Supplemental Lease Contract is executed in connection with the relevant Series), each Supplemental Lease Contract (if relevant), the Management Agreement, the Purchase Undertaking and the Sale Undertaking.
Governing Law and Dispute Resolution:	The Certificates of each Series and any non-contractual obligations arising out of or in connection with the Certificates of each Series will be governed by, and construed in accordance with, English law. The Master Trust Deed, each Supplemental Trust Deed, the Programme Agreement, the Agency Agreement, the Management Agreement, the Purchase Undertaking, the

Sale Undertaking and any non-contractual obligations arising out of or in connection with the same will be governed by English law. In respect of any dispute under any such agreement or deed (other than the Purchase Undertaking) to which it is a party, MAF Properties and the Guarantor have each consented to arbitration in London under the LCIA Arbitration Rules. Any dispute may also be referred to the courts in England (who shall have exclusive jurisdiction to settle any dispute arising from such documents). MAF Properties has agreed to submit to the jurisdiction of the DIFC Courts in respect of any dispute under the Purchase Undertaking (subject to the right of the Trustee and the Delegate to require any dispute to be resolved by any other court of competent jurisdiction).

Each of the Master Purchase Agreement, each Supplemental Purchase Contract, the Master Lease Agreement, each Supplemental Lease Contract, each Sale Agreement entered into under the Purchase Undertaking and each Sale Agreement or Transfer Agreement entered into under the Sale Undertaking will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, and will be subject to the non-exclusive jurisdiction of the Dubai courts.

The Corporate Services Agreement will be governed by the laws of the Cayman Islands and will be subject to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Waiver of Immunity:

To the extent that MAF Properties and/or the Guarantor may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, MAF Properties and the Guarantor will each agree in the Transaction Documents to which they are a party not to claim and will irrevocably and unconditionally waive such immunity in relation to any legal proceedings. Further, MAF Properties and the Guarantor will each irrevocably and unconditionally consent to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any legal proceedings.

Limited Recourse:

Each Certificate represents solely an undivided ownership interest in the relevant Trust Assets. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available for the relevant Trust Assets.

Certificateholders will otherwise have no recourse to any assets of the Trustee, MAF Properties or the Guarantor in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent the Trust

	Assets have been exhausted, following which all obligations of the Trustee shall be extinguished.
Selling Restrictions:	There are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the European Economic Area (including the United Kingdom), the Cayman Islands, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, Kingdom of Saudi Arabia, Kingdom of Bahrain, Qatar (excluding the Qatar Financial Centre), the Qatar Financial Centre, Singapore, Hong Kong and Malaysia.
United States Selling Restrictions:	Regulation S, Category 2.

RISK FACTORS

Each of the Trustee, MAF Properties and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Certificates, but the inability of the Trustee to pay any amounts on or in connection with any Certificate may occur for other reasons and none of the Trustee, MAF Properties or the Guarantor represents that the statements below regarding the risks of holding any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustee, MAF Properties or the Guarantor or which the Trustee, MAF Properties or the Guarantor currently deems immaterial, that may impact any investment in Certificates.

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

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

The Trustee is a newly formed entity and, with the exception of the issuance of its U.S.$400 million 5.85 per cent. trust certificates under the Programme in February 2012, 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 and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series, including its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee of all amounts due from MAF Properties under the relevant Transaction Documents (failing which, from the Guarantor in accordance with the terms of the Guarantee). Therefore the Trustee is subject to all the risks to which each of MAF Properties and the Guarantor is subject to the extent that such risks could limit MAF Properties' or the Guarantor's ability to satisfy in full and on a timely basis their respective obligations under the Transaction Documents to which they are a party. See "*Risks relating to the Group*", "*Risks relating to MAF Properties*", "*Risks relating to MAF Retail*" and "*Risks relating to MAF Ventures*" below for a further description of these risks.

RISKS RELATING TO THE GROUP

The risks set out below apply to all of the Group's businesses. In addition, certain specific risks apply to the particular businesses carried on by MAF Properties, MAF Retail and MAF Ventures and these are discussed separately below.

All of the Group's businesses are affected by the economic and political conditions in the markets in which they operate

All of the Group's businesses are, and will continue to be, affected by economic and political developments in or affecting the UAE and the MENA region. The Group currently has a significant proportion of its operations and interests in the UAE, with a particular focus on Dubai. While the UAE is currently seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is no guarantee that the UAE will continue to be so in the future. In particular, since early 2011 there has been political unrest in a range of countries in which the Group operates in the MENA region, including Bahrain, Egypt, Oman and Saudi Arabia. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict and has given rise to increased political uncertainty across the region. Unrest in Egypt (which accounted for 11.2 per cent. of the revenue and 6.0 per cent. of the total assets of the Group as at 31 December 2012) and Bahrain (which accounted for 2.7 per cent. of the revenue and 8.0 per cent. of the total assets of the Group as at 31 December 2012) directly impacted the Group, forcing the closure of some properties in Egypt for up to 60 days and the closure of its shopping mall in Bahrain for five days in 2011. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Group would be able to sustain its current profit levels if adverse political events or circumstances were to occur.

Since early 2008, global credit markets, particularly in the United States and Europe, have experienced difficult conditions of varying intensity. These challenging market conditions have resulted at times in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. In addition, since late 2008, property and construction markets in the UAE and a number of other countries in the MENA region have been significantly adversely affected. As a result, in 2009 the fair values of the Group's properties were adversely affected which in turn resulted in a total comprehensive loss for the Group in that year. The Group could be adversely affected in the future by any deterioration of general economic conditions in the markets in which the Group operates, as well as by United States, European and international trading market conditions and/or related factors.

Investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments both within and outside the MENA region because of interrelationships within the global financial markets.

Economic and/or political factors which could adversely affect the Group's business, financial condition, results of operations and prospects include:

- regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- an increase in inflation and the cost of living;
- a devaluation in the currency of any country in which the Group has operations;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition of taxes in tax favourable jurisdictions such as the UAE;
- difficulties and delays in obtaining governmental and other approvals for the Group's operations or renewing existing ones;
- potential lack of reliability as to title to real property in certain jurisdictions in which the Group operates; and
- inability to repatriate profits or dividends.

There can be no assurance that either the economic performance of, or political stability in, the countries in which the Group currently operates or may in the future operate can or will be sustained. To the extent that economic growth or performance in these countries or the MENA region as a whole slows or begins to decline, or political conditions become sufficiently unstable to adversely affect the Group's operations in those countries, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group's businesses are inter-dependent to a significant extent and this could increase its exposure to adverse events affecting any part of its business

The Group's businesses are inter-dependent to a significant extent and will be affected by factors that impact the retail industry as a whole, see "*Risks Relating to MAF Retail*". For example, the financial performance of the Group's hypermarkets, other retail businesses, leisure and entertainment businesses and hotels are, in large part, dependent on the ability of the shopping malls in or close to which they are located to attract footfall. Conversely, the success of the Group's shopping malls is, to an extent, dependent on the extent to which its other businesses located in or close to the shopping malls act as an incentive to potential customers to visit the malls. As a result of this inter-dependence, adverse events affecting one part of the Group's business could also impact other parts of the business and therefore have a materially greater effect on the Group's business, financial condition, results of operations and prospects than would otherwise have been the case.

As the Group derives the majority of its revenue and EBITDA from its activities in the UAE, it is particularly exposed to any adverse developments affecting the UAE and Dubai in particular

For the year ended 31 December 2012, 55.8 per cent. of the Group's revenue and 71.3 per cent. of the Group's EBITDA were attributable to its operations in the UAE, principally Dubai. This reflects the fact that a significant proportion of the Group's malls and Carrefour stores and nine of its eleven hotels which are currently operating are located in the UAE. In part, this is due to the fact that Dubai is a significant tourist destination. As a result, the Group is particularly exposed to adverse events affecting the UAE and Dubai in particular, including events which impact on Dubai's attractiveness as a tourist destination and to the occurrence of factors that result in a decline in consumer spending in the UAE, such as a downturn in general economic conditions, an increase in the cost of living, an increase in unemployment or a decline in tourism or business travel to Dubai. The occurrence of any or all of these factors could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's growth strategy depends on its ability to successfully manage its growth

The Group's strategy of continuing to expand its existing operations in its target markets is dependent on a number of factors. These include its ability to:

- identify suitable investments and/or development opportunities;
- reach agreements with joint venture and strategic partners on terms satisfactory to it;
- maintain, expand or develop relationships with customers, suppliers, contractors, lenders and other third parties;
- increase the scope of its operational and financial systems to handle the increased complexity and expanded geographic area of operations;
- secure adequate financing on commercially reasonable terms;
- recruit, train and retain qualified staff to manage its growing business efficiently and without losing operational focus; and
- obtain necessary permits or approvals from governmental authorities and agencies.

These efforts will require significant capital and management resources, further development of the Group's financial and internal controls and information technology (**IT**) systems, and additional training and recruitment of management and other key personnel. At the same time, the Group must maintain a consistent level of customer service across its operations to avoid loss of business or damage to its reputation. Any failure by the Group to manage its growth effectively could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's businesses face significant competition in the markets in which they operate

Several of the markets in which the Group operates are highly competitive. In particular, the Group faces increased shopping mall and hotel competition in Dubai, where the majority of its business is concentrated. The population growth of Dubai from 1.3 million in 2005 to an estimated 2.1 million in 2012 (as estimated by the Dubai Statistics Centre), along with the growth in business and leisure travel to Dubai, contributed to the opening and announced development of a number of new shopping malls and hotels over this period. The global financial crisis and associated decline in the property and construction market in the UAE since the end of 2008 has placed additional competitive pressure on these businesses. The Group's Carrefour stores also face significant competition in many of the markets in which the Group operates, including the UAE and Saudi Arabia in particular.

Factors affecting the competitive environment in which the Group operates include, among others:

- certain of the Group's competitors may have greater financial, technical, marketing or other resources and, therefore, may be able to withstand price competition and volatility more successfully than the Group;

- some of the Group's competitors may have a lower cost of capital and access to funding sources that are not available to the Group, including in particular competitors that are controlled by regional governments, and, therefore, may be able to invest more heavily or effectively in their businesses than the Group;

- in many of the markets in which the Group operates, government permission is required to operate businesses and local governments grant access to land and infrastructure. As some of the Group's competitors are owned by the government of the countries in which they operate, they may benefit from preferential treatment; and

- some of the Group's competitors in markets outside the UAE may have a deeper cultural understanding or longer or broader operational experience in such markets, which may reduce the time and therefore the costs necessary for them to execute competing projects, and allow them to attract and retain customers more effectively than the Group.

If the Group is unable to compete effectively, it may not be able to achieve a market share that allows it to remain profitable or increase its market share in the markets in which it operates, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The countries in which the Group operates may introduce new laws and regulations that adversely affect the way in which the Group is able to conduct its businesses

The countries in which the Group operates are emerging market economies which are characterised by less comprehensive legal and regulatory environments. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Group expects they will continue, to implement new laws and regulations which could impact the way the Group conducts many of its businesses. For example, in 2007, the Dubai, Sharjah and Ajman governments passed laws restricting the ability of landlords to increase commercial rents and, in 2008, the Oman government followed suit. In addition, the government of the UAE has announced the potential introduction of a value added tax to be implemented across the UAE. Other legislative changes could affect environmental issues. There can be no assurance that if a value added tax or other laws or regulations were imposed in respect of the products and services offered by the Group it would not adversely affect the way in which the Group conducts its business or otherwise adversely affect its financial condition, results of operations and prospects. In addition, given the relatively illiquid nature of the Group's property assets, a change in law or regulation that results in the Group ceasing to conduct business in a particular country could result in a significant loss to the Group on the sale of its material properties in that country.

The Group may operate in countries which are subject to international sanctions and operates in countries which are affected by terrorist activities and any failure to comply with these sanctions or the occurrence of any such terrorist activities could adversely affect the Group

European, U.S. and other international sanctions have in the past been imposed on companies engaging in certain types of transactions with specified countries or companies or individuals in those countries. Companies operating in certain countries in the Middle East and Africa have been subject to such sanctions in the past. The terms of legislation and other rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret.

Although the Group has in the past conducted business activities in countries which have been subject to sanctions, as at the date of this Base Prospectus, no Group company is in violation of any existing European, U.S. or international sanctions. Should any Group company in the future violate any existing or further European, U.S. or international sanctions, penalties could include a prohibition or limitation on such company's ability to conduct business in certain jurisdictions or on the Group's ability to access the U.S. or international capital markets. Any such sanction could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has operations in Pakistan, which has, in recent times, been affected by terrorist activities. To the extent further terrorist acts are carried out, in particular in the cities where the Group has stores, this may adversely affect demand for its services or products in those areas, which may in turn have an adverse effect on its business, financial condition, results of operations and prospects.

Many of the Group's businesses are subject to licensing requirements and any failure to obtain such licenses or to comply with their terms could adversely affect the Group's businesses

Many of the Group's businesses are subject to licensing requirements, both at the local and national level. Because of the complexities involved in procuring licenses and permits, as well as in ensuring continued compliance with different and sometimes inconsistent local and national licensing regimes, the Group cannot give any assurance that it will at all times be in compliance with all of the licensing requirements to which it is subject although it is not aware of any material breaches that currently exist. Any failure by the Group to comply with applicable laws and regulations and to obtain and maintain requisite approvals, certifications, permits and licenses, whether intentional or unintentional, could lead to substantial sanctions, including criminal, civil or administrative penalties, revocation of its licenses and/or increased regulatory scrutiny, and liability for damages. It could also trigger a default under one or more of its financing agreements or invalidate or increase the cost of the insurance that the Group maintains for its businesses (assuming it is covered for any consequential losses). For the most serious violations, it could also be forced to suspend operations until it obtains required approvals, certifications, permits or licenses or otherwise brings its operations into compliance. In addition, any adverse publicity resulting from any compliance failure, particularly as regards the safety of its leisure and entertainment venues and the food sold in its Carrefour stores, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Furthermore, changes to existing, or the introduction of new, laws or regulations or licensing requirements are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any such laws, regulations or licensing requirements could adversely affect its business by reducing its revenue and/or increasing its operating costs, and the Group may be unable to mitigate the impact of such changes. Any of these occurrences could have a material adverse effect on its business, financial condition, results of operations and prospects.

Group companies are party to a number of joint ventures and franchise arrangements which give rise to specific operational risks

Group companies may enter into joint venture agreements for a number of reasons, including to gain access to land or where it is required to operate with a local partner in a particular jurisdiction. Joint venture transactions present certain operational risks, including the possibility that the joint venture partners may have economic, business or legal interests or goals that are inconsistent with those of the Group, may become bankrupt, may refuse to make additional investments that the Group deems necessary or desirable or may prove otherwise unwilling or unable to fulfil their obligations under the relevant joint venture agreements. In addition, there is a risk that such joint venture partners may ultimately become competitors of the Group. Many of the Group's joint venture partners are governmental agencies which exposes the Group to additional risks, including the need to satisfy both political and regulatory demands and the need to react to differences in focus or priorities between successive governments, both of which can lead to delays in decision making, increased costs and greater exposure to competition.

To the extent that the Group does not control a joint venture, the joint venture partners may take action that is not in accordance with Group policies or objectives. Should a joint venture partner act contrary to the Group's interests, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group's most significant joint venture is currently with Carrefour, see "*Risks Relating to MAF Retail—MAF Retail is dependent on its relationship with Carrefour and the market perception of Carrefour*". Certain matters identified in this joint venture agreement require the approval of Carrefour, see "*Description of the Group—MAF Retail—Agreements with Carrefour*".

The Group is party to a number of franchise agreements, of which the most important is the franchise agreement with Carrefour. As such, the Group is exposed to the risk of such agreements not being renewed when they expire and to the risk of non-performance by the relevant franchisor, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain of the Group's debt agreements contain restrictions that may limit the flexibility of the Group in operating its businesses

Certain of the Group's debt agreements contain covenants that limit its ability to engage in specified types of transactions. These include covenants requiring the Group's operating subsidiaries to maintain certain net worth, interest coverage and debt to equity ratios. Certain of the Group's debt agreements also contain covenants limiting the Group's and its operating subsidiaries' ability to, among other things:

- incur or guarantee additional financial indebtedness;
- grant security or create any security interests; and
- sell, lease, transfer or otherwise dispose of any of its assets without the consent of the relevant lender, unless the disposal is made in the ordinary course of business or to another Group company.

The Master Trust Deed will contain covenants from each of MAF Holding and MAF Properties similar to certain of those described above, see "*Summary of the Principal Transaction Documents—Master Trust Deed*". Any notes issued under the U.S.$2 billion global medium term note programme (the **GMTN Programme**) established by MAF Holding and MAF Properties on 14 June 2011 and most recently updated on 17 July 2013 (as further updated from time to time) will also contain similar covenants.

In addition, certain of the Group's outstanding debt contains, and its future debt may contain, cross default clauses whereby a default under one debt obligation may constitute an event of default under other debt obligations. Any of these covenants could prevent the Group from engaging in certain transactions that it may view as desirable.

Although the Group believes that it is currently in compliance with its covenants and is not currently aware of any circumstances which indicate that the Group may in the future be in breach of any such covenants, there can be no assurance that the Group will continue to comply with all such covenants in the future. The Group's continued compliance with these covenants depends on a number of factors, some of which are outside of the Group's control. The Group's activities in all of its operating segments continue to be affected by the current global economic environment and the economic environment in the jurisdictions in which it operates. Further, in the event that the financial results of the Group deteriorate, the Group may no longer be able to comply with financial covenants (such as those mentioned above) under certain of its debt agreements. In these circumstances, the Group may be required to either obtain a waiver from its creditors, renegotiate its credit facilities, raise additional financing from its shareholders or repay or refinance borrowings in order to avoid the consequences of a default. If the Group were unable to obtain such a waiver, to renegotiate its credit facilities, to raise additional financing from its shareholders or to repay or refinance its borrowings on terms that are acceptable to it, or at all, the Group's creditors would be entitled to declare an event of default and, as a result of cross-default provisions, there would be a strong possibility that default would also arise in respect of a substantial portion of the Group's other financial indebtedness, including the Certificates. Such an event would permit the Group's creditors, including the holders of Certificates, to demand immediate payment of the outstanding borrowings under the relevant debt agreements and instruments and to terminate all commitments to extend further credit to the Group. Such an event would also affect the Group's ability to raise additional capital at an acceptable cost in order to fund its operations. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As at 31 December 2012, the Group had short-term borrowings from related parties of AED 177 million and a AED 0.9 million bank overdraft. Approximately 7 per cent. of the Group's existing long-term borrowings at 31 December 2012 fall due to be repaid within one year. To the extent that it needs to, there is no assurance that the Group will be able to refinance such maturing borrowings as they fall due on terms acceptable to it or at all.

As at 31 December 2012, the Group had AED 9,728 million in outstanding borrowings (excluding bank overdrafts). Of this amount, AED 676 million was borrowing which had the benefit of security, see "*Group Financial Review—Liquidity and Borrowings*". As unsecured creditors, the claims of Certificateholders will rank behind the claims of the Group's secured creditors to the extent of the security granted.

The Group's business may be adversely affected by changes in interest rates

Interest rates are highly sensitive to many factors beyond the Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which it operates. As at 31 December 2012, almost all of the Group's interest bearing loans and borrowings carried interest at floating rates. A hypothetical 1.0 per cent. increase in interest rates (assuming all other relevant factors remained constant) would have resulted in the Group's finance costs decreasing by AED 11 million in 2012. The Group's interest-bearing loans and borrowings are subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such instruments. Consequently, any increase in such reference rates would result in an increase in the Group's interest rate expense and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Although the Group seeks to hedge part of its interest rate risk, there can be no assurance that this hedging will be successful or will protect the Group fully against its interest rate risk. Such failure to successfully hedge against changes in interest rates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Foreign exchange movements may adversely affect the Group's profitability

The Group maintains its accounts and reports its results in dirham, the currency in which the majority of its revenue is earned. A portion of the Group's income and expenses are incurred in the currencies of other countries in the MENA region. As a result, the Group is exposed to movements in foreign exchange rates. Although there can be no assurance that foreign currency fluctuations will not adversely affect the Group's results of operations in the future, the Group's management believes that the Group is not currently subject to significant foreign exchange risk given the fact that the majority of its revenue and expenses is incurred in dirham or in currencies which, like the dirham, are pegged to the U.S. dollar at a fixed exchange rate. In relation to its other currency earnings and expenses, the Group's management believes that its foreign exchange rate risk is reduced by the fact that to a large extent its revenue in a local currency is matched by its expenses being incurred in the same currency.

As at the date of this Base Prospectus, the dirham remains pegged to the U.S. dollar. However, there can be no assurance that the UAE government will not de-peg the dirham from the U.S. dollar, or alter the fixed exchange rate between the two currencies, in the future, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group's ability to carry on and grow its businesses will depend, in part, on its ability to continue to attract, retain and motivate qualified and skilled personnel to manage its day-to-day operations. In particular, the Group depends on finance, technical and engineering staff at both middle management and senior management level. Experienced and capable personnel with these skill sets generally and in the industries in which the Group operates in particular remain in high demand, and there is significant competition in the MENA region for their talents. Consequently, when any such employees leave, the Group may have difficulty replacing them. In addition, the loss of key members of the Group's senior management team or staff with institutional knowledge may result in: (i) a loss of organisational focus; (ii) poor execution of operations and the Group's corporate strategy; and (iii) an inability to identify and execute potential strategic initiatives such as future investments and acquisitions. These adverse results could, among other things, reduce potential revenue, expose the Group to downturns in the markets in which it operates and/or otherwise adversely affect its business, financial condition, results of operations and prospects.

The Group's businesses expose it to health and safety risks

Due to the people-based nature of its business, the Group's operations are subject to health and safety risks, particularly in relation to its shopping malls and leisure and entertainment businesses. Although all of the shopping malls currently comply with applicable health and safety standards, there can be no assurance that a major health and safety hazard, such as a fire, will not occur. Given the high number of shoppers that visit the Group's shopping malls on a daily basis, such an event could have serious consequences, particularly in the event of fatalities. Similarly, although the Group's leisure and entertainment facilities and hotels also comply with currently applicable health and safety standards, there can be no assurance that the customers of these facilities will not engage in inappropriate behaviour, endangering their safety and the safety of others. Any of the foregoing incidents could expose the Group to material liability and adversely effect its reputation. All of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses

Management believes that the Group's insurance coverage for all material aspects of its operations is comparable to that of other companies operating in the sectors and markets in which the Group operates. The Group's operations may, however, be affected by a number of risks for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes, natural catastrophes and other eventualities, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair its reputation. There is no assurance that the Group's insurance coverage will be sufficient to cover the loss arising from any or all such events or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.

Should an incident occur for which the Group has no, or insufficient, insurance cover, the Group could lose all or part of the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The interests of the Group's controlling shareholder may, in certain circumstances, be different from the interests of the Certificateholders

The Group's controlling shareholder is Mr Majid Al Futtaim who beneficially owns almost all of the shares in MAF Holding. As a result, Mr Al Futtaim is in a position to control the outcome of actions requiring shareholders' approval and also has the ability to approve the election of all the members of the board of directors (the **Board**) of MAF Holding and thus influence Board decisions. The interests of Mr Al Futtaim may be different from those of the Group's creditors (including the Certificateholders).

During the ordinary course of business, Group companies may become subject to lawsuits which could materially and adversely affect the Group

From time to time, Group companies may in the ordinary course of business be named as defendant in lawsuits, claims and other legal proceedings. These actions may seek, among other things, compensation for alleged losses, civil penalties or injunctive or declaratory relief. In the event that any such action is ultimately resolved unfavourably at amounts exceeding the Group's accrued liability, or at material amounts, the outcome could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's operations are in emerging markets which are subject to greater risks than more developed markets, including significant political, social and economic risks

All of the Group's operations are conducted, and its assets are located in emerging markets. There is no assurance that any political, social, economic and market conditions affecting such countries and the MENA region generally would not have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Any unexpected changes in the political, social, economic or other conditions in the countries in which the Group operates or neighbouring countries may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Investors should also be aware that emerging 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 light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

RISKS RELATING TO MAF PROPERTIES

MAF Properties' business is capital intensive and it may not be able to raise sufficient capital to make all future investments and capital expenditures that it deems necessary or desirable

MAF Properties engages in projects which require a substantial amount of capital and other long-term expenditures, including the development of new shopping malls, hotels and mixed-use developments. The capital commitments associated with these projects generally exceed MAF Properties' cash inflows over the period of the project. In the past, these expenditures and investments have been financed through a variety of means, including internally-generated cash and external borrowings.

The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders or investors, lender and investor confidence in the Group's businesses and the markets in which they operate, the credit rating assigned to the Group by credit rating agencies, applicable provisions of tax and securities laws, and political and economic conditions in any relevant jurisdiction. The Group cannot provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all, and it may be required to secure financing with a lien over its assets and those of its subsidiaries and/or agree to contractual limitations on the operation of its businesses. The Group's failure to obtain adequate funding as required to satisfy its contractual commitments could result in defaults on existing contracts, completion delays and damage to the Group's reputation as a reliable contractual counterparty, and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

A significant proportion of MAF Properties' and the Group's assets at 31 December 2012 comprised real estate held either as property, plant and equipment or investment property. The valuation of these assets is inherently subjective, the values attributed to these assets may not accurately reflect their market value at any future date and they may be difficult to sell

The Group appoints an independent external Royal Institute of Chartered Surveyors (**RICS**) valuer to determine the fair value of its real estate assets as at 31 December in each year. However, real estate valuations are inherently subjective because they are made on the basis of assumptions that may prove to be incorrect. No assurance can be made that the valuations of the Group's real estate assets will reflect actual sale prices, even where any such sale occurs shortly after the relevant valuation date. Significant differences between valuations and actual sales prices could have a material adverse effect on the financial condition and results of operations both of MAF Properties (which is the owner of the majority of the assets) and the Group as a whole.

Given that real estate assets in general are relatively illiquid, the ability of MAF Properties to sell promptly one or more of its properties in response to changing political, economic, financial and investment conditions is limited. MAF Properties is susceptible to decreases in demand for commercial property in the MENA region, and in particular Dubai, given its exposure to the real estate market there. MAF Properties cannot predict the length of time needed to find a willing purchaser and to close the sale of a property or whether it would be able to sell a property on commercially reasonable terms, if at all. MAF Properties' inability to promptly sell its properties or on commercial terms could have a material adverse effect on MAF Properties and the Group's business, financial condition, results of operations and prospects.

The success of MAF Properties' business strategy and profitability depends upon its ability to locate and acquire or lease land suitable for development at attractive prices

MAF Properties' growth and profitability to date have been attributable, in part, to its ability to locate and acquire or lease land at attractive prices, and the success of MAF Properties' business strategy and future profitability depends upon its continued ability to do so. Many of MAF Properties' most significant competitors are owned by the government of the countries in which they operate and, therefore, they may be accorded preferential treatment when acquiring land. In the past, MAF Properties has been able to acquire land suitable for its planned shopping malls, hotels and other developments, but there can be no assurance that it will continue to be able to acquire land suitable for development in the future at attractive prices. In addition, MAF Properties faces the risk that competitors may anticipate and capitalise on certain potential investment opportunities in advance of MAF Properties doing so, which could adversely affect its business and the business, financial condition, results of operations and prospects of the Group as a whole.

The MENA region in which MAF Properties operates is characterised by a lack of real estate transparency

According to a real estate transparency survey conducted by Jones Lang LaSalle in 2012, the real estate markets in which MAF Properties operates are categorised as semi-transparent (Dubai, Bahrain, Jordan and Abu Dhabi) and low-transparent (Saudi Arabia, Egypt, Oman, Qatar, Kuwait and Pakistan). The degree of transparency of a real estate market is determined by reference to a number of factors, including comparable transactions, accessibility of information relating to counterparties and land title, reliability of market data, clarity of regulations relating to all matters of real estate conveyance and access to government agencies to verify information provided by counterparties in connection with real estate transactions. Although MAF Properties endeavours to undertake comprehensive due diligence with respect to its real estate investments in order to mitigate any risks in connection with the markets in which it operates, there can be no assurance that the factors described above will not result in its discovery at a later date of information or liabilities in association with its investments that could affect their value, expected purpose or returns on investment, which could in turn have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

MAF Properties does not have unrestricted title to all of its land parcels

As a result of issues related to the process of registration of title, MAF Properties does not have unrestricted title or interest to the land on which certain of its properties are located. In particular, the land on which two of MAF Properties’ shopping malls in the UAE (being Mall of Emirates and Deira City Centre, which were together valued at AED 12,759 million as at 31 December 2012, which represented approximately 33.6 per cent. of the Group's total assets as at 31 December 2012) are built was gifted to Mr Majid Al Futtaim by the Ruler of Dubai and title to both of MAF Properties’ shopping malls in Oman and the land on which they are built (which were together valued at AED 1,079 million as at 31 December 2012, which represented approximately 2.8 per cent. of the Group's total assets as at 31 December 2012) are also registered in the name of Mr Majid Al Futtaim in his personal capacity, the Group's major shareholder. MAF Properties has been granted use of such land and properties by Mr Majid Al Futtaim as referred to in Notes 5.4 and 6.4 to the 2012 Group Financial Statements. As a result of this status, MAF Properties cannot freely dispose of such land and properties and, should Mr Majid Al Futtaim or any person who acquires ownership of such land and properties (whether by inheritance or otherwise), for any reason ceases to permit the use by MAF Properties of such land and properties, this could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects. It should also be noted that, in these circumstances, MAF Properties may or may not have recourse to Mr Majid Al Futtaim for any losses suffered.

Further, in a limited number of cases, MAF Properties acquires title to land parcels which are subject to certain conditions as to the timeframe within which the land should be developed. If MAF Properties fails to comply with any such conditions, it may lose title to the land parcel concerned.

In Egypt, title to the land on which two of MAF Properties’ shopping malls are built is in the process of being transferred to MAF Properties, which may be a lengthy process. Registration of title to MAF Properties’ land parcels may also be subject to conditions in relation to the completion of construction thereon.

If MAF Properties loses title or is unable to acquire title to its properties, this could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects

MAF Properties has not to date experienced a situation where its title or interest has been the subject of legal proceedings leading to the loss of title or interest. However, MAF Properties is subject to the risk that it may not in the future be able to acquire or be granted unrestricted title or interest to any land and/or that it could be determined to be in violation of applicable law should it violate any restrictions applicable to any such title or interest. Any such outcome could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

MAF Properties is exposed to a range of development and construction risks

MAF Properties is subject to a number of construction, financing, operating and other risks associated with project development which have resulted, and may in the future result, in significant cost overruns and delays in the delivery of its projects. These risks include, but are not limited to:

- shortages and increases in the cost of raw materials (such as steel and other commodities common in the construction industry), energy, building equipment (including, in particular, cranes), labour or other necessary supplies;

- shortages of project managers, contractors and construction specialists, both within MAF Properties and externally, to ensure that planned developments are delivered both on time and on budget;

- an inability to obtain on a timely basis, if at all, requisite governmental licenses, permits or approvals;

- an inability to obtain necessary financing arrangements on acceptable terms or at all, and otherwise fund construction and capital improvements and provide any necessary performance guarantees;

- defaults by, or the bankruptcy or insolvency of, contractors and other counterparties;

- inadequate infrastructure, including as a result of failure by third parties to provide utilities and transportation and other links that are necessary or desirable for the successful operation of a project; and

- discovery of design or construction defects and otherwise failing to complete projects according to design specification.

The occurrence of one or more of these events may negatively affect the ability of MAF Properties' contractors to complete the development and construction of projects on schedule, if at all, or within the estimated budget, and may prevent MAF Properties from achieving projected internal rates of return for its projects, which could in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects. There can be no assurance that the revenues that MAF Properties is able to generate from its development and construction projects will be sufficient to cover the associated construction costs.

MAF Properties' rental revenues depend upon its ability to find tenants for its shopping malls and offices and the ability of such tenants to fulfil their lease obligations as well as on MAF Properties achieving an optimal tenant mix for its shopping malls. In addition, MAF Properties is exposed to tenant concentration

There can be no guarantee that MAF Properties will find or be able to retain tenants for its shopping malls and other properties on terms and conditions that are satisfactory to it. In addition, MAF Properties' tenants may be adversely affected by a range of factors which may affect their ability to perform their obligations under their leases and may therefore adversely affect the financial performance of the properties leased by MAF Properties and the cash flows generated by them. Further, certain jurisdictions in which MAF Properties operates as a landlord, including the UAE, have imposed restrictions on rental increases and these restrictions may also adversely impact MAF Properties' business.

MAF Properties seeks to ensure that it has the right mix of retail outlets in its shopping malls to cater to the consumer preferences of its local customers. In pursuit of this strategy, MAF Properties has sought in the past, and may seek in the future, to terminate lease agreements of existing tenants in order to add new tenants to its shopping malls. In addition, MAF Properties may seek to terminate the lease agreements of tenants who default under their leases. It is relatively difficult to evict tenants under the laws of the jurisdictions in which MAF Properties operates. Therefore, MAF Properties may experience delays in evicting tenants for cause or changing its tenant mix to meet strategic directives prior to the expiry of relevant lease terms, and efforts to do so could require considerable expense. Although MAF Properties' tenants have rarely defaulted their obligations under the lease agreements they have entered into with MAF Properties, should one or more tenants stop paying rent for a period of time, whether with or without cause, this could reduce MAF Properties' cash flows and could have a material adverse affect on the business, financial condition, results of operations and prospects of MAF Properties and the Group as a whole.

A significant proportion of the tenants in MAF Properties' shopping malls are members of a limited number of large retail groups. As a result, MAF Properties would be particularly adversely affected should any of these retail groups cease to carry on business with MAF Properties or at all.

MAF Properties' shopping malls depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants

Shopping malls are typically anchored by hypermarkets, department stores and other large nationally recognised tenants. Many of MAF Properties' major tenants are owned by a limited number of large retail groups. The performance of some of MAF Properties' shopping malls could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations. Concessions made to existing tenants may be made with a view to attracting other tenants. There is no assurance that any such concessions made will achieve their purpose or will not adversely affect the Group's revenue or profitability. In addition, the closure of tenants' operations may enable other tenants to negotiate a modification to the terms of their existing leases and such closures could result in decreased customer traffic which could adversely affect the performance of the shopping mall concerned and have a material adverse affect on the business, financial condition, results of operations and prospects of MAF Properties and the Group as a whole.

MAF Properties' hotels are all managed by independent third-party operators and MAF Properties is, therefore, exposed to the performance of these operators

MAF Properties has entered into hotel management agreements with Accor Sàrl (**Accor**), Kempinski Hotels S.A. (**Kempinski**) and Starwood (**Sheraton**). While MAF Properties has close relationships with the operators of its hotels and a successful track record of working with them to make property and operational improvements, MAF Properties does not have the means to compel any hotel to be operated in a particular manner or to govern any particular aspect of its operations. Therefore, even if MAF Properties believes its properties are being operated inefficiently or in a manner that does not result in satisfactory revenues or operating profits, it will generally not have rights under the management agreements to change who operates the properties or how they are operated until the expiry of the term of the agreements unless there is a breach of specific contractual provisions permitting such termination. MAF Properties can only seek redress if an operator breaches the terms of the management agreements or, in the case of the agreements with Kempinski, if the hotel does not reach certain prescribed levels of profitability for three consecutive years, and then only to the extent of the remedies provided for under the terms of that agreement. In the event that MAF Properties were to seek to replace any of its current hotel operators, it would likely experience significant disruptions at the affected properties, which could have a material adverse effect on the business, results of operations, financial condition and prospects of MAF Properties and the Group as a whole.

RISKS RELATING TO MAF RETAIL

MAF Retail's results of operations and financial performance could be materially adversely affected by a change in consumer preferences, perception and/or spending

MAF Retail accounted for 82.5 per cent. of the Group's revenue and 30.8 per cent. of the Group's EBITDA for the year ended 31 December 2012. MAF Retail's performance depends on factors which may affect the level and patterns of consumer spending in the UAE and the MENA region. Such factors include consumer preferences, confidence, incomes and perceptions of the quality of certain products. A general decline in purchases at MAF Retail's Carrefour stores could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and MAF Retail's future success will depend partly on its ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that match consumer demand. Such changes, and a failure to adapt its offering to respond to them, may result in reduced demand for the products sold at MAF Retail's Carrefour stores, a decline in the market share of its products and increased levels of selling and promotional expenses. Any changes in consumer preferences could result in lower sales of the products sold at MAF Retail's Carrefour stores or put pressure on pricing, and could materially adversely affect the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole.

MAF Retail is dependent on its relationship with Carrefour and the market perception of Carrefour

All of MAF Retail's revenue and EBITDA for the year ended 31 December 2012 was derived from the operations of its Carrefour stores. MAF Retail's joint venture with Carrefour presents risks common to joint ventures, see "*—Risks Relating to the Group—Group companies are party to a number of joint ventures and franchise arrangements which give rise to specific operational risks*". The business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole could be materially and adversely affected to the extent that MAF Retail's franchise rights and joint venture with Carrefour become compromised in any material respect.

In addition, the willingness of the public to shop at Carrefour, which is considered by many to be associated with France, is also subject to various factors outside MAF Retail's control, including the public's perception of Carrefour and, more generally, of France. Should any of these factors be perceived in a negative manner, this would have a material adverse affect on the financial condition and results of operations of MAF Retail and the Group as a whole.

The planned increase in the number of Carrefour stores may not be achieved

MAF Retail plans to open 11 Carrefour hypermarkets (two stores in each of Egypt, Jordan and Armenia and one store in each of the UAE, Oman, Saudi Arabia, Lebanon and Kazakhstan) and 27 Carrefour supermarkets in 2013.

However, there can be no assurance that it will be able to expand its store network as planned or that all of such new stores will be profitable. While the Group's management believes that MAF Retail has identified areas in the MENA region where MAF Retail could increase the number of its stores, unforeseen factors could result in potential sites not becoming available on acceptable terms. This could adversely affect the business, reputation, financial condition, results of operations and prospects of MAF Retail and the Group as a whole. Furthermore, if competitors are able to secure high-quality sites, they may be able to gain market share and may effectively restrict MAF Retail's ability to grow. In addition, MAF Retail's ability to open new stores, convert or refurbish existing stores, change the use of part of an existing store or implement any of these activities without delay may be significantly restricted by regulatory obstacles associated with obtaining the approvals, permits, consents and/or registrations necessary to construct and/or operate its stores, which could have a material adverse effect on the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole.

Interruptions in the availability of products from suppliers or any changes in the costs to MAF Retail of obtaining such products could adversely affect its business

MAF Retail's operations may be interrupted or otherwise adversely affected by delays or interruptions in the supply of its products or the termination of any product supplier arrangement where an alternative source of product supply is not readily available on substantially similar terms. Any breakdown or change in MAF Retail's relationships with product suppliers could materially adversely affect the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole. If MAF Retail is forced to change a supplier of products, there is no guarantee that this would not interrupt supply continuity or result in additional cost. Further, MAF Retail is able to secure significant rebates and other supplier benefits from its product suppliers. Should these benefits decline or become unavailable, this could have a material adverse effect on the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole.

In addition, the price of the products MAF Retail sells at its Carrefour stores may be significantly affected by the cost of the raw materials used to produce those products in the source markets of MAF Retail's suppliers. Wherever practicable, MAF Retail seeks to put in place supply contracts which ensure the supply of products for the period that they are anticipated to be offered by the Carrefour stores and in such quantities as its forecasts require. Failure to continue to source products at competitive cost from international markets or to forecast accurately the required quantities could result in MAF Retail having to buy products from other suppliers on short-term contracts which could result in additional cost. Any increases in the prices of products where prices have not been fixed under contractual supply agreements could materially adversely affect the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole.

Interruptions in or changes to the terms of MAF Retail's shipping or distribution arrangements could adversely affect its business

MAF Retail is reliant on the services of third-party distribution, shipping and haulage companies for the movement and storage of its private label goods and the entire range of products for its Carrefour supermarkets within the regions in which it operates and the jurisdictions from which it sources its products. Although it has entered into management contracts with two third-party distribution, shipping and haulage companies, any change in the terms of, interruption or failure in the services of one or more of these service providers could affect MAF Retail's ability to supply and distribute its products and consequently could materially adversely affect the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole. Such interruption or failure could potentially involve significant additional costs to MAF Retail in obtaining an alternative source of supply or distribution.

MAF Retail faces the risk of product liability claims and associated adverse publicity

The packaging, marketing, distribution and sale of food products purchased from others, as well as production of foods under Carrefour's private labels, entail an inherent risk of contamination or deterioration, which could potentially lead to product liability claims, product recalls and associated adverse publicity. Any contaminated products inadvertently distributed by MAF Retail may, in certain cases, result in illness, injury or death, or lead to product liability claims asserted against MAF Retail and/or require product recalls. There can be no assurance that such claims will not be asserted against it in the future, or that such recalls will not be necessary. The Group does not have insurance cover against product recall and there is no certainty that any product liability insurance available to the Group will be sufficient to cover all claims that may be asserted against it.

In addition, because MAF Retail's success is linked to the reputation of Carrefour, any product liability claims or product recalls that cause adverse publicity involving Carrefour stores not owned by MAF Retail may have an adverse effect on MAF Retail, regardless of whether such claim or recall involves any products sold by MAF Retail's Carrefour franchises. Further, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding any assertion that the products it sells caused illness or injury could adversely affect Carrefour's reputation with existing and potential customers, as well as the business, financial condition, results of operations and prospects of MAF Retail and the Group as a whole. See "*—Risks Relating to the Group—The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses*".

RISKS RELATING TO MAF VENTURES

MAF Ventures' wholesale finance and credit card businesses may require higher costs of funding and expose it to credit risk

MAF Ventures provides finance leasing services for moveable assets through its joint venture with Japan's Orix Corporation (**Orix**) and issues credit cards. As the Group does not have a consumer banking operation, which is considered to be one of the principal means of achieving inexpensive funding to support businesses like these, both operations are funded through inter-Group and third party loans, which may be more costly than the funding to which certain of its competitors, particularly local and regional banking groups, have access to. A decrease in MAF Ventures' access to external funding in particular, or a rise in the cost of inter-Group funding, could have an adverse effect on the results of operations and prospects of these businesses.

In addition, the target customers of its lease financing business are UAE-based small- and medium-size enterprises (**SMEs**), while those of its credit card business are principally UAE residents. The UAE lacks a centralised credit bureau, and MAF Ventures and its competitors do not share customer information. Therefore, these businesses are unable to confirm independently information provided by credit applicants regarding the extent of their credit exposure. As a result, customers may be overextended by virtue of other credit obligations about which MAF Ventures is unaware. To some extent, MAF Ventures is therefore exposed to credit risks which it may not be able to accurately assess or provide for and, in the case of expatriates, may be unable to enforce a judgment obtained against delinquent creditors who no longer live in the UAE. Such credit risks could have an adverse effect on the results of operations and prospects of MAF Ventures.

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

Risks relating to the Wakala Assets

Ownership of the Wakala Assets

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

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

In addition, if and to the extent that a third party is able to establish a direct claim against the Trustee, the Delegate or any Certificateholders on the basis of any ownership interest in the Wakala Assets of any Series, MAF Properties (failing which the Guarantor) has agreed in the relevant Trust Deed to indemnify the Trustee, the Delegate and the Certificateholders against any such liabilities. In the event that MAF Properties (failing which the Guarantor) is unable to meet any such claims then the Certificateholders may suffer losses in excess of the original face amount invested.

Transfer of the Wakala Assets

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

Nevertheless, as indicated earlier, the Certificateholders will not have any rights of enforcement as against the Trust Assets and their rights are limited to enforcement against MAF Properties (failing which the Guarantor, in accordance with the Guarantee) of its obligation to purchase the Wakala Assets pursuant to the terms of the Purchase Undertaking. Accordingly, any such restriction on the ability of MAF Properties to perfect the sale of the Wakala Assets to the Trustee is likely to be of limited consequence to the rights of the Certificateholders.

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

MAF Properties has agreed under the terms of the Purchase Undertaking to submit to the exclusive jurisdiction of the Dubai International Financial Centre Courts (the **DIFC Courts**) in respect of any dispute, claim, difference or controversy arising out of or in connection with the Purchase Undertaking, subject to the right of the Trustee (or the Delegate on behalf of the Certificateholders) to elect to bring proceedings in any other court or courts of competent jurisdiction. Dubai Law No. 16 of 2011 on Amending Some Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts (**Law No. 16 of 2011**) came into force in the Emirate of Dubai on 31 October 2011 and extended the jurisdiction of the DIFC Courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the DIFC Courts, even where such parties are unconnected to the DIFC. None of MAF Properties, the Trustee or the Delegate are connected to the Dubai International Financial Centre (the **DIFC**).

If, in respect of any Series, MAF Properties fails to purchase the relevant Wakala Assets in accordance with Clause 3.3 of the Purchase Undertaking, the Delegate (on behalf of the relevant Certificateholders) may, subject to the matters set out in Condition 15 and the terms of the Master Trust Deed, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking against MAF Properties by commencing proceedings in the DIFC Courts. The DIFC Courts should respect the choice of English law as the governing law of the Purchase Undertaking.

Investors should note that there is a risk that the DIFC Courts may rule that the DIFC Courts are not the appropriate forum to resolve any dispute relating to MAF Properties' obligation under Clause 3.3 of the Purchase Undertaking to purchase the relevant real estate-based Wakala Assets situated outside the Dubai International Financial Centre, and that any dispute relating to such assets should be resolved by the courts where those assets are located. Whether the DIFC Courts would refuse to accept jurisdiction on this basis is unclear under Dubai law and, as far as each of the Trustee, MAF Properties and the Guarantor are aware, no proceedings have yet been taken in the DIFC Courts to determine if they would take this approach.

However, any dispute relating to a failure by MAF Properties to purchase the relevant Wakala Assets is likely to arise in the context of a challenge by MAF Properties (or by any administrator, liquidator or receiver of MAF Properties) of the validity of the Purchase Undertaking on the basis that the Trustee does not hold a valid interest in the relevant real estate-based Wakala Assets purported to be purchased under Clause 3.3 of the Purchase Undertaking. This argument is likely to be based on the failure to register with the Dubai Lands Department (or any equivalent department or authority which is responsible for such registration at the applicable time) the initial sale and transfer of those Wakala Assets under the relevant Supplemental Purchase Contract. As described above, if MAF Properties (or any administrator, liquidator or receiver of MAF Properties) disputes or challenges the rights, benefits and entitlements of the Trustee to any of the Wakala Assets in this way, MAF Properties has agreed in Clause 2.2(c) of the Purchase Undertaking to indemnify the Trustee for the purpose of redemption in full (or in part, as the case may be) of the relevant Series in an amount equal to the relevant Exercise Price, and the Delegate (subject as set out above) would be able to bring proceedings in the DIFC Courts to enforce this obligation. In making a ruling with respect to MAF Properties' obligation to indemnify the Trustee, the DIFC Courts should apply English law to that obligation. In applying English law, the DIFC Courts shall have the discretion to sever MAF Properties' obligation to purchase the relevant real estate-based Wakala Assets from the remaining provisions of the Purchase Undertaking, including the indemnity provision set out in Clause 2.2(c) and treat that indemnity provision as an independent and separately enforceable obligation of MAF Properties and, therefore, are (subject to any valid defences raised by the Obligor) likely to award a judgment in favour of the Delegate (on behalf of the relevant Certificateholders) in accordance with the terms of that indemnity.

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

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

Risks Relating to the Certificates

The Certificates are limited recourse obligations

Certificates to be issued under the Programme are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the relevant Trust Assets. Recourse to the Trustee in respect of each Series is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders of the relevant Series will be against MAF Properties (failing which the Guarantor in accordance with the Guarantee) to perform their respective obligations under the Transaction Documents to which they are a party. Certificateholders will have no recourse to any assets of the Trustee, MAF Properties or the Guarantor in respect of any shortfall in the expected amounts due under the relevant Trust Assets. MAF Properties (failing which the Guarantor in accordance with the Guarantee) is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against MAF Properties (failing which the Guarantor in accordance with the Guarantee) to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to MAF Properties or the Guarantor and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of MAF Properties', the Guarantor's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the relevant Certificates. After enforcing the rights in respect of the Trust Assets of a Series (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 4.2, the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against MAF Properties and the Guarantor shall be to enforce the obligation of each of MAF Properties and the Guarantor to perform its obligations under the Transaction Documents to which it is a party.

Absence of secondary market/limited liquidity

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

The Certificates may be subject to early redemption

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

If so provided in the applicable Final Terms, a Series may be redeemed early at the option of the Trustee. Any such early redemption feature of any Certificate is likely to limit its market value. During any period when the Trustee may elect to redeem Certificates, the market value of those Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any redemption period. The Trustee may be expected to redeem Certificates when MAF Properties' cost of financing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

Risk factors relating to enforcement

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

The payments under the Certificates are dependent upon MAF Properties, failing which the Guarantor, making payments to the Trustee in the manner contemplated under the Transaction Documents. If MAF Properties or the Guarantor fails to do so, it may be necessary to bring an action against MAF Properties and the Guarantor (or either of them) to enforce their respective obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

Furthermore, to the extent that enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Under current Dubai law, the Dubai courts are unlikely to enforce an English court judgment without re-examining the merits of the claim and (save as described above under "*—Risks Relating to the Wakala Assets—Transfers of the Wakala Assets*") may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation of an English court. In principle, courts in the UAE 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 UAE, or to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in Dubai have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in Dubai. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

Each of the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Management Agreement, the Purchase Undertaking, the Sale Undertaking and the Certificates are governed by English law and the parties to such documents (other than in the case of the Purchase Undertaking) have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA in London, England.

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

There are limitations on the effectiveness of guarantees in the UAE

Under the laws of the UAE the obligation of a guarantor is incidental to the obligations of the principal debtor, and the obligations of a guarantor will only be valid to the extent of the continuing obligations of the principal debtor. The laws of the UAE do not contemplate a guarantee by way of indemnity of the obligations of the debtor by the guarantor and instead contemplate a guarantee by way of suretyship. Accordingly, it is not possible to state with any certainty whether a guarantor could be obliged by the Dubai courts to pay a greater sum than the debtor is obliged to pay or to perform an obligation that the debtor is not obligated to perform.

In order to enforce a guarantee under the laws of the UAE, the underlying obligation for which such guarantee has been granted may need to be proved before the Dubai courts. In addition, under the laws of the UAE:

(i) if the creditor fails to make a claim from a guarantor within six months of the date that the underlying guaranteed obligation became due, the guarantor may be released from its obligations under the guarantee; and

(ii) upon the insolvency of the underlying debtor, if a creditor fails to submit a claim to its estate, the creditor may not make a claim on the guarantor to the extent of any damages resulting from such failure.

Compliance with UAE bankruptcy law may affect each of MAF Properties' and the Guarantor's ability to perform its obligations under the Transaction Documents to which it is a party

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

A court may not grant an order for specific performance

In the event that either MAF Properties or the Guarantor fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include (i) obtaining an order for specific performance of MAF Properties' and/or the Guarantor's obligations, or (ii) a claim for damages.

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

Change of law

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

Islands, UAE or DIFC law or administrative practices in such jurisdiction after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of MAF Properties or the Guarantor, as the case may be, to comply with their respective obligations under the Transaction Documents to which they are a party.

Additional risk factors

Emerging markets

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in 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.

Reliance on Euroclear and Clearstream, Luxembourg procedures

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

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

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

Sharia rules

The Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, HSBC Saudi Arabia Sharia Executive Committee and the Sharia Supervisory Committee of Standard Chartered Bank have confirmed that the Transaction Documents are, in their view, Sharia compliant. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be Sharia compliant by any other Sharia board or Sharia scholars. None of the Trustee, MAF Properties, the Guarantor, the Delegate or the Dealers makes any representation as to the Sharia compliance of any Series and potential investors are reminded that, as with any Sharia views, differences in opinion are possible. Potential investors should obtain their own independent Sharia advice as to the compliance of the Transaction Documents and the issue and trading of any Series with Sharia principles.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties would be, if in dispute, either be the subject of arbitration (or, in the case of the Purchase Undertaking, court proceedings) under English law or court proceedings under the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE or England and Wales. In such circumstances, the arbitrator or judge, as the case may be, will first apply the relevant law of the Transaction Document rather than Sharia principles in determining the obligation of the parties.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Certificates. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms. The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ECMA list.

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

In relation to any issue of Certificates which have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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

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

Consents to variation of Transaction Documents and other matters

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

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

European Monetary Union may cause Certificates denominated in certain currencies to be redenominated in euro

If Certificates are issued under the Programme which are denominated in the currency of a country which, at the time of issue, has not adopted the euro as its sole currency and, before the relevant Certificates are redeemed, the euro becomes the sole currency of that country, a number of consequences may follow including, but not limited to: (i) all amounts payable in respect of the relevant Certificates may become payable in euro, (ii) applicable law may allow or require such Certificates to be redenominated 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 of Periodic Distribution Amount on such Certificates. Any of these or any other consequences could adversely affect the holders of the relevant Certificates.

Exchange rate risks and exchange controls

The Trustee will make all payments on the Certificates and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Trustee does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Certificates, (2) the Investor's Currency equivalent value of the principal payable on the Certificates and (3) the Investor's Currency equivalent market value of the Certificates.

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

Risk factors relating to taxation

Taxation risks on payments

Payments made by MAF Properties and/or the Guarantor to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to taxation. The Management Agreement requires the Managing Agent, the Purchase Undertaking requires MAF Properties and the Master Trust Deed requires the Guarantor to pay additional amounts in the event that any withholding or deduction is required by applicable law to be made in respect of payments made by it to the Trustee which are intended to fund Periodic Distribution Amounts and Dissolution Amounts. Condition 11 provides that the Trustee is required to pay additional amounts in respect of any 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, MAF Properties (failing which the Guarantor in accordance with the Master Trust Deed) has unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 11 in respect of any withholding or deduction in respect of any tax as set out in that Condition.

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 resident in that other Member State or to certain types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. Prospective investors should refer to the section *"Taxation—The proposed financial transactions tax"*.

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

U.S. Foreign Account Tax Compliance Withholding

The U.S. "Foreign Account Tax Compliance Act" (**FATCA**) imposes a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to profits issued by a participating non-U.S. financial institution. The Trustee may be classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from profit, principal or other payments made in respect of the Certificates, neither the Trustee nor any paying agent nor any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less profit or principal than expected. Prospective investors should refer to the section *"Taxation—Foreign Account Tax Compliance Act"*.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank and DFSA shall be incorporated in, and form part of, this Base Prospectus.

1. the auditors' report and audited consolidated financial statements of MAF Holding for the year ended 31 December 2011;

2. the auditors' report and the audited consolidated financial statements of MAF Holding for the year ended 31 December 2012; and

3. the auditors' report and the audited consolidated financial statements of MAF Properties for the year ended 31 December 2011;

4. the auditors' report and the audited consolidated financial statements of MAF Properties for the year ended 31 December 2012; and

5. the Terms and Conditions of the Certificates contained on pages 61-88 (inclusive) in the Base Prospectus dated 6 January 2012 prepared by the Trustee in connection with the Programme (the **2012 Terms and Conditions**).

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the specified offices of the Principal Paying Agent for the time being in London and from the Irish Stock Exchange's website at *http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word*.

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

The parts of the above mentioned documents which are not incorporated by reference into this Base Prospectus are either not relevant for investors or covered elsewhere in this Base Prospectus.

Those parts of each of the Group's audited consolidated financial statements for the years ended 31 December 2012 and 31 December 2011, MAF Properties' audited financial statements for the years ended 31 December 2012 and 31 December 2011 and the 2012 Terms and Conditions which are not specifically incorporated by reference in this Base Prospectus are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

If at any time the Trustee shall be required to prepare a supplement to the Base Prospectus in accordance with Article 16(1) of the Prospectus Directive, the Trustee will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Certificates to be listed on the Irish Official List and admitted to trading on the Irish Stock Exchange, shall constitute a supplemental base prospectus in accordance with Article 16(1) of the Prospectus Directive. Statements contained in any such supplement (or any statement contained in a document, all or a portion of which is deemed to be incorporated by reference herein), shall be deemed to be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

This Base Prospectus should be read and construed with any amendment or supplement hereto and with any other document incorporated by reference herein.

FORM OF THE CERTIFICATES

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

Each Series 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 Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and will be registered in the name of a nominee for the common depositary. Persons holding ownership interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

Payments of any amount in respect of each Global Certificate will, in the absence of any provision to the contrary, be made to the person shown on the relevant Register (as defined in Condition 1.2) as the registered holder of the relevant Global Certificate. None of the Trustee, the Delegate, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Certificates in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date (any as defined in Condition 8.1) immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 if an Exchange Event occurs. For these purposes, **Exchange Event** means that (i) a Dissolution Event (as defined in Condition 14) has occurred and is continuing, or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of 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 satisfactory to the Trustee is available. In the event of the occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Trustee will, at the cost of the Trustee (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar within 15 days following the request for exchange for completion and dispatch to the relevant Certificateholders. A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Trustee and the Registrar may require to complete, execute and deliver such Definitive Certificates.

General

For so long as any of the Certificates 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.

FORM OF FINAL TERMS

[•]

MAF Sukuk Ltd.

Issue of [•] [•]
under the
U.S.$1,000,000,000
Trust Certificate Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 July 2013 [and the base prospectus supplement dated [●]] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (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 Base Prospectus[as so supplemented]. Full information on the Trustee, Majid Al Futtaim Properties LLC and Majid Al Futtaim Holding LLC and the offer of the Certificates is only available on the basis of a combination of these Final Terms and the Base Prospectus[as so supplemented]. The Base Prospectus [and the base prospectus supplement] [is/are] available for viewing on the Irish Stock Exchange's website at *http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word* and during normal business hours at the registered office of the Trustee at P.O. Box 1093, Queensgate House, George Town, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the registered office of the Principal Paying Agent at One Canada Square, 40th Floor, London E14 5AL, United Kingdom.

[Terms used herein shall be deemed to be defined as such for the purposes of, and shall be read in conjunction with, the Conditions (the **Conditions**) contained in the Agency Agreement dated [•] and set forth in the Base Prospectus dated 6 January 2012 which are incorporated by reference into the Base Prospectus dated 17 July 2013. This document [constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended (the **Prospectus Directive**) and] must be read in conjunction with the Base Prospectus dated 17 July 2013 [and the base prospectus supplement dated[•]] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions]. Full information on the Trustee, MAF Properties, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms [and] the Base Prospectus dated 17 July 2013[, and the base prospectus supplement dated [•]]. Copies of such Base Prospectuses are available for viewing on the Irish Stock Exchange's website at *http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word* and during normal business hours at the registered office of the Trustee at c/o Maples FS Limited, PO Box 1093, Queensgate House, George Town, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the registered office of the Principal Paying Agent at The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom.][1]

1.	Issuer and Trustee:		MAF Sukuk Ltd.
2.	(a)	Managing Agent:	Majid Al Futtaim Properties LLC (**MAF Properties**)
	(b)	Guarantor:	Majid Al Futtaim Holding LLC
3.	Series Number:		[●]
4.	Specified Currency:		[●]

[1] All references to the Prospectus Directive should be removed if an issuance is not Prospectus Directive compliant.

5.	Aggregate Face Amount of Series		[●]
6.	Issue Price:		[●] per cent. of the Aggregate Face Amount
7.	(a)	Specified Denominations: (*this means the minimum integral face amount in which transfers can be made)*	[●]
	(b)	Calculation Amount:	[●]
8.	(a)	Issue Date:	[●]
	(b)	Return Accrual Commencement Date:	[●] [Issue Date]
9.	Scheduled Dissolution Date:		[●]
10.	Periodic Distribution Amount Basis:		[[●] per cent. Fixed Periodic Distribution Amount] [[●] +/- [●] per cent. Floating Periodic Distribution Amount] (*further particulars specified below*)
11.	Dissolution Basis:		Dissolution at par
12.	Change of Periodic Distribution Basis:		[●] [Not Applicable]
13.	Put/Call Options:		[Not Applicable] [Certificateholder Put Option] [Change of Control Put Option] [Optional Dissolution (Call)] [(*further particulars specified below*)]
14.	Date of Trustee Board approval for issuance of Trust Certificates obtained:		[•]

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

15.	Fixed Periodic Distribution Provisions:		[Applicable/Not Applicable]
	(a)	Rate[s]:	[●] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[monthly]/[in arrear]
	(b)	Periodic Distribution Date(s):	[[●] in each year up to and including the Scheduled Dissolution Date] / [●]
	(c)	Fixed Amount(s):	[●] per Calculation Amount
	(d)	Broken Amount(s):	[●] per Calculation Amount
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[●] in each year

16.	Floating Periodic Distribution Provisions:	[Applicable/Not Applicable]
	(a) Specified Periodic Distribution Dates:	[●] [Not Applicable]
	(b) Specified Period:	[●] [Not Applicable]
	(c) Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / [●]]
	(d) Additional Business Centre(s):	[Not Applicable]/[●]
	(e) Manner in which the Rate(s) is/are to be determined:	[Screen Rate Determination (Condition 7.3) applies]/ [●]
	(f) Screen Rate Determination:	[Applicable/Not Applicable]
	(i) Reference Rate:	[●], calculated in accordance with Condition 7.3
	(ii) Periodic Distribution Determination Date:	[●]
	(iii) Relevant Screen Page:	[●]
	(iv) Relevant Time:	[●]
	(g) Margin:	[●]
	(h) Day Count Fraction:	[●]
	(i) Calculation Agent:	[●]
17.	Optional Dissolution (Call):	[Applicable/Not Applicable]
	(a) Optional Dissolution Amount (Call):	[[●] per Calculation Amount]
	(b) Optional Dissolution Date:	[Any Periodic Distribution Date] [●]
	(c) Notice period (*if other than as set out in the Conditions*):	[●]
18.	Certificateholder Put Option:	[Applicable/Not Applicable]
	(a) Optional Dissolution Amount (Certificateholder Put):	[[●] per Calculation Amount]
	(b) Certificateholder Put Option Date(s):	[●]
	(c) Notice period (*if other than as set out in the Conditions*):	[●]
19.	Change of Control Put Option:	[Applicable/Not Applicable]

	(a)	Change of Control Dissolution Amount:	[[●] per Calculation Amount]
20.	Final Dissolution Amount:		[[●] per Calculation Amount]
21.	Early Dissolution Amount (Tax):		[[●] per Calculation Amount]
22.	Dissolution Amount pursuant to Condition 14:		[●] per Calculation Amount] [●]

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

23.	Additional Financial Centre(s):		[●]
24.	Financial covenants:		
	(a)	Total Net Indebtedness to Total Equity Ratio:	[Does not exceed 1:1, as set out in clause 4.14(b) of the Master Trust Deed]/[Not Applicable]
	(b)	EBITDA to Net Finance Costs Ratio:	[Not less than 1.5:1, as set out in clause 4.14(b) of the Master Trust Deed]/[Not Applicable]
	(c)	Secured Assets to Total Assets Percentage:	[Not to exceed an amount equal to 49 per cent. of the Total Assets of the Group, as set out in clause 4.14(b) of the Master Trust Deed]/[Not Applicable]
25.	Stabilising Manager:		[●]

PROVISIONS IN RESPECT OF THE TRUST ASSETS

26.	Wakala Assets on the Issue Date:		The Initial Wakala Portfolio as scheduled to the Supplemental Purchase Contract specified below.
27.	Trust Assets:		[Condition 4.1 applies] [●]
28.	Details of Transaction Account:		MAF Sukuk Ltd. Transaction Account No: [●] with [●] for Series No.: [●]
29.	Other Transaction Document Information:		
	(a)	Supplemental Trust Deed:	Supplemental Trust Deed dated [●] between MAF Sukuk Ltd., MAF Properties, the Guarantor and the Delegate
	(b)	Supplemental Purchase Contract:	Supplemental Purchase Contract dated [●] between MAF Sukuk Ltd. (as Purchaser) and MAF Properties (as Seller)
	(c)	[Supplemental Lease Contract:	Supplemental Lease Contract dated [●] between MAF Sukuk Ltd. (as Lessor) and MAF Properties (as Lessee)]

Signed on behalf of

MAF SUKUK LTD.

By: ....

Duly authorised

By: ....

Duly authorised

Signed on behalf of

MAJID AL FUTTAIM HOLDING LLC:

By: ....

Duly authorised

By: ....

Duly authorised

Signed on behalf of

MAJID AL FUTTAIM PROPERTIES LLC:

By: ....

Duly authorised

By: ....

Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and admission to trading:	[Application [has been/is expected to be] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [*specify relevant market (for example, the Irish Stock Exchange's regulated market or NASDAQ Dubai and, if relevant, admission to an official list (for example, the Official List of the Irish Stock Exchange or the Official List maintained by the Dubai Financial Services Authority)*] with effect from [•].][2] [Not Applicable]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

Ratings:

[S&P: [●]]
[Fitch: [●]]
[Other: [●]]

[The Certificates to be issued [[have been]/[are expected to be]] rated [•] by [•].]

[[•] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[•] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended).]

[[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended). The ratings [[have been]/[are expected to be]] endorsed by [•] in accordance with Regulation (EC) No. 1060/2009 (as amended). [•] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended), but it is certified in accordance with such Regulation.]

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

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee, MAF Properties and the Guarantor is aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Manager/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with,

[2] Note that NASDAQ Dubai is a non-regulated market for the purposes of the Prospectus Directive.

and may perform other services for, the Trustee, MAF Properties or the Guarantor or their affiliates in the ordinary course of business for which they may receive fees.]

4. [PROFIT OR RETURN (*Fixed Periodic Distribution Certificates only*)

Indication of profit or return: [●]]

5. OPERATIONAL INFORMATION

(i)	ISIN Code:	[●]
(ii)	Common Code:	[●]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable]/[●]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[●]

TERMS AND CONDITIONS OF THE CERTIFICATES

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

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 Series.

MAF Sukuk Ltd. (in its capacities as issuer and trustee, the **Trustee**) has established a programme (the **Programme**) for the issuance of up to U.S.$1,000,000,000 in aggregate face amount of trust certificates. In these Terms and Conditions (the **Conditions**), references to **Certificates** shall be references to the trust certificates which are the subject of the **applicable Final Terms** and references to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Certificate.

Certificates issued under the Programme are issued in series (each a **Series**). The applicable Final Terms complete these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Certificate.

Each of the Certificates will represent an undivided ownership interest in the Trust Assets (as defined in Condition 4.1) which are held by the Trustee on trust (the **Trust**) for, *inter alia*, the benefit of the registered holders of the Certificates pursuant to (i) an amended and restated Master Trust Deed (the **Master Trust Deed**) dated 17 July 2013 and made between the Trustee, Majid Al Futtaim Properties LLC (**MAF Properties**), Majid Al Futtaim Holding LLC (the **Guarantor**) and BNY Mellon Corporate Trustee Services Limited (the **Delegate** which expression shall include any co-Delegate or any successor) and (ii) a supplemental trust deed (the **Supplemental Trust Deed** and, together with the Master Trust Deed, the **Trust Deed**) having the details set out in the applicable Final Terms.

Payments relating to the Certificates will be made pursuant to an amended and restated agency agreement dated 17 July 2013 (the **Agency Agreement**) made between the Trustee, the Delegate, MAF Properties, the Guarantor, The Bank of New York Mellon, London Branch in its capacities as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression shall include any successor and, together with any further or other paying agents appointed from time to time in accordance with the Agency Agreement, the **Paying Agents**, which expression shall include any successors) and calculation agent (in such capacity, the **Calculation Agent**, which expression shall include any successor) and The Bank of New York Mellon (Luxembourg) S.A. in its capacities as a registrar (in such capacity, the **Registrar**, which expression shall include any successor) and as transfer agent (in such capacity and together with the Registrar, the **Transfer Agents**, which expression shall include any successors). The Paying Agents, the Calculation Agent and the Transfer Agents are together referred to in these Conditions as the **Agents**.

Words and expressions defined in the Trust Deed 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 inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions:

(a) any reference to face amount shall be deemed to include the relevant Dissolution Amount (as defined in Condition 8.1), any additional amounts (other than relating to Periodic Distribution Amounts (as defined in Condition 6.2)) which may be payable under Condition 11, and any other amount in the nature of face amounts payable pursuant to these Conditions;

(b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 11 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;

(c) references to Certificates being "outstanding" shall be construed in accordance with the Master Trust Deed; and

(d) any reference to a Transaction Document (as defined below) shall be construed as a reference to that Transaction Document as amended and/or supplemented from time to time.

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

(a) an amended and restated master purchase agreement between MAF Sukuk Ltd. (in its capacity as Trustee and in its capacity as purchaser, the **Purchaser**) and MAF Properties (in its capacity as seller, the **Seller**) dated 17 July 2013 (the **Master Purchase Agreement**);

(b) the supplemental purchase contract (the **Supplemental Purchase Contract** and, together with the Master Purchase Agreement, the **Purchase Agreement**) having the details set out in the applicable Final Terms;

(c) an amended and restated master lease agreement between MAF Sukuk Ltd. (in its capacity as Trustee and in its capacity as lessor, the **Lessor**) and MAF Properties (in its capacity as lessee, the Lessee) dated 17 July 2013 (the **Master Lease Agreement**); provided, however, that a Supplemental Lease Contract (as defined below) has been entered into at any time in respect of the Certificates;

(d) any supplemental lease contract (the **Supplemental Lease Contract**) relating to the Certificates between the Lessor and the Lessee, which, if executed on the Issue Date, will have the details set out in the applicable Final Terms;

(e) the amended and restated management agreement between the Trustee and MAF Properties (in its capacity as managing agent, the **Managing Agent**) dated 17 July 2013 (the **Management Agreement**);

(f) the amended and restated purchase undertaking made by MAF Properties for the benefit of the Trustee and the Delegate dated 17 July 2013 (the **Purchase Undertaking**);

(g) the amended and restated sale undertaking made by the Trustee for the benefit of MAF Properties dated 17 July 2013 (the **Sale Undertaking**);

(h) the Trust Deed;

(i) the Agency Agreement; and

(j) the applicable Final Terms.

The documents listed above are referred to in these Conditions as the **Transaction Documents**. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed 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 MAF Sukuk Ltd., on behalf of the Certificateholders, (i) to apply the sums paid by it in respect of its Certificates to the Purchaser in accordance with the Purchase Agreement and (ii) to enter into each Transaction Document to which it is a party, subject to the provisions of the Trust Deed and these Conditions.

1 FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Certificates are issued in registered form in the Specified Denominations and, in the case of Certificates in definitive form, are serially numbered.

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

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

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

1.2 Register

The Registrar will maintain a register (the **Register**) of Certificateholders in respect of the Certificates in accordance with the provisions of the Agency Agreement. In the case of Certificates in definitive form, a definitive Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates.

1.3 Title

The Trustee, the Delegate, MAF Properties, the Guarantor and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Certificate is for the time being registered (as set out in the Register) as the holder of such Certificate or of a particular face amount of the Certificates for all purposes (whether or not such Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Delegate, MAF Properties, the Guarantor and the Agents shall not be affected by any notice to the contrary.

All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for moneys payable in respect of such Certificate or face amount.

2 TRANSFERS OF CERTIFICATES

2.1 Transfers of interests in the Global Certificate

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

2.2 Transfers of Certificates in definitive form

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Certificate in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer (a) the holder or holders must (i) surrender the definitive Certificate for registration of the transfer thereof (or the relevant part thereof) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such regulations as MAF Sukuk Ltd., MAF Properties, the Guarantor, the Delegate and the Registrar may from time to time prescribe (the initial such regulations being scheduled to the Master Trust Deed).

Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request a new Certificate in definitive form of a like aggregate face amount to the Certificate (or the relevant part of the Certificate) transferred. In the case of the transfer of part only of a Certificate in definitive form, a new Certificate in definitive form in respect of the balance of the Certificate not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

No Certificateholder may require the transfer of a Certificate in definitive form to be registered during the period of 15 days ending on a Periodic Distribution Date, the Scheduled Dissolution Date, a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Certificate falls due.

2.3 Costs of registration

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Trustee may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3 STATUS; GUARANTEE AND LIMITED RECOURSE

3.1 Status

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

3.2 Guarantee

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed in favour of the Trustee (the Guarantee) the due and punctual payment of the Guaranteed Amounts. The proceeds received by or on behalf of the Trustee following a valid claim under the Guarantee shall be paid into the Transaction Account (as defined in Condition 4.1) for distribution to the Certificateholders in accordance with these Conditions. For this purpose, the **Guaranteed Amounts** means the amounts guaranteed by the Guarantor, being, in respect of each Series, (i) the Wakala Portfolio Income Revenues (as defined in the Management Agreement) to be paid into the relevant Transaction Account by the Managing Agent in accordance with the terms of the Management Agreement; (ii) any Total Loss Shortfall Amount; (iii) any Wakala Portfolio Principal Revenues (as defined in the Management Agreement) payable by the Managing Agent to the Trustee under Clause 6.5 of the Management Agreement; (iv) any Exercise Price payable under the Purchase Undertaking and the Sale Undertaking and (v) any amount payable by MAF Properties under Clause 2.2(c) and Clause 4 of the Purchase Undertaking.

3.3 Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of any of the Trustee, MAF Properties, the Guarantor, the Delegate, the Agents, the Trustee Administrator 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 (including, in particular, other assets comprised in other trusts, if any), MAF Properties (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party) or the Guarantor (to the extent that it fulfils all of its obligations under the Guarantee), or the Delegate, or the Agents, or the Trustee Administrator, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

MAF Properties is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate will have direct recourse against MAF Properties (failing which, against the Guarantor under the Guarantee) to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 14, no holder of Certificates will have any claim against MAF Sukuk Ltd., MAF Properties (to the extent that it fulfils all of its obligations under the Transaction Documents) or the Guarantor (to the extent that it fulfils all of its obligations under the Guarantee), or the Delegate, or the Agents, or the Trustee Administrator, or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of MAF Sukuk Ltd., MAF Properties (to the extent that it fulfils all of its obligations under the Transaction Documents), the Guarantor (to the extent that it fulfils all of its obligations under the Guarantee), the Delegate, the Agents, the Trustee Administrator or any of their respective affiliates as a consequence of such shortfall or otherwise.

3.4 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:

(a) no payment of any amount whatsoever shall be made by or on behalf of MAF Sukuk Ltd. except to the extent funds are available therefor from the Trust Assets and further agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document to which it is a party, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon any Transaction Document, against MAF Sukuk Ltd. to the extent the Trust Assets have been exhausted following which all obligations of MAF Sukuk Ltd. shall be extinguished;

(b) prior to the date which is one year and one day after the date on which all amounts owing by MAF Sukuk Ltd. under the Transaction Documents have been paid in full, it will not institute against, or join with any other person in instituting against, MAF Sukuk Ltd. any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and

(c) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of MAF Sukuk Ltd. arising under or in connection with these Conditions by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director or corporate administrator of MAF Sukuk Ltd. in their capacity as such and any and all personal liability of every such shareholder, officer, director or corporate administrator in their capacity as such for any breaches by MAF Sukuk Ltd. of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law.

4 THE TRUST

4.1 The Trust Assets

Pursuant to the Purchase Agreement, the Seller will sell a portfolio (the **Wakala Portfolio**) of certain assets (the **Wakala Assets**) specified in the Supplemental Purchase Contract to the Trustee and the Trustee will purchase the Wakala Portfolio using the proceeds of the issue of the Certificates. If any Wakala Asset is a Self-Use Asset (as defined in the Master Purchase Agreement), the Trustee (acting in its capacity as Lessor) will lease such assets to MAF Properties (acting in its capacity as Lessee) pursuant to a Supplemental Lease Contract and, in respect of any Self-Use Asset that enters the Wakala Portfolio after the date of the Supplemental Lease Contract, an addendum to the Supplemental Lease Contract. The Trustee has also entered into the Management Agreement with the Managing Agent as managing agent of the Wakala Portfolio.

MAF Properties has entered into the Purchase Undertaking in favour of the Trustee and the Delegate to purchase all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio on the Scheduled Dissolution Date or, if earlier, on the due date for dissolution in accordance with Condition 14 at the Dissolution Amount specified in the applicable Final Terms. If Change of Control Put Option and/or Certificateholder Put Option is specified in the applicable Final Terms as being applicable, the Purchase Undertaking may also be exercised ahead of a Change of Control Put Option Date (as defined in Condition 10.4(d)) and/or a Certificateholder Put Option Date (as specified in the applicable Final Terms) to fund the relevant Certificates being redeemed under Condition 10.4 through the purchase by MAF Properties of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate value no greater than the aggregate face amount of such Certificates being redeemed.

Pursuant to the Sale Undertaking, subject to the Trustee being entitled to redeem the Certificates early pursuant to Condition 10.2, MAF Properties may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the Tax Dissolution Date (as defined in Condition 10.2), oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio on the Tax Dissolution Date at the Early Dissolution Amount (Tax). If Optional Dissolution (Call) is specified in the applicable Final Terms as being applicable, MAF Properties may, by exercising its option under the Sale Undertaking and serving notice on the Trustee no later than 60 days prior to the

Optional Dissolution Date, oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio on the Optional Dissolution Date. If, following a Change of Control Event (as defined in Condition 10.4(d), 75 per cent. or more of the Certificateholders exercise their option to require the Trustee to redeem their Certificates (where Change of Control Put Option is specified in the applicable Final Terms as being applicable), MAF Properties may, by exercising its option under the Sale Undertaking, oblige the Trustee to sell all of its rights, title, interest, benefits and entitlements in, to and under the Wakala Portfolio on the date specified for that purpose (which must be within 30 days of the Change of Control Put Option Date) at the Change of Control Dissolution Amount.

Following any purchase of Certificates by or on behalf of MAF Properties, the Guarantor or any of their respective Subsidiaries (as defined in Condition 13) pursuant to Condition 13, the Sale

Undertaking may also be exercised in respect of the purchase by MAF Properties of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate Value no greater than to the aggregate face amount of the Certificates so purchased against cancellation of such Certificates by the Principal Paying Agent.

Pursuant to the Trust Deed, the Trustee holds the Trust Assets upon trust absolutely for the holders of the Certificates pro rata according to the face amount of Certificates held by each holder. Unless otherwise specified in the applicable Final Terms, the term **Trust Assets** means:

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

(b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than (i) in relation to any representations given to the Trustee by MAF Properties or the Guarantor pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to Clause 14.1 of the Master Trust Deed); and

(c) all monies standing to the credit of the Transaction Account specified in the applicable Final Terms (the **Transaction Account**) from time to time,

and all proceeds of the foregoing.

4.2 Application of Proceeds from the Trust Assets

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

(a) *first*, to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;

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

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

(d) *fourth*, only if such payment is made on the Scheduled Dissolution Date or a Dissolution Date, to the Managing Agent to retain as an Incentive Payment in accordance with the Management Agreement.

5 COVENANTS

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

(a) incur any indebtedness in respect of borrowed money whatsoever (whether structured in accordance with the principles of the Sharia or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(b) grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);

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

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

(e) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws;

(f) act as trustee in respect of any trust other than a trust corresponding to any other Series issued under the Programme;

(g) have any subsidiaries or employees;

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

(i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; and

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

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

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

    (iii) such other matters which are incidental thereto.

6 FIXED PERIODIC DISTRIBUTION PROVISIONS

6.1 Application

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

6.2 Periodic Distribution Amount

Subject to Condition 4.2 and Condition 8, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

In these Conditions:

Periodic Distribution Amount means, in relation to a Certificate and a Return Accumulation Period, the amount of profit distribution payable in respect of that Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with this Condition 6 or Condition 7; and

Return Accumulation Period means the period from (and including) a Periodic Distribution Date (or the Return Accrual Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date.

6.3 Determination of Periodic Distribution Amount

The Periodic Distribution Amount payable in respect of each Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount or, if so specified in the applicable Final Terms, the Broken Amount so specified.

Except in the case of Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate shall be calculated by applying the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms (the **Rate**) applicable to the relevant Return Accumulation Period to:

(a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or

(b) in the case of Certificates in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the amount of profit distribution payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of Periodic Distribution Amount in accordance with this Condition:

(a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:

(i) 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 Return Accrual Commencement 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

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

(A) 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

(B) 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

(b) 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 Return Accrual Commencement 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 Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accrual Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such 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.

6.4 Cessation of Profit Entitlement

No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless default is made in the payment of the relevant Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition.

7 FLOATING PERIODIC DISTRIBUTION PROVISIONS

7.1 Application

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

7.2 Periodic Distribution Amount

Subject to Condition 4.2 and 8, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account, a distribution in relation to the Certificates on either:

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

(b) 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 Return Accrual Commencement Date.

In relation to each Periodic Distribution Date, the distribution payable will be equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

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:

(A) in any case where Specified Periods are specified in accordance with Condition 7.2(b) 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 the Specified Period after the preceding applicable Periodic Distribution Date occurred; or

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

(C) 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

(D) 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:

(a) 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

(b) 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 TARGET Settlement Day; and

TARGET Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

7.3 Screen Rate Determination

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms (the **Rate**) is 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:

(a) 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;

(b) 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;

(c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) 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:

   (i) 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 or Eurozone interbank market, as the case may be, in an amount that is representative for a single transaction in that market at that time; and

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

(d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the principal financial centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the principal financial centre 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 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 a preceding Return Accumulation Period.

In this Condition the following expressions have the following meanings:

Reference Banks means the principal London office of each of four major banks engaged in the London or Eurozone inter-bank market selected by or on behalf of the Trustee, provided that once a Reference Bank has first been selected by or on behalf of the Trustee, such Reference Bank shall not be changed unless it ceases to be capable of acting as such;

Relevant Screen Page means the page, section or other part of a particular information service specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

7.4 Cessation of Profit Entitlement

No further amounts will be payable on any Certificate from and including the Scheduled Dissolution Date or, as the case may be, the relevant Dissolution Date, unless default is made in the payment of the relevant Dissolution Amount, as a result of the failure of MAF Properties to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition provided that no such amounts will continue to accrue in the case of a Total Loss Event (as defined in Condition 10.5).

7.5 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:

(a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or

(b) in the case of Certificates in definitive form, the Calculation Amount;

and, in each case, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition:

(a) if "Actual/Actual (ISDA)" or "Actual/Actual" 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 nonleap year divided by 365);

(b) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;

(c) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;

(d) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;

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

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

where:

"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 of 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 of the Return Accumulation Period falls;

"D1" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 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;

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

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

where:

"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 of 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 of 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;

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

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

where:

"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 of 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 of the Return Accumulation Period falls;

"D1" is the first calendar day, 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.

7.6 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 Trustee, MAF Properties, the Guarantor, the Delegate, 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 fourth day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Certificateholders. The Calculation Agent will be required 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 and any such recalculation will be notified to the Trustee, MAF Properties, the Guarantor, the Delegate, the Paying Agents, the Certificateholders 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.

7.7 Notifications, etc. to be final

All communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 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, MAF Properties, the Guarantor, the Agents and all Certificateholders and (in the absence of wilful default or bad faith) no liability 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.

7.8 Determination by the Delegate

The Delegate may, if the Calculation Agent defaults at any time in its obligation to determine any Rate, Periodic Distribution Amount and/or Periodic Distribution Date in accordance with the above provisions, determine the relevant Rate, Periodic Distribution Amount and/or Periodic Distribution Date, the former at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the Periodic Distribution Amount and the Periodic Distribution Date in the manner provided in this Condition and the determinations shall be deemed to be determinations by the Calculation Agent.

8 PAYMENT

8.1 Payments in respect of the Certificates

Subject to Condition 8.2, payment of any Dissolution Amount and any Periodic Distribution Amount will be made by transfer 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 any Dissolution Amount will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Each Dissolution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition:

(a) **Dissolution Amount** means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Certificateholder Put), the Change of Control Dissolution Amount, the Dissolution Amount for the purposes of Condition 14 or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms (including any amount payable following a Total Loss Event);

(b) **Payment Business Day** means:

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

(ii) 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;

(c) a Certificateholder's **registered account** means the account maintained by or on behalf of such Certificateholder 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;

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

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

8.2 Payments subject to Applicable Laws

Payments in respect of Certificates are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 11; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

8.3 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 on the due date for payment or, in the case of a payment of any Dissolution Amount, if later, on the Payment Business Day on which the relevant definitive Certificate is surrendered at the specified office of a Paying Agent for value as soon as practicable thereafter.

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

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

9 AGENTS

9.1 Agents of Trustee

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

9.2 Specified Offices

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

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

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

(c) if a Calculation Agent (other than the Principal Paying Agent) has been specified in the applicable Final Terms, there will at all times be a Calculation Agent;

(d) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system; and

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

Notice of any termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 17.

10 CAPITAL DISTRIBUTIONS OF THE TRUST

10.1 Scheduled Dissolution

Unless the Certificates are previously redeemed, or purchased and cancelled, in full, the Trustee will redeem each Certificate on the Scheduled Dissolution Date at the Final Dissolution Amount together with any Periodic Distribution Amounts payable. Upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.2 Early Dissolution for Tax Reasons

The Certificates may be redeemed by the Trustee in whole, but not in part:

(a) at any time (if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable); or

(b) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable),

(such date, the **Tax Dissolution Date**) on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (which notice shall be irrevocable), at the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amount, if a Tax Event occurs where **Tax Event** means:

(a) the determination by MAF Properties that (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 11 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 11) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) the receipt by the Trustee of notice from MAF Properties that (1) MAF Properties has or will become obliged to pay additional amounts pursuant to the terms of the Management 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 Issue Date and (2) such obligation cannot be avoided by MAF Properties taking reasonable measures available to it,

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

Prior to the publication of any notice of redemption pursuant to this paragraph, the Trustee shall deliver to the Delegate (i) a certificate signed by one director of the Trustee (in the case of (a) above) or two Authorised Signatories of MAF Properties (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or MAF Properties, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Certificateholders. Upon the expiry of any such notice as is referred to in this Condition 10.2, the Trustee shall be bound to redeem the Certificates at the Early Dissolution Amount (Tax) together with any accrued but unpaid Periodic Distribution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee and the Trustee shall have no further obligations in respect thereof.

10.3 Dissolution at the Option of the Trustee

If Optional Dissolution (Call) is specified in the applicable Final Terms as being applicable, the Certificates may be redeemed in whole but not in part on any Optional Dissolution Date, which must be a Periodic Distribution Date if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms, at the relevant Optional Dissolution Amount (Call) together with any accrued but unpaid Periodic Distribution Amounts on the Trustee giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on the relevant Optional Dissolution Date). Upon such redemption, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof; provided, however, that no such notice of redemption shall be given unless the Trustee has received an exercise notice from MAF Properties under the Sale Undertaking.

10.4 Dissolution at the option of the Certificateholders

(a) If Certificateholder Put Option is specified in the applicable Final Terms as being applicable, upon the holder of any Certificate giving to the Trustee in accordance with Condition 17 not less than 15 nor more than 30 days' notice the Trustee will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Certificate on the Certificateholder Put Option Date and at the Optional Dissolution Amount (Certificateholder Put) together with any accrued but unpaid Periodic Distribution Amounts. Certificates may be redeemed under this Condition 10.4(a) in any multiple of their lowest Specified Denomination. It may be that before a Certificateholder Put Option can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

(b) If Change of Control Put Option is specified in the applicable Final Terms as being applicable and if a Change of Control Event occurs, the Trustee will, upon the holder of any Certificate giving notice within the Change of Control Put Period to the Trustee in accordance with Condition 17 (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Trustee has given notice of redemption under Condition 10.2 or Condition 10.3), redeem such Certificate on the Change of Control Put Option Date at the Change of Control Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts.

Promptly upon the Trustee or the Guarantor becoming aware that a Change of Control Event has occurred, the Trustee shall give notice (a Change of Control Notice) to the Certificateholders in accordance with Condition 17 to that effect. The Guarantor has undertaken in the Master Trust Deed promptly to inform the Trustee upon becoming aware of the occurrence of a Change of Control Event.

If 75 per cent. or more in face amount of the Certificates then outstanding have been redeemed pursuant to this Condition 10.4(b), the Trustee may, on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 17 (such notice to be given within 30 days of the Change of Control Put Option Date), redeem (the **Change of Control Trustee Call Option**) all but not some only of the remaining outstanding Certificates at their Change of Control Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts and, upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof; provided, however, that no such notice of redemption shall be given unless the Trustee has received an exercise notice from MAF Properties under the Sale Undertaking.

(c) To exercise the right to require redemption of this Certificate the holder of this Certificate must, if this Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar (a Put Notice) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 10.4 and the face amount thereof to be redeemed and, if less than the full amount of the Certificates so surrendered is to be redeemed, an address to which a new Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the provisions of Condition 2.2.

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

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificate pursuant to this Condition 10.4 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates to be redeemed pursuant to Condition 14, in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 10.4.

(d) For the purpose of these Conditions:

Change of Control Dissolution Amount shall mean, in relation to each Certificate to be redeemed pursuant to Condition 10.4(b), an amount equal to the face amount of such Certificate or such other amount as may be specified in the applicable Final Terms;

a **Change of Control Event** shall occur each time Majid Al Futtaim Capital LLC ceases to be the ultimate owner (either directly or indirectly) of more than 50 per cent. of the share capital of the Guarantor;

Change of Control Put Option Date shall be the tenth day after the expiry of the Change of Control Put Period provided that, if such day is not a day on which banks are open for general business in both London and the principal financial centre of the Specified Currency, the Change of Control Put Option Date shall be the next following day on which banks are open for general business in both London and the principal financial centre of the Specified Currency; and

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

10.5 Dissolution following a Total Loss Event

Upon the occurrence of a Total Loss Event the Certificates may be redeemed and the Trust dissolved on the dates specified by the Delegate. The Certificates will be redeemed using the proceeds of insurance payable in respect of the Total Loss Event which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event. Upon such redemption, the Trust will dissolve, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

A **Total Loss Event** is the total loss or destruction of, or damage to the whole of, the Tangible Assets (as defined in the Master Purchase Agreement) or any event or occurrence that renders the whole of the Tangible Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Tangible Assets) the repair or remedial work in respect thereof is wholly uneconomical.

*The Management Agreement provides that the Managing Agent is required to insure the Tangible Assets against total loss in an amount equal to their full reinstatement value (which value will be a sum not be less than the aggregate outstanding face amount of the Series minus the Value at any time of any Wakala Asset which is not a Tangible Asset) and further provides that if the obligations of the Managing Agent thereunder are not strictly complied with and as a result any insurance amounts paid into the Transaction Account are less than the full reinstatement value of the Tangible Assets (the difference between the amount (if any) paid into the Transaction Account and such full reinstatement value being the **Total Loss Shortfall Amount**), the Managing Agent (unless it proves beyond any doubt that any shortfall in the insurance proceedings is not attributable to its negligence or its failing to comply with the terms of the Management Agreement relating to insurance) has irrevocably and unconditionally undertaken to pay the Total Loss Shortfall Amount into the Transaction Account on the 31st day following the occurrence of the Total Loss Event. Upon the occurrence of a Total Loss Event, all of the Wakala Portfolio Revenues credited to the Collection Accounts (each as defined in the Management Agreement) will immediately be paid by the Managing Agent into the Transaction Account. The aggregate of such amounts and any insurance proceeds and/or Total Loss Shortfall Amount are intended to be equal to the aggregate face amount of the Series together with all accrued and unpaid Periodic Distribution Amounts.*

10.6 No other Dissolution

The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust, otherwise than as provided in this Condition, Condition 13 and Condition 14.

10.7 Cancellations

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

10.8 Dissolution Date

In these Conditions, the expression **Dissolution Date** means, as the case may be, (a) following the occurrence of a Dissolution Event (as defined in Condition 14), the date on which the Certificates are redeemed in accordance with the provisions of Condition 14, (b) the date on which the Certificates are redeemed in accordance with the provisions of Condition 10.2 and Condition 10.5, (c) any Optional Dissolution Date, (d) any Certificateholder Put Option Date, (e) any Change of Control Put Option Date or (f) the date on which any Certificates are redeemed following the exercise of the Change of Control Trustee Call Option.

11 TAXATION

All payments in respect of the Certificates shall be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by the parties entitled thereto, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate:

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

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

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

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

As used in these Conditions:

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

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

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

The Purchase Undertaking, the Sale Undertaking and the Management Agreement provide that payments and transfers thereunder by MAF Properties, and the Guarantee provides that payments thereunder by the Guarantor, shall be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment or transfer, as the case may be, by MAF Properties and the Guarantor, respectively, of additional amounts so that the full amount which would otherwise have been due and payable or transferable, as the case may be, is received by the Trustee.

12 PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within a period of 10 years (in the case of Dissolution Amounts) and a period of five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof, subject to the provisions of Condition 8.

13 PURCHASE AND CANCELLATION OF CERTIFICATES

13.1 Purchases

The Guarantor, MAF Properties or any of their respective Subsidiaries may at any time purchase Certificates at any price in the open market or otherwise.

For the purposes of these Conditions, Subsidiary means in relation to any person (the first person), at any particular time, any person (the second person):

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

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

For the second person to be controlled by the first person means that the first person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that second person or otherwise controls, or has the power to control, the affairs and policies of the second person.

13.2 Cancellation of Certificates held by the Guarantor, MAF Properties and/or any of their Subsidiaries

Following any purchase of Certificates by or on behalf of MAF Properties, the Guarantor or any of their respective Subsidiaries pursuant to Condition 13.1, the Sale Undertaking may be exercised by MAF Properties in respect of the transfer of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the Wakala Portfolio with an aggregate Value not greater than the aggregate face amount of the Certificates so purchased against cancellation of such Certificates pursuant to Condition 10.7.

14 DISSOLUTION EVENTS

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

(a) default is made in the payment of any Dissolution Amount or any Periodic Distribution Amount on the due date for payment thereof and such default continues unremedied for a period of seven Business Days in the case of the Dissolution Amount and 14 Business Days in the case of any Periodic Distribution Amount; or

(b) the Trustee fails to perform or observe any of its other duties, obligations or undertakings under the Transaction Documents and (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or

(c) a MAF Properties Event or a Guarantor Event (each as defined in the Master Trust Deed) occurs; or

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

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

(f) either (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made) or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

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

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

the Delegate (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), if notified in writing of the occurrence of such Dissolution Event, shall give notice of the occurrence of such Dissolution Event to the holders of Certificates in accordance with Condition 17 with a request to such holders to indicate if they wish the Certificates to be redeemed and the Trust to be dissolved. If so requested in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Certificates (each a **Dissolution Request**), the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice of the Dissolution Request to the Trustee, MAF Properties, the Guarantor and all the holders of the Certificates in accordance with Condition 17 whereupon the Certificates shall be immediately redeemed at the Dissolution Amount specified in the applicable Final Terms, together with any accrued but unpaid Periodic Distribution Amounts on the date of such notice. Upon payment in full of such amounts, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purpose of (a) above, amounts shall be considered due in respect of the Certificates (including any amounts calculated as being payable under Condition 6, Condition 7 and Condition 10) notwithstanding that the Trustee has, at the relevant time, insufficient funds or Trust Assets to pay such amounts.

15 ENFORCEMENT AND EXERCISE OF RIGHTS

15.1 Enforcement

Upon the occurrence of a Dissolution Event and the giving of notice of a Dissolution Request to the Trustee by the Delegate, to the extent that the amounts payable in respect of the Certificates have not been paid in full pursuant to Condition 14, subject to Condition 15.2 the Delegate shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), take one or more of the following steps:

(a) enforce the provisions of the Purchase Undertaking against MAF Properties and/or the Management Agreement against the Managing Agent and/or the Guarantee against the Guarantor; and/or

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

Notwithstanding the foregoing but subject to Condition 15.2, the Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or MAF Properties and/or the Guarantor to enforce their respective obligations under the Transaction Documents, these Conditions and the Certificates.

15.2 Delegate not obliged to take Action

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action against the Trustee, MAF Properties and/or the Guarantor under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least one-fifth of the then aggregate face amount of the Certificates outstanding and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing provided that the Delegate shall not be liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

15.3 Direct Enforcement by Certificateholder

No Certificateholder shall be entitled to proceed directly against the Trustee, MAF Properties or the Guarantor or provide instructions (not otherwise permitted by the Trust Deed) to the Delegate to proceed against the Trustee and/or the Guarantor and/or MAF Properties under any Transaction Document unless (a) the Delegate, having become bound to proceed pursuant to Condition 15.2, fails to do so within a reasonable period of becoming so bound and such failure is continuing and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against any of the Trustee, MAF Properties or the Guarantor as the case may be) holds at least one fifth of the then aggregate face amount of the Certificates outstanding. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than pursuant to the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee, MAF Properties and the Guarantor shall be to enforce their respective obligations under the Transaction Documents.

15.4 Limited Recourse

The foregoing paragraphs in this Condition are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 4.2 and the Trust Deed, the obligations of the Trustee in respect of the Certificates shall be satisfied and no holder of the Certificates may take any further steps against the Trustee, the Delegate or any other person to recover any further sums in respect of the Certificates and the right to receive any 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 MAF Sukuk Ltd.

16 REPLACEMENT OF DEFINITIVE CERTIFICATES

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

17 NOTICES

All notices to Certificateholders will be valid if:

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

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

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

Until such time as any definitive Certificates are issued, there may, so long as any Global Certificate representing the Certificates is held on behalf of one or more clearing systems, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the relevant clearing systems for communication by them to the Certificateholders and, in addition, for so long as any Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Certificateholders on the day after the day on which the said notice was given to the relevant clearing systems.

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

18 MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

18.1 The Master Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in the outstanding face amount of the Certificates, or at any adjourned such meeting one or more persons present whatever the outstanding face amount of the Certificates held or represented by him or them, except that any meeting the business of which includes the modification of certain provisions of the Certificates (including modifying the Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates or altering the currency of payment of the Certificates, amending Condition 5 and certain covenants given by the Guarantor and MAF Properties in the Transaction Documents or modifying the Guarantee in a way which is materially prejudicial to the interests of the Certificateholders), the quorum shall be one or more persons present holding or representing not less than two thirds in the outstanding face amount of the Certificates, or at any adjourned such meeting one or more persons present holding or representing not less than one third in the outstanding face amount of the Certificates. The expression

Extraordinary Resolution is defined in the Master Trust Deed to mean either (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than three-fourths of the votes cast or (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in face amount of the Certificates.

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

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

18.4 Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 17.

19 INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

19.1 The Trust Deed contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction as well as provisions entitling the Delegate to be paid its costs and expenses in priority to the claims of the Certificateholders.

19.2 Neither the Delegate nor the Trustee makes any representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of either MAF Properties under the Transaction Documents or the Guarantor under the Guarantee and shall not under any circumstances have any liability or be obliged to account to the Certificateholders in respect of any payments which should have been made by either MAF Properties or the Guarantor but are not so made and shall not in any circumstances have any liability arising from or in relation to the Trust Assets other than as expressly provided in these Conditions or in the Trust Deed.

19.3 Each of the Trustee and the Delegate is exempted from (i) any liability in respect of any loss or theft of the Trust Assets or any cash, (ii) any obligation to insure the Trust Assets or any cash and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default by the Trustee or the Delegate, as the case may be.

19.4 The Trust Deed also contains provisions pursuant to which the Delegate is entitled, inter alia, (a) to enter into business transactions with MAF Properties, the Guarantor and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to MAF Properties, the Guarantor and/or any of their respective

Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

21 GOVERNING LAW AND DISPUTE RESOLUTION

21.1 The Trust Deed, the Certificates and these Conditions (including the remaining provisions of this Condition 21) and any non-contractual obligations arising out of or in connection with the Trust Deed, the Certificates and these Conditions are governed by, and shall be construed in accordance with, English law.

21.2 Subject to Condition 21.3, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed, the Certificates and these Conditions (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Trust Deed, the Certificates and these Conditions or the consequences of the nullity of any of them or a dispute relating to any non-contractual obligations arising out of or in connection with them) (a **Dispute**) shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the **Rules**), which Rules (as amended from time to time) are incorporated by reference into this Condition. For these purposes:

(a) the seat of arbitration shall be London;

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

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

21.3 Notwithstanding Condition 21.2 above the Delegate (or, but only where permitted to take action in accordance with the terms of the Trust Deed, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee:

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

(b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If such notice is given, the Dispute to which such notice refers shall be determined in accordance with Condition 21.4 and, subject as provided below, any arbitration commenced under Condition 21.2 in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the Trustee, failing which MAF Properties or the Guarantor), each of the parties to the terminated arbitration will bear its own costs in relation thereto.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee must promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be functus officio. The termination is without prejudice to:

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

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

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

21.4 In the event that a notice pursuant to Condition 21.3 is issued, the following provisions shall apply:

(a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee, MAF Properties and the Guarantor submits to the exclusive jurisdiction of such courts;

(b) each of the Trustee, MAF Properties and the Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary;

(c) this Condition 21.4 is for the benefit of the Trustee, the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (a) above, the Trustee, the Delegate and any Certificateholder (where permitted so to do) may take proceedings relating to a Dispute (Proceedings) in any other courts with jurisdiction. To the extent allowed by law, the Trustee, the Delegate and the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

21.5 In the Trust Deed, the Trustee has appointed Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom as its agent for service of process and each of the Guarantor and MAF Properties has appointed Norose Notices Limited at its registered office at 3 More London Riverside, London, SE1 2AQ, United Kingdom as its agent for service of process. Each of the Trustee, the Guarantor and MAF Properties has undertaken that, in the event of Maples and Calder or Norose Notices Limited, as applicable, ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Delegate as its agent for service of process in England in respect of any Proceedings or Disputes. Nothing herein shall affect the right to serve proceedings in any matter permitted by law.

21.6 Under the Trust Deed, each of MAF Properties and the Guarantor has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity in relation to any Proceedings or Disputes. Further, each of MAF Properties and the Guarantor has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

21.7 Each of the Trustee, the Delegate, MAF Properties and the Guarantor has agreed in the Trust Deed that, if any arbitration is commenced in relation to a Dispute and/or any Proceedings are brought by or on behalf of a party under the Trust Deed, it will:

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

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

USE OF PROCEEDS

The net proceeds of each Series issued will be paid by the Trustee (as Purchaser) to the Seller for the purchase from the Seller of all of its rights, title, interests, benefits and entitlements in, to and under the relevant Initial Wakala Portfolio.

DESCRIPTION OF THE TRUSTEE

GENERAL

MAF Sukuk Ltd., a Cayman Islands exempted company with limited liability, was incorporated on 1 November 2011 under the Companies Law (2011 Revision) of the Cayman Islands with company registration number 263902. The Trustee has been established as a special purpose vehicle for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands and its telephone number is +1 345 945 7099.

The authorised share capital of the Trustee is U.S.$50,000 divided into 50,000 ordinary shares of U.S.$1.00 par value each, 250 of which have been issued. All of the issued shares (the **Shares**) are fully-paid and are held by MaplesFS Limited as share trustee (the **Share Trustee**) under the terms of a trust deed (the **Share Trust Deed**) dated 4 January 2012 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Trust Deed). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Qualified Charities (as defined in the Share Trust Deed). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust 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.

BUSINESS OF THE TRUSTEE

The Trustee has, with the exception of its U.S.$400 million issuance of trust certificates under the Programme in February 2012, no prior operating history or prior business and will not have any substantial liabilities other than in connection with the Certificates to be issued under the Programme. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 1 November 2011.

FINANCIAL STATEMENTS

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

DIRECTORS OF THE TRUSTEE

The Directors of the Trustee are as follows:

Name:	Principal Occupation outside of the Issuer:
Andrew Millar	Senior Vice President of Maples Fund Services (Middle East) Limited
Cleveland Stewart	Vice President of MaplesFS Limited

The business address of Andrew Millar is c/o Maples Fund Services (Middle East) Limited, Office 616, 6th Floor, Liberty House, Dubai International Financial Centre, PO Box 506734, Dubai, United Arab Emirates.

The business address of Cleveland Stewart is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands.

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

THE ADMINISTRATOR

MaplesFS Limited also acts as the administrator of the Trustee (in such capacity, the **Trustee Administrator**). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of the Corporate Services Agreement, the Trustee Administrator performs in the Cayman Islands, the United Arab Emirates and/or or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Trustee and the Trustee Administrator also entered into a registered office agreement (the **Registered Office Agreement**) for the provision of registered office facilities to the Trustee. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Trustee or the Trustee Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

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 Directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof. The Trustee has no employees and is not expected to have any employees in the future.

SUMMARY OF GROUP FINANCIAL INFORMATION

The following summary of consolidated historical financial information as at and for the years ended 31 December 2012 and 2011 has been extracted from the Group Financial Statements, which have been incorporated by reference into this document. Certain reclassifications have been made in the 2012 Group Financial Statements and, as a result, these statements are not comparable in all respects to the 2011 Group Financial Statements. See "*Presentation of Financial and Other Information—Presentation of Group Financial Information*".

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Group Financial Review*", "*Description of the Group*" and the Group Financial Statements (including the related notes thereto) appearing elsewhere in this document.

STATEMENT OF COMPREHENSIVE INCOME

The following table shows the Group's consolidated statements of comprehensive income for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Revenue	20,824	18,730
Cost of sales	(14,219)	(12,914)
Operating expenses	(4,565)	(4,052)
Net valuation gain/(loss) on land and buildings	573	(329)
Finance costs	(599)	(614)
Finance income	82	45
Other expenses - net	(42)	(18)
Impairment gain/(loss) - net	8	(71)
Share of (loss) in joint ventures & associate - net	(32)	(80)
Profit before tax	**2,031**	**697**
Income tax (charge) / credit - net	(94)	24
Discontinued operation	**(261)**	**40**
Profit for the year	**1,676**	**761**
Profit for the year attributable to:		
Owners of the Group	1,532	572
Non-controlling interest	144	189
Profit for the year	**1,676**	**761**
Other comprehensive income		
Foreign currency translation differences from foreign operations	(283)	(103)
Foreign currency translation reserve transferred to profit or loss on disposal of subsidiaries	300	—
Net change in fair value of cash flow hedges transferred to profit or loss	88	106
Effective portion of changes in fair value of cash flow hedges	(97)	(170)
Net gain on valuation of land and buildings	757	1,163
Deferred tax liability (charged) / reversed on revaluation of lands and buildings	0.8	11
Share of loss in joint ventures	—	(93)
Total other comprehensive income for the year	**765**	**914**
Total comprehensive income for the year	**2,441**	**1,675**
Attributable to:		
Owners of the Group	2,287	1,490
Non-controlling interest	154	185
Total comprehensive income for the year	**2,441**	**1,675**

STATEMENT OF FINANCIAL POSITION

The following table shows the Group's consolidated statement of financial position as at 31 December in each of 2012 and 2011, respectively.

	Year ended 31 December	
	2012	2011
	(AED millions)	
Tangible fixed assets		
Property, plant and equipment	19,706	19,431
Investment property	11,307	10,557
	31,014	**29,989**
Other non-current assets		
Investments	1,161	1,196
Net investments in finance leases - long term portion	175	97
Long term prepaid lease premium - non current portion	13	14
Long term loans and advances	95	34
Intangible assets	134	153
Deferred tax asset	—	0.3
Total non-current assets	**32,592**	**31,483**
Current assets		
Short term loans to related parties	99	—
Development property	66	—
Inventories	966	884
Trade and other receivables	1,132	1,136
Due from related parties	147	73
Net investment in finance leases - current portion	208	158
Cash in hand and at bank	2,719	2,395
	5,337	**4,647**
Current liabilities		
Short term loan from related parties	177	303
Trade and other payables	5,505	5,494
Due to related parties	77	72
Other employment benefits payable - current portion	154	151
Bank overdraft	0.9	5
Current maturity of long term loans	720	2,074
	6,634	**8,099**
Net current liabilities	**(1,296)**	**(3,453)**
Non-current liabilities		
Long term loans	8,831	7,575
Deferred tax liabilities	117	111
Other long-term liabilities	83	96
Other employment benefits payable - non current portion	24	24
Provision for staff terminal benefits	299	237
Total non-current liabilities	**9,353**	**8,043**
Net assets	**21,943**	**19,988**
Equity		
Share capital	2,487	2,487
Statutory reserve	1,355	1,248
Revaluation reserve	14,051	13,295
Other reserve	3,466	2,434
Total equity attributable to the owners of the Group	**21,359**	**19,464**
Non-controlling interest	583	524
Total equity	**21,943**	**19,988**

CASH FLOW STATEMENT

The following table summarises the Group's cash flows for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	2011
	(AED millions)	
Cash inflow from operating activities	3,103	3,040
Cash (used in) investing activities	(2,323)	(1,877)
Cash flow used in financing activities	(862)	(1,274)
Decrease in cash and cash equivalents	**(82)**	**(111)**
Cash and cash equivalents at the beginning of the year	1,551	1,662
Cash and cash equivalents at end of the year	**1,470**	**1,551**

EBITDA

The following table shows the Group's EBITDA and certain ratios as at and for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	2011
EBITDA(1) *(AED millions)*	3,008	2,805
EBITDA margin(2) *(per cent.)*	14.4	15.0
EBITDA/interest(3) *(times)*	5.5	4.77
LTV(4) *(per cent.)*	22.6	25.2
Net debt/EBITDA(5) *(times)*	2.3	2.7
Debt/capital(6) *(per cent.)*	44.3	49.8

(1) Calculated as profit for the year after adding back extraordinary items, interest, tax, depreciation and amortisation, see reconciliation below.

(2) Calculated as EBITDA divided by total revenue.

(3) Calculated as EBITDA divided by net interest, which is calculated as interest costs (excluding capitalised interest costs) less interest earned.

(4) Calculated as net debt divided by tangible fixed assets. Net debt comprises long-term loans (including current maturity) and bank overdrafts less cash in hand and at bank.

(5) Calculated as net debt divided by EBITDA.

(6) Calculated as debt divided by capital. Debt comprises long-term loans (including current maturity), short-term loans and bank overdrafts. Capital is total shareholders' equity.

The following table shows a reconciliation of the Group's EBITDA to profit/(loss) as shown in the consolidated income statement for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	2011
	(AED millions)	
EBITDA	3,008	2,805
Depreciation	(921)	(936)
Amortisation of lease premiums and intangible assets	(21)	(22)
Share of (loss)/gain in joint ventures and associates	(32)	(80)
Net finance cost	(517)	(568)
Net valuation gains/(loss) on land and buildings	573	(329)
Taxation	(94)	24
Project costs written off	(14)	(4)
Impairment provision - net	8	(71)
Forex loss	(21)	(40)
Currency translation adjustment (CTA)	(300)	—
Net profit from discontinued operations	39	—
Others	(32)	(17)
(Loss)/profit for the year	**1,676**	**761**

GROUP FINANCIAL REVIEW

The following review of the Group's financial position and results of operations is based upon and should be read in conjunction with the Group Financial Statements which have been incorporated by reference into this document and which are available for inspection at the registered office of the Issuer and at the specified office of the Paying Agent for the time being in London (see *"General Information—Documents Available").* As a result of certain reclassifications made in 2012, adjustments have been made to the Group's statement of comprehensive income for the year ended 31 December 2011 and its statement of financial position as at 31 December 2011, in each case as included in the 2012 Group Financial Statements. As a result, these statements are not comparable in all respects to those in the 2011 Group Financial Statements.

This discussion contains forward-looking statements that involve risks and uncertainties, see "*Cautionary Statement Regarding Forward-Looking Statements*". Actual results for the Group could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed below and in "*Risk Factors*".

OVERVIEW

The Group is one of the largest developers and operators of shopping malls and hypermarkets in the MENA region. Founded in Dubai in 1992 to bring the first regional shopping mall to the Middle East, the Group's activities have since grown to include hotel development and the provision of complementary leisure and entertainment products and services. The Group currently has operations in 12 countries predominantly in the MENA region.

The Group's operations are carried out by three complementary operating companies: MAF Properties, MAF Retail and MAF Ventures, each of which is a wholly-owned subsidiary of MAF Holding:

- **MAF Properties** develops and manages shopping malls, which is the Group's core business. MAF Properties currently operates 11 shopping malls in the UAE, Egypt, Oman and Bahrain and is currently constructing or master planning an additional four malls, located in Lebanon and Egypt. MAF Properties also develops hotels adjacent to or in close proximity to shopping mall destinations and, on a selective basis, undertakes mixed-use developments, in each case where this adds value to its core mall development business. MAF Properties currently owns 11 hotels, of which nine are located in the UAE and two are located in Bahrain. MAF Properties operates through its three business units: Shopping Malls, Hotels and Communities.

- **MAF Retail** first introduced the hypermarket model to the Middle East in 1995 through MAF Hypermarkets, originally established as a joint venture company with Carrefour in which MAF Retail had a 75 per cent. interest. As at the date of this Base Prospectus, MAF Hypermarkets is a wholly owned subsidiary of the Group, managed by MAF Retail in which MAF Retail has a 99.9 per cent. interest and MAF Holding has a 0.1 per cent. interest. For further detail on the history of MAF Hypermarkets please see *"Description of the Group—MAF Retail"* and for further detail on MAF Holding's recent acquisition of Carrefour's 25 per cent. interest please see *"Group Financial Review—Recent Developments"*. Carrefour stores are a key anchor tenant in each of the Group's shopping malls and the Group has also opened Carrefour stores outside its shopping malls. MAF Retail has expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia and Georgia. As at 31 December 2012, MAF Retail operated 48 Carrefour hypermarkets and 43 Carrefour supermarkets in 11 countries predominantly in the MENA region.

- **MAF Ventures** operates the Group's leisure and entertainment services, including a unique leisure offering in each of its three super-regional shopping malls, for example Ski Dubai which is located in the Group's flagship shopping mall, Mall of the Emirates. MAF Ventures also owns 13 Magic Planet entertainment centres located in ten of the Group's shopping malls and elsewhere and five cinemas located in four of the Group's shopping malls and elsewhere. MAF Ventures also offers Najm Visa credit cards and has a small portfolio of other investments.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Group Consolidated Financial Statements requires management to make certain estimates and judgments, some of which are subjective and complex, often as a result of the need to make estimations of future events. The Group's significant accounting policies are set out in note 3 to the 2012 Group Consolidated Financial Statements and a summary of the critical accounting estimates and judgments that are made in preparing the consolidated financial statements is set out in note 37 to the 2012 Group Consolidated Financial Statements.

RESULTS OF OPERATIONS FOR THE TWO YEARS ENDED 31 DECEMBER 2012

Revenue

The Group's principal source of revenue is the sales that it makes in its Carrefour stores. In addition, the Group earns rental income (principally from the tenants in its shopping malls), fees and commissions (from a range of sources), leisure and entertainment revenue (from its leisure and entertainment facilities, including its cinemas, Magic Planet entertainment centres and Ski Dubai among others), hospitality revenue (from its hotels) and fashion goods revenue (from its fashion outlets owned by MAF Ventures).

The table below shows a breakdown of the Group's revenue for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December			
	2012		**2011**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Sale of goods	15,898	76.3	14,528	77.6
Rental income	2,204	10.6	1,976	10.5
Fees and commissions	1,273	6.1	1,060	5.7
Leisure and entertainment	638	3.1	556	3.0
Hospitality revenue	520	2.5	418	2.2
Others	291	1.4	193	1.0
Total revenue	**20,824**	**100.0**	**18,730**	**100.0**

The Group's total revenue increased by AED 2,094 million, or 11.2 per cent., in 2012 (from AED 18,730 million in 2011 to AED 20,824 million in 2012). The majority of the increase resulted from a 9.4 per cent. increase in revenue from the sale of goods but all other revenue sources also increased.

In geographical terms, in 2012, 55.8 per cent. of the Group's revenue was derived from the UAE, 11.2 per cent. was derived from Egypt, 8.6 per cent. was derived from Saudi Arabia, 7.9 per cent. was derived from Qatar, 5.6 per cent. was derived from Oman and the remaining 10.9 per cent. was derived from other countries in the MENA region.

A more detailed analysis of the Group's three principal sources of revenue is set out below. Together, these revenue streams comprised 93.0 per cent. and 93.8 per cent. of the Group's total revenue in 2012 and 2011, respectively.

Sale of goods

The Group's revenue from the sale of goods increased by AED 1,370 million, or 9.4 per cent., in 2012 (from AED 14,528 million in 2011 to AED 15,898 million in 2012). This principally reflected the opening of 5 Carrefour hypermarkets and 8 Carrefour supermarkets during 2012.

Rental income

The Group's rental income increased by AED 228 million, or 11.5 per cent., in 2012 (from AED 1,976 million in 2011 to AED 2,204 million in 2012). This principally reflected the rental income generated by Fujairah City Centre which opened in April 2012 and increases in base rent and percentage rent (see

"Description of the Group—MAF Properties—Shopping Malls Business Unit—Lease arrangements" for detail on how rent is charged).

Fees and commissions

The Group earns fees and commissions from listing fees, which are fees paid by suppliers of new items in the Carrefour range, from fees paid by the producers of goods sold in the Group's Carrefour stores to display their goods on the prominent shelves at the end of aisles (known as gondola-ends) and from commissions paid to the Group in respect of sales where it acts as an agent in the transaction. Accordingly, the Group's fee and commission income is related to the number of its Carrefour stores.

The Group's fees and commissions increased by AED 213 million, or 20.1 per cent., in 2012 (from AED 1,060 million in 2011 to AED 1,273 million in 2012).

Cost of sales

The Group's cost of sales almost entirely consists of the cost to it of acquiring the goods sold by it in its Carrefour stores. Cost of sales is presented net of any rebates which the Group is able to secure from its suppliers. The Group's cost of sales increased by AED 1,304 million, or 10.1 per cent., in 2012 (from AED 12,914 million in 2011 to AED 14,219 million in 2012). The Group's sales margin was 31.72 per cent. in 2012 compared to 31.05 per cent. in 2011 principally due to the Group's ability to apply higher prices to certain foods across a number of its Carrefour stores.

Operating expenses

The table below shows the Group's operating expenses for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December			
	2012		**2011**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Staff costs	(1,936)	42.4	(1,685)	41.6
Rent	(321)	7.0	(279)	6.9
Depreciation	(921)	20.2	(936)	23.1
Amortisation	(21)	0.5	(22)	0.5
Consultancy costs	(64)	1.4	(43)	1.1
Legal and professional fees	(37)	0.8	(35)	0.9
Selling and marketing expenses	(243)	5.3	(217)	5.4
Utilities	(272)	6.0	(247)	6.1
Repair and maintenance	(191)	4.2	(183)	4.5
Insurance charges	(19)	0.4	(25)	0.6
Franchise and management fees	(90)	2.0	(82)	2.0
Other general and administrative expenses	(449)	9.8	(297)	7.3
Total operating expenses	**(4,565)**	**100.0**	**(4,052)**	**100.0**

The Group's principal operating expenses are staff costs and depreciation, which together comprised 62.6 per cent. and 64.7 per cent. of its total operating expenses in 2012 and 2011, respectively. Each of these items is analysed in more detail below.

The Group's total operating expenses increased by AED 513 million, or 12.7 per cent., in 2012 (from AED 4,052 million in 2011 to AED 4,565 million in 2012). The principal contributors to this increase were increased staff costs, rent, utilities and selling and marketing expenses which, together, increased by AED 344 million.

Staff costs

The Group's staff costs (which exclude staff costs capitalised as part of projects under construction) increased by AED 251 million, or 14.9 per cent., in 2012 (from AED 1,685 million in 2011 to AED 1,936 million in 2012), principally reflecting increased employee numbers. The number of employees increased by 9.7 per cent. in 2012 from 22,369 at the start of the year to 24,598 at the end of 2012, although the majority of the new employees were employed in MAF Retail's Carrefour stores and MAF Ventures' leisure and entertainment venues at the lower end of the Group's salary scale.

Depreciation

The Group's depreciation charge decreased by AED 15 million, or 1.6 per cent., in 2012 (from AED 936 million in 2011 to AED 921 million in 2012).

Net valuation change on land and buildings

Land and buildings classified as property, plant and equipment in accordance with IAS 16 are revalued on each reporting date.

Any increase in value arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of properties is charged to profit or loss except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to the revaluation reserve in equity.

Investment properties are properties held either to earn rental income, for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, shopping malls and properties being construed for future use as investment property, is stated at fair value at each reporting date.

The net valuation change on land and buildings comprises the sum of: (i) any losses incurred on the revaluation of developed properties classified as property, plant and equipment: (ii) any increases arising on the revaluation of developed properties classified as property, plant and equipment to the extent they reverse losses previously charged to profit and loss; and (iii) the fair value gains or losses on investment property.

In 2012, the Group recorded an AED 239 million fair value gain on the revaluation of certain property, plant and equipment (principally the Sheraton Mall of the Emirates Hotel in the UAE) and a net fair value gain of AED 334 million on its various investment properties, through profit or loss.

Net finance cost

The table below shows the Group's net finance cost recognised in profit or loss for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	2011
	(*AED millions*)	
Arrangement and participation fee	(46)	(17)
Interest charges (less capitalised interest)	(452)	(427)
Net changes in fair value of financial assets at fair value through profit and loss	—	(45)
Ineffective portion of changes in fair value of cash flow hedges	(9)	(5)
Net changes in fair value of cash flow hedges transferred from equity	(88)	(106)
Change in the fair value of investment in equity	—	(3)
Bond programme cost written off	(4)	(5)
Change in the fair value investment in bonds	—	(6)
Finance costs	**(599)**	**(614)**
Interest income	70	44
Ineffective portion of changes in fair value of cash flow hedges	12	2
Finance income	**82**	**45**
Net finance costs	**(517)**	**(569)**

The Group's net finance cost charged to profit and loss decreased by AED 52 million, or 9.1 per cent., in 2012 (from AED 569 million in 2011 to AED 517 million in 2012). This principally reflected the net effect of the following factors:

- an increase of AED 25 million, or 5.9 per cent., in interest charges (after deducting capitalised interest). The Group pays interest on its outstanding borrowings and the increase is mainly due to changes in the Group's borrowing portfolio (particularly in the proportion of floating rate against fixed rate borrowings) and slight increase in margins on floating rate borrowings;

- a decrease of AED 18 million, or 17.0 per cent., in net changes in fair value of cash flow hedges transferred from equity. Under IFRS, changes in the fair values of the effective portion of derivative instruments that are designated as cash flow hedges are recognised directly in other comprehensive income and presented in equity (in the hedging reserve). The amount recognised in other comprehensive income is removed and included in profit or loss in the same period that the hedged item affects profit or loss; and

- an increase of AED 37 million, or 82.2 per cent., in finance income. The Group receives interest income on funds invested and on the principal amounts due under finance lease receivables.

Other income and expenses, net

The Group's other income and expenses comprise the net gain or loss made on the disposal of non-current assets, project costs written off, any net foreign exchange gain or loss, a provision for other receivables and other income. The Group's other expenses, net increased by AED 23 million, or 128.6 per cent., in 2012 (from AED 18 million in 2011 to AED 42 million in 2012).

Impairment losses, net

The Group believes that its policy for taking impairments is conservative. The Group recognised a net impairment reversal of AED 8 million in 2012 and a net impairment loss of AED 71 million in 2011. In 2011, the impairment loss principally related to the effect of adverse market and business conditions on the value of property, plant & equipment, receivables from and investments in certain joint ventures in the UAE. In 2012, due to the strengthening of the business volumes and related future cash flows which were used for the valuation of the investment in an associate, the provision recorded earlier in 2011 was reversed.

Share of gain in joint ventures and associates, net

A list of the Group's joint ventures and associates is set out in note 39 to the 2012 Group Consolidated Financial Statements. Joint ventures and associates are accounted for using the equity method and, as a result, the Group's proportionate share of the profit or loss made by each joint venture or associate is included under this line item.

The table below shows the Group's share of the profit or loss of its joint ventures and associates for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Share of (loss)/profit of associates	(31)	0.3
Share of (loss) of joint ventures	(0.9)	(81)
Total	**(32)**	**(80)**

The Group's share of the net loss in joint ventures and associates was AED 32 million in 2012 compared to net loss of AED 80 million in 2011.

Profit before tax

Reflecting the above factors, the Group's profit before tax was AED 2,031 million in 2012 compared to a profit before tax of AED 697 million in 2011.

Income tax

The Group is subject to tax on the income earned by it in certain of the jurisdictions in which it operates.

The Group's operations in these jurisdictions gave rise to a AED 94.2 million net tax charge in 2012 compared to a AED 24.2 million credit in 2011.

In 2012, a deferred tax charge of AED 16.9 million was made compared to a deferred tax reversal of AED 63.2 million in 2011.

Profit for the year

Reflecting the above factors, the Group's profit for the year was AED 1,676 million in 2012 compared to a profit of AED 761 million in 2011.

Other comprehensive income

In 2012, the Group's other comprehensive income was AED 765 million compared to other comprehensive income of AED 914 million in 2011. The principal factor affecting other comprehensive income is the fair value gains and losses made on the valuation of land and buildings classified as property, plant and equipment each year and the foreign currency translation reserve transferred to profit or loss on the disposal of subsidiaries. In 2012, the Group's net fair value gain on land and buildings classified as property, plant and equipment was AED 757 million compared to net fair valuation gain of AED 1,163 million in 2011. In 2012, the Group's foreign currency translation reserve transferred to profit and loss on the disposal of subsidiaries was AED 300 million. No such reserve was transferred in 2011.

Total comprehensive income

Together with the Group's profit for each year, this resulted in total comprehensive income for the Group amounting to AED 2,441 million in 2012 and total comprehensive income for the Group of AED 1,675 million in 2011.

Segments

The Group has four reporting segments as follows:

- Properties: which principally corresponds to MAF Properties and its consolidated companies;
- Retail: which principally corresponds to MAF Retail and its consolidated companies;
- Ventures: which principally corresponds to MAF Ventures and its consolidated companies; and
- Head Office: which principally corresponds to the activities carried out in MAF Holding.

Note 4 to the 2012 Group Financial Statements presents certain financial information for each segment. In revenue terms, Retail is the most significant segment, accounting for 82.5 per cent. of Group revenue in 2012. In terms of profit before tax, all segments were profitable in 2012 and 2011. In terms of assets, Properties is the most significant segment, with 83.7 per cent. of Group assets at 31 December 2012.

CASH FLOWS FOR THE TWO YEARS ENDED 31 DECEMBER 2012

The table below summarises the Group's cash flows for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Net cash from operating activities	3,103	3,040
Net cash used in investing activities	(2,323)	(1,877)
Net cash used in financing activities	(862)	(1,274)
Decrease in cash and cash equivalents	**(82)**	**(111)**
Cash and cash equivalents at start of period	1,551	1,662
Cash and cash equivalents at end of period	**1,470**	**1,551**

In 2012, the Group's net cash from operating activities was AED 3,103 million. The Group's net cash used in investing activities in the same year was AED 2,323 million, principally reflecting the cost of acquiring property, plant and equipment (including investment property and capital work in progress), which was AED 1,516 million. Of this amount, AED 225 million was invested in capital work in progress and AED 514 million was spent on the construction of investment property mostly relating to Beirut City Centre and Mall of Egypt. The net cash used by the Group in financing activities in 2012 was AED 862 million. Although the Group borrowed AED 5,157 million in new long term debt in 2012, it also repaid AED 5,258 million of such debt in 2012. In 2012, the Group paid interest of AED 442 million, and also paid dividends of AED 94 million to minority shareholders.

In 2011, the Group's net cash from operating activities was AED 3,040 million. The Group's net cash used in investing activities in the same year was AED 1,877 million, principally reflecting the cost of acquiring property, plant and equipment (including investment property and capital work in progress), which was AED 1,499 million. Of this amount, AED 502 million was invested in capital work in progress principally on the Kempinski Hotel in Bahrain and AED 472 million was spent on the construction of investment property, mostly relating to the Fujairah City Centre and Beirut City Centre shopping malls. The net cash used by the Group in financing activities in 2011 was AED 1,274 million. Although the Group borrowed AED 3,306 million in new long term debt in 2011, it also repaid AED 4,156 million of such debt. In 2011, the Group paid interest of AED 618 million, and also paid dividends of AED 118 million to minority shareholders.

LIQUIDITY AND BORROWINGS

The Group's long-term financing needs are established based on five-year plans from each operating subsidiary. The Group targets available liquidity (defined as cash in hand and committed facilities available for drawing) sufficient to cover at least 18 months of financing requirements. Throughout the liquidity crisis in 2009, the Group maintained its liquidity coverage although it also scaled back its planned capital expenditure by around 40 per cent. in 2009 and early 2010 to enable it to achieve this. Ensuring flexibility in its capital expenditure plans is another significant liquidity tool utilised by the Group.

The table below summarises the Group's borrowings as at 31 December in each of 2012 and 2011, respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Long-term loans	9,551	9,649
Less current portion	(720)	(2,074)
Total non current portion	8,831	7,575
Short term loans	177	303
Bank overdrafts	1	5
Total borrowings	**9,728**	**9,957**

Details of the Group's 18 outstanding long term loans at 31 December 2012 are set out in note 21 to the 2012 Group Consolidated Financial Statements. The loans have maturity dates extending to 30 January 2022. The loans are denominated in U.A.E. dirhams, U.S. dollars, Egyptian pounds and Lebanese pounds. The floating rate loans carry margins ranging from 1 per cent. to 3.5 per cent. per annum over the base lending rate, whilst fixed rates on loans range from 5.25 per cent. to 5.85 per cent. Certain of the loans (as identified in note 21 to the 2012 Group Consolidated Financial Statements) are secured against assets of the Group or guaranteed by MAF Properties. The principal amount outstanding of secured loans at 31 December 2012 was AED 676 million.

The Group's borrowings comprise long term loans from commercial banks and overdraft facilities. The Group has to date incurred debt at three levels:

- project financing, typically through special purpose vehicles on a non-recourse or limited recourse to other Group companies basis;
- senior secured or unsecured debt where MAF Properties or one of its subsidiaries is the borrower; and
- senior unsecured debt where MAF Holding is the borrower and a MAF Properties guarantee is given.

The table below shows the Group's borrowings (excluding bank overdrafts) at 31 December 2012 by debtor:

	At 31 December 2012
	(AED millions)
MAF Holding	
Unsecured but with MAF Properties guarantee	5,752
Unsecured but with MAF Cinemas guarantee	155
Unsecured and unguaranteed	239
Total MAF Holding	**6,146**
MAF Properties	
Secured	—
Unsecured but with MAF Holding guarantee	2,735
Unsecured and unguaranteed	—
Total MAF Properties	**2,735**
Other	
Secured and/or guaranteed by banks(1)	667
Unsecured	180
Total other	**847**
Total borrowings (excluding bank overdrafts)(2)	**9,728**

(1) Borrowings by subsidiaries of MAF Holding or MAF Properties, in certain cases on a limited recourse basis to the borrower. Certain of these borrowings are also guaranteed by MAF Holding or MAF Properties.

(2) Unamortised bank arrangement fees of AED 48.0 million have been deducted from total borrowings in the 2012 Group Financials Statements.

The Group typically aims to match the cash flow profile of its borrowings (excluding bank overdrafts) with the underlying assets to the extent practicable in the circumstances and to fund in local currencies for offshore businesses where possible.

The table below shows the maturity profile of the Group's outstanding borrowings (excluding bank overdrafts) as at 31 December 2012:

	At 31 December 2012
	(AED millions)
Principal amount of borrowings maturing in:	
2013	849
2014	1,140
2015	1,024
2016	903
2017	1,789
2018 onwards	4,023
Total borrowings (excluding bank overdrafts)	**9,728**

SHAREHOLDERS' EQUITY

The table below shows the Group's shareholders' equity as at 31 December in each of 2012 and 2011, respectively.

	Year ended 31 December	
	2012	2011
	(AED millions)	
Share capital	2,487	2,487
Statutory reserve	1,355	1,248
Revaluation reserve	14,051	13,295
Other reserves	3,466	2,434
Total equity attributable to the owners of MAF Holding	21,359	19,464
Non-controlling interest	583	524
Total equity	21,943	19,988

Share capital

MAF Holding's share capital comprises 2,486,729 shares of AED 1,000 each, all of which are fully paid and owned by Majid Al Futtaim Capital LLC which, in turn, is owned as to 99.6 per cent. by Mr Majid Al Futtaim, the founder of the Group.

Revaluation reserve

Any increase in value arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of properties is charged to profit or loss except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to the revaluation reserve in equity.

Other reserves

Group companies maintain a statutory reserve as required by applicable law. Typically a percentage of profit of the relevant company is transferred to the statutory reserve each year until the reserve equals the limit prescribed by applicable law. Under UAE law, a company is required to set aside ten per cent. of its net profit to maintain this statutory reserve until the reserve reaches half of the company's capital. In addition, the Group maintains fair value reserves in respect of hedging instruments as well as a currency translation reserve in respect of foreign currency differences arising from the translation of the financial statements of Group companies whose functional currency is other than the UAE dirham.

RELATED PARTIES

The Group's related party transactions are described in note 24 to the 2012 Group Consolidated Financial Statements and principally comprise transactions with other Group companies, MAF Holding's parent company and its shareholders, companies under common control with MAF Holding and key management personnel and/or their close family members.

OFF-BALANCE SHEET LIABILITIES

The Group has significant off-balance sheet liabilities in the form of capital commitments, letters of credit granted by bankers in the normal course of business, forward contracts and guarantees given by Group companies.

The table below shows the Group's off-balance sheet liabilities as at 31 December in each of 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(AED millions)	
Capital commitments	2,563	4,465
Letters of credit	1	—
Bank Guarantees	138	55
Total	**2,702**	**4,520**

FINANCIAL RISK MANAGEMENT

Note 34 to the 2012 Group Consolidated Financial Statements describes the principal financial risks faced by the Group and the principal procedures used by the Group to manage these risks. The principal financial risks faced by the Group are credit risk, liquidity risk and interest rate risk as further described below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and net investment in finance leases. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The majority of the Group's income is by way of cash and advance receipts and is supported by a deposit equivalent to one month's advance rental. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. Cash is placed with a diversified portfolio of reputable banks and the risk of default is considered remote. Management has assessed the recoverability of its trade receivables as at the reporting date and considers them to be recoverable. Amounts due from related parties are considered by management to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk through the use of bank overdrafts, bank loans and credit facilities, see *"—Liquidity and Borrowings"*.

Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The Group seeks to apply hedge accounting to manage volatility in its profit or loss in relation to its exposure to interest rate risk.

Foreign currency risk

The Group is exposed to foreign currency risk on its net investments in foreign subsidiaries and operations. The Group is also exposed to foreign currency risk on purchases denominated in foreign currencies.

The Group hedges the risk by obtaining foreign exchange forward contracts on all material foreign currency purchases. All of the forward exchange contracts have maturities of less than one year after the reporting date. Where necessary, foreign exchange contracts are rolled over at maturity.

Interest rate risk

Interest rate risk is managed within the framework of the interest rate risk management policy. The Group adopts a policy of maintaining target duration on its liability portfolio of about four years with a deviation of plus or minus one year. This is achieved through cash and/or by using derivative financial instruments which are eligible for hedge accounting.

Capital management

The Group uses a gearing ratio to monitor its capital. This is calculated as debt divided by total equity. Debt comprises long-term interest bearing loans and borrowings whilst capital comprises all equity attributable to the shareholder, including reserves. As at 31 December 2012, the Group's gearing ratio was 44 per cent.

MAF Orix Finance Co. PJSC (**MAF Orix**), a joint venture with Orix in which MAF Ventures owns 60 per cent. of the share capital and which is involved in leasing moveable assets, and MAF Finance in which MAF Ventures owns 100 per cent. of the share capital and is involved in credit card operations, are each required by the UAE Central Bank to maintain its capital at a minimum of 15 per cent. of its total available funds. At 31 December 2012, the capital (as defined by the UAE Central Bank) of MAF Orix and MAF Finance was equal to 53 per cent. and 40 per cent. respectively of its total available funds.

The Group has various borrowing arrangements which require it to comply with net worth, interest cover and debt/equity ratios. The Group was in compliance with all such requirements at 31 December 2012 and remains in compliance with all such requirements as at the date of this Base Prospectus.

DIVIDEND POLICY

MAF Holdings is the only company within the Group to have a set dividend policy, the conditions for which are as follows:

(a) MAF Holding intends to distribute approximately 10 per cent. of its annual consolidated net income to its shareholders (the **distribution**), which distribution shall be made no later than 6 months after the end of the financial year to which the distribution relates or at such other intervals as the board of directors may determine from time to time;

(b) the terms of any distribution (including the final amount and timing of such distribution) will at all times remain at the sole and absolute discretion of the board of directors, who will be required to approve every distribution by separate resolution in advance of declaring such distribution. Final payment of any declared distribution will be subject to the final approval by the company's shareholders;

(c) the board of directors shall take into consideration a number of factors before declaring or making such distribution, including (without limitation):

   (i) general economic and business conditions, MAF Holding's and the Group's strategic plans, MAF Holding's financial results and conditions, its cash requirements and the benefits of investing any future earnings in the development and growth of the Group's business;

   (ii) any legal requirements and any contractual obligations or limitations, whether currently applicable or which may become relevant in the future, which affect, or may affect, the ability of MAF Holding to approve or make such distribution;

   (iii) the requirements of any future financing agreements to which MAF Holding may be a party; and

   (iv) any other factors which the board of directors may deem relevant in respect of the distribution in question.

RECENT DEVELOPMENTS

Source of information

The information relating to the Group's and MAF Properties' financial performance during the first quarter of 2013 included in this Base Prospectus is sourced from the internal management accounts and records of MAF Holding and MAF Properties, respectively. Such financial information is unaudited.

Overview

In the first three months of 2013, the Group's revenue increased by 8 per cent. to AED 5,290 million and its EBITDA increased by 12 per cent. to AED 838 million, in each case compared to the same period in the year ended 31 December 2012.

The increase in revenue reflected improved results in a number of the Group's business operations during the first three months of 2013 (compared to the same period in the year ended 31 December 2012) as follows:

- an increase of 7 per cent. in revenue from MAF Retail with 3 per cent. of the growth attributed to sales from established stores, mostly in the UAE and Saudi Arabia, and the remaining 4 per cent. of the growth coming from new store openings in the UAE, Georgia, Iraq, Egypt, Qatar and Saudi Arabia;

- an increase of 13 per cent. in revenue from MAF Properties mainly due to a 9 per cent. increase in revenue from the Shopping Malls Business Unit and a 24 per cent. increase in revenue from the Hotels Business Unit. Revenue growth from established malls, mostly in the UAE, was 7 per cent. while revenue growth from established hotels was 29 per cent.; and

- an increase of 12 per cent. in revenue from MAF Ventures, principally due to the performance of MAF Finance, MAF Cinemas and Orix. This increase was partially offset by lower revenue from MAF Fashion as a result of store closures.

The EBITDA increase reflected an increase of 16 per cent. in EBITDA from MAF Properties and an increase of 11 per cent. in EBITDA from MAF Retail which was offset by a decrease of 24 per cent. in EBITDA from MAF Ventures.

The table below shows certain balance sheet line items for the Group as at 31 March 2013 and 31 December 2012.

	At 31 March 2013	**At 31 December 2012**
	(unaudited)	
	(AED millions)	
Total assets	38,718	37,930
Gross debt (excluding overdraft)	9,762	9,728
Cash in hand and at bank	3,210	2,719
Net debt	6,553	7,010
Total equity	22,420	21,943
Net debt/total equity	29.2	31.9

Liquidity and borrowings

The table below summarises the Group's borrowings as at 31 March 2013 and as at 31 December in each of 2012 and 2011, respectively.

	At 31 March	At 31 December	
	2013	2012	2011
	(unaudited)		
		(AED millions)	
Long-term loans	9,657	9,551	9,649
Less current portion	(697)	(720)	(2,074)
Total non current portion	8,961	8,831	7,575
Short term loans	105	177	303
Bank overdrafts	—	1	5
Total borrowings	**9,762**	**9,728**	**9,957**

The table below shows the Group's borrowings (excluding bank overdrafts) as at 31 March 2013 by debtor:

	At 31 March 2013
	(unaudited) *(AED millions)*
MAF Holding	
Unsecured but with MAF Properties guarantee	5,617
Unsecured but with MAF Cinemas guarantee	155
Unsecured and unguaranteed	245[1]
Total MAF Holding	**6,017**
MAF Properties	
Secured	—
Unsecured but with MAF Holding guarantee	2,736
Unsecured and unguaranteed	—
Total MAF Properties	**2,736**
Other	
Secured and/or guaranteed by banks[2]	784
Unsecured	225
Total other	**1,009**
Total borrowings (excluding bank overdrafts)	**9,762**

(1) Inclusive of short term debt payable to a related party amounting to AED 105 million as at 31 March 2013.
(2) Borrowings by subsidiaries of MAF Holding or MAF Properties, in certain cases on a limited recourse basis to the borrower. Certain of these borrowings are also guaranteed by MAF Holding or MAF Properties.

The table below shows the maturity profile of the Group's outstanding borrowings (excluding bank overdrafts) as at 31 March 2013:

	At 31 March 2013
	(unaudited) *(AED millions)*
Principal amount of borrowings maturing in:	
2013 (April to Dec)	581
2014	1,250
2015	1,043
2016	922
2017	1,792
After 2017	4,174
Total borrowings (excluding bank overdrafts)	**9,762**

MAF Orix

The Group is currently in advanced discussions with a third party buyer regarding a potential divestment of its 60 per cent. interest in MAF Orix. At present there can be no certainty that this potential divestment will conclude. MAF Orix contributes less than 1.0 per cent. to the Group's EBITDA.

MAF Hypermarkets Acquisition and Carrefour Franchise Agreement

MAF Holding entered into an agreement dated 22 May 2013 with Carrefour France SA (the **Sale and Purchase Agreement**) whereby MAF Holding acquired Carrefour SA's 25 per cent. ownership interest in MAF Hypermarkets for a consideration of Euro 530 million (the **Acquisition**). The Acquisition became effective in June 2013.

The Acquisition will not have a material impact on the financial position of the Group as MAF Hypermarkets is a fully consolidated subsidiary of MAF Holding for accounting purposes, save that, as the purchase consideration was higher than 25 per cent. of the net assets of MAF Hypermarkets, the Acquisition resulted in a reduction in Shareholders' equity in accordance with IFRS of approximately AED 2.1 billion on a Group consolidated basis. The impact of such reduction is expected to be substantially offset by an issuance planned in 2013 of debt instruments which are expected by the Group's management to receive full equity accounting treatment in accordance with IFRS.

The Group's management believes that the Acquisition will generate substantial benefits to the Group's business in the future, including affording the Group: (i) the ability to pursue its growth strategy in respect of MAF Hypermarkets in the region with greater flexibility as the Group will no longer be bound by the terms of the current joint venture agreement governing the ownership and management of MAF Hypermarkets; and (ii) the ability to retain and optimally utilize all cash flows generated by MAF Hypermarkets for the benefit of the Group and achieve a more efficient balance sheet structure.

In addition, MAF Hypermarkets and Carrefour France SA have agreed to extend the franchise agreement currently in place between the two parties. The revised franchise agreement extends MAF Hypermarket's use of the Carrefour brand name until 2025 and provides MAF Hypermarkets with the opportunity to expand its use of the Carrefour brand into new jurisdictions and in new formats (such as, for example, in relation to convenience stores and cash-and-carries) across the regions in which the Group currently operates.

SUMMARY OF MAF PROPERTIES FINANCIAL INFORMATION

The following summary of consolidated historical financial information as at and for the years ended 31 December 2012 and 2011 has been extracted from the 2012 MAF Properties Financial Statements, which have been incorporated by reference into this document. Certain minor reclassifications have been made in the 2012 MAF Properties Financial Statements and, as a result, these statements are not comparable in all respects to the 2011 MAF Properties Financial Statements. See "*Presentation of Financial and Other Information—Presentation of MAF Properties Financial Information*".

Prospective investors should read the following summary consolidated financial information in conjunction with the information contained in "*Presentation of Financial and Other Information*", "*Risk Factors*", "*MAF Properties Financial Review*", "*Description of the Group—MAF Properties*" and the MAF Properties Financial Statements (including the related notes thereto) appearing elsewhere in this document.

STATEMENT OF COMPREHENSIVE INCOME

The following table shows MAF Properties' consolidated statements of comprehensive income for the two years ended 31 December 2012 and 2011 respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Revenue	3,149	2,758
Operating expenses	(1,803)	(1,657)
Net valuation gains/(loss) on land and buildings	549	(483)
Other income - net	3	11
Impairment reversal/(loss) - net	27	(45)
Share of loss in joint ventures and associate - net	(50)	(94)
Finance income	8	5
Finance costs	(601)	(449)
Profit before tax	**1,282**	**44**
Income tax (charge)/credit	(55)	82
Profit for the year from continuing operations	**1,227**	**126**
Loss on discontinued operations – net of tax	**(117)**	**(10)**
Profit for the year	**1,110**	**116**
Profit / (loss) attributable to:		
Owners of MAF Properties	1,103	118
Non-controlling interest	7	(2)
Profit for the year	**1,110**	**116**
Other comprehensive income		
Net valuation gain on land and building	754	1,290
Share of (loss) in joint ventures and associate	-	(93)
Net change in fair value of cash flow hedges transferred to profit or loss	64	106
Effective portion of changes in fair value of cash flow hedges	(45)	(94)
Hedging reserve transferred to profit or loss on novation of hedging instruments	189	-
Foreign currency translation reserve transferred to profit or loss on disposal of subsidiaries	120	-
Foreign currency translation differences from foreign operations	(141)	(87)
Other comprehensive income for the year, net of income tax	**941**	**1,122**
Total comprehensive income for the year	**2,051**	**1,238**
Attributable to:		
Owners of MAF Properties	2,043	1,240
Non-controlling interest	8	(2)
Total comprehensive income for the year	**2,051**	**1,238**

STATEMENT OF FINANCIAL POSITION

The following table shows MAF Properties' consolidated statement of financial position as at 31 December in each of 2012 and 2011 respectively.

	At 31 December	
	2012	**2011**
	(AED millions)	
Non-current assets		
Property, plant and equipment	3,119	16,676
Investment property	26,099	11,466
	29,218	**28,142**
Other non-current assets		
Investment in joint ventures and associate	1,118	1,062
Intangible assets	132	152
Deferred tax asset	-	0.3
	1,250	**1,214**
Current assets		
Development property	66	-
Assets classified as held for sale	-	-
Inventories	28	25
Receivables and prepayments	530	603
Due from related parties	66	62
Cash in hand and at bank	602	769
	1,292	**1,459**
Current liabilities		
Payables and accruals	1,806	2,037
Provisions	101	78
Due to related parties	58	33
Current maturity of long term loans	3,997	2,273
	5,962	**4,421**
Net current liabilities	**(4,670)**	**(2,962)**
Non-current liabilities		
Long term loans	3,106	5,343
Other long term liabilities	90	104
Deferred tax liabilities	116	101
Long term portion of provision for employment benefits	11	14
Provision for staff terminal benefits	51	41
	3,374	**5,603**
Net assets	**22,424**	**20,791**
Equity:		
Share capital	3,500	3,500
Shareholder contribution	2,938	2,750
Revaluation reserve	13,095	12,341
Other reserves	2,813	2,130
Total equity attributable to the owners of MAF Properties	**22,347**	**20,721**
Non-controlling interest	77	70
Total equity	**22,424**	**20,791**

CASH FLOW STATEMENT

The following table summarises MAF Properties' cash flows for the two years ended 31 December 2012 and 2011 respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Cash from operating activities	2,144	1,783
Cash used in investing activities	(1,148)	(1,083)
Cashflows from/(used in) financing activities	(1,281)	(673)
Net (decrease)/increase in cash and cash equivalents	**(285)**	**26**
Cash and cash equivalents at the beginning of the year	769	743
Cash and cash equivalents at end of year	**484**	**769**

EBITDA

The following table shows a reconciliation of MAF Properties' EBITDA to profit/(loss) as shown in the consolidated income statement for the two years ended 31 December 2012 and 2011 respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
EBITDA(1)	1,930	1,712
Depreciation	(556)	(600)
Amortisation of intangible asset	(20)	(20)
Impairment loss	27	(45)
Net finance cost	(593)	(445)
Net valuation gain / (loss) on land and buildings	549	(483)
Taxation	(55)	82
Fixed assets/project costs written off	(14)	(4)
Share of gain in joint ventures and associates, net	(50)	(94)
Others	11	5
Forex	(5)	(18)
IAS - 17 Adjustments	6	26
Recycling of accumulated currency translation losses on disposal of subsidiaries	(120)	-
Profit for the year after tax	**1,110**	**116**

(1) Calculated as profit for the year after adding back extraordinary items, interest, provisions, share of gain/(loss) in joint ventures and associates, tax, depreciation and amortisation.

MAF PROPERTIES FINANCIAL REVIEW

The following review of MAF Properties' financial position and results of operations is based upon and should be read in conjunction with the MAF Properties Financial Statements which have been incorporated by reference into this document and which are available for inspection at the registered office of the Issuer and at the specified office of the Paying Agent for the time being in London (see "*General Information—Documents Available*"). As a result of certain reclassifications made in 2012, adjustments have been made to MAF Properties' statement of comprehensive income for the year ended 31 December 2011 and its statement of financial position as at 31 December 2011, in each case as included in the 2012 MAF Properties Financial Statements. As a result, these statements are not comparable in all respects to those in the 2011 MAF Properties Financial Statements.

This discussion contains forward-looking statements that involve risks and uncertainties, see "*Cautionary Statement Regarding Forward Looking Statements*". Actual results for MAF Properties could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed below and in "*Risk Factors*".

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the MAF Properties' Financial Statements requires management to make certain estimates and judgments, some of which are subjective and complex, often as a result of the need to make estimations of future events. The Group's significant accounting policies are set out in note 3 to the 2012 MAF Properties Financial Statements and a summary of the critical accounting estimates and judgments that are made in preparing the financial statements is set out in note 4 to the 2012 MAF Properties Financial Statements.

RESULTS OF OPERATIONS FOR THE TWO YEARS ENDED 31 DECEMBER 2012

Revenue

MAF Properties' principal source of revenue is the rental income that it earns from the tenants in its shopping malls and other properties. MAF Properties also earns revenue from the hotels which it owns and limited leisure and entertainment revenue from the unique leisure offerings owned by it and managed by MAF Ventures, including Ski Dubai, the Wahoo Water Park in Bahrain and certain facilities at Mirdif City Centre shopping mall (together referred to as unique leisure offerings), see "*Description of the Group—MAF Ventures—Strategic businesses—MAF Leisure and Entertainment*".

The table below shows a breakdown of MAF Properties' revenue for the two years ended 31 December 2012, and 2011, respectively.

	Year ended 31 December			
	2012		**2011**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Rental income	2,383	75.7	2,141	77.6
Hotel revenue	533	16.9	429	15.6
Leisure and entertainment revenue	233	7.4	188	6.8
Total revenue	3,149	100.0	2,758	100.0

MAF Properties' total revenue increased by AED 391 million, or 14.2 per cent., in 2012 (from AED 2,758 million in 2011 to AED 3,149 million in 2012). The increase reflected a 11.3 per cent. increase in rental income and 24.2 per cent. increase in hotel revenue, primarily driven by the performance of its comparable like-for-like assets and reflect the partial results of a new shopping mall in Fujairah, UAE in 2012. The year-on-year results also reflect the effects of civic disturbances on shopping malls in Bahrain and Egypt and the opening of the Bahrain Kempinski hotel in 2011.

In geographical terms, in 2012, 80.6 per cent. of MAF Properties' revenue was derived from the UAE, 9.8 per cent. was derived from Bahrain, 4.6 per cent. was derived from Oman,4.7 per cent. was derived from Egypt and 0.3 per cent. was derived from Lebanon.

Rental income

MAF Properties derives almost all of its rental income from renting units in its shopping malls and a very small proportion from renting offices in three office buildings (of which two are partially occupied by Group companies). Rental income increased by AED 242 million, or 11.3 per cent., in 2012 (from AED 2,141 million in 2011 to AED 2,383 million in 2012).

The increase principally reflected: (i) full year operation of Deira City Centre following the extension of the mall at the end of 2011; (ii) an increase in both the base rent and percentage rent charged by tenants' in the Mall of the Emirates as a result of increased sales; (iii) partial results of a new shopping centre opened in Fujairah, UAE in 2012; and (iv) the effects of civic disturbances in 2011 on shopping malls in Bahrain and Egypt.

Hotel revenue

MAF Properties earns hotel revenue from the rooms, food and beverages and other services provided at its hotels. All hotel revenue is stated as gross, with the fees paid to the hotel management companies and the costs incurred by MAF Properties in providing services at its hotels being included in operating expenses.

MAF Properties' hotel revenue increased by AED 104 million, or 24.2 per cent. in 2012 (from AED 429 million in 2011 to AED 533 million in 2012). The increase principally reflected full year operations of Bahrain Kempinski hotel which opened in 2011 and an increase in the occupancy rate and average room rate in the Sheraton Hotel, Mall of the Emirates.

Leisure and entertainment revenue

Leisure and entertainment revenue increased by AED 45 million, or 23.9 per cent. in 2012 (from AED 188 million in 2011 to AED 233 million in 2012) principally due to an increase in revenue from Ski Dubai amounting to AED 41 million.

Operating expenses

The table below shows MAF Properties' operating expenses for the two years ended 31 December 2012 and 2011 respectively.

	Year ended 31 December			
	2012		**2011**	
	(AED millions)	*(%)*	*(AED millions)*	*(%)*
Staff costs	(446)	24.7	(408)	24.6
Depreciation	(556)	30.8	(601)	36.2
Legal, professional and consultancy fees	(57)	3.2	(43)	2.6
Selling and marketing expenses	(104)	5.8	(105)	6.3
Other operating expenses	(640)	35.5	(502)	30.3
Total operating expenses	**(1,803)**	**100**	**(1,659)**	**100.0**

MAF Properties' principal operating expenses are staff costs and depreciation, which together comprised 55.6 per cent. and 60.8 per cent. of its total operating expenses in 2012 and 2011, respectively. Each of these items is analysed in more detail below.

MAF Properties' total operating expenses increased by AED 144 million, or 8.7 per cent., in 2012 (from AED 1,659 million in 2011 to AED 1,803 million in 2012). This increase principally reflected increased staff costs and other operating expenses which, together, increased by AED 176 million, offset by a decrease in depreciation of AED 45 million.

Staff costs

MAF Properties' staff costs (which exclude staff costs capitalised as part of projects under construction) increased by AED 38 million, or 9.3 per cent., in 2012 (from AED 408 million in 2011 to

AED 446 million in 2012), reflecting both increased costs in relation to employee departures and salary increases. The number of employees increased by 2.0 per cent. in 2012, from 2,565 at the start of the year to 2,617 principally due to the opening of Fujairah City Centre and an increase in other staffing requirements of MAF Properties' business.

Depreciation

MAF Properties' depreciation charge decreased by AED 45 million, or 7.5 per cent. in 2012 (from AED 601 million in 2011 to AED 556 million in 2012). In 2011, MAF Properties reassessed the estimated useful lives of certain assets to align them with their expected operational lives. This resulted in a decrease in depreciation charge of AED 47 million in 2012 and an increase in depreciation of AED 30 million in 2011.

Net valuation change on land and buildings

Developed properties classified as property, plant and equipment in accordance with IAS 16 are revalued on each reporting date. Any increase arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of properties is charged to profit and loss, except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to revaluation reserve in equity.

Investment properties are properties held either to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, certain shopping malls and property being constructed for future use as investment property, is stated at fair value at the reporting date.

The net valuation change on land and buildings comprises the sum of: (i) any losses incurred on the revaluation of properties classified as property, plant and equipment; (ii) any increases arising on the revaluation of properties classified as property, plant and equipment to the extent they reverse losses previously charged to the profit and loss; and (iii) the fair value gains or losses on investment property.

In 2012, MAF Properties recognised a net valuation gain of AED 960 million on property, plant and equipment of which a valuation gain of AED 754 million (mainly on the Mall of the Emirates and Kempinski Hotel, Mall of the Emirates) was credited to other comprehensive income and a valuation gain of AED 206 million (principally on Sheraton Mall of the Emirates) was charged to the profit and loss account. A gain on valuation of investment property of AED 343 million (principally on Mirdif City Centre, Bahrain City Centre and Egypt properties) was also charged to the profit and loss account in 2012.

In 2011, MAF Properties recognised a net valuation gain of AED 1,128 million on property, plant and equipment of which a valuation gain of AED 1,291 million (mainly on the Mall of the Emirates and Deira City Centre) was credited to other comprehensive income and a valuation loss of AED 163 million (principally on the Kempinski Hotel in Bahrain) was charged to the profit and loss account. A loss on valuation of investment property of AED 320 million (principally on Egypt and Lebanon properties) was also charged to the profit and loss account in 2011.

Other income and expenses, net

MAF Properties' other income and expenses comprise the net gain or loss made on the disposal of property, plant and equipment, investment property and assets held for sale, fixed assets and project costs written off once the Group determines not to proceed with a particular project, any net foreign exchange gain or loss, service charges levied on related parties, a provision for a related party balance and other income. MAF Properties' other income and expenses, comprised net income of AED 3 million in 2012 and net income of AED 11 million in 2011.

Impairment reversal/(provision) net

MAF Properties recognised an impairment reversal of AED 27 million in 2012 and net impairment losses of AED 45 million in 2011. In 2012 MAF Properties reversed the impairment provision of AED 27 million created in 2011, towards its investment in the associate.

The impairment losses in 2011 principally related to the effect of adverse market and business conditions on the value of investment in associates and impairment of an advance given towards land acquisition. Also, an impairment loss of AED 31.5 million recognised in 2009 against an advance for a potential joint venture was reversed in 2011, on recovery of funds. In addition, during 2011, MAF Properties reassessed the carrying amount of certain leisure and entertainment assets acquired in 2010 and recognised an additional impairment loss of AED 23 million.

Share of gain in joint ventures and associate, net

A list of MAF Properties' joint ventures and associates is set out in notes 32 and 33 to the 2012 MAF Properties Financial Statements. Joint ventures and associates are accounted for using the equity method, which means that MAF Properties' proportionate share of the profit or loss made by each joint venture or associate is included under this line item.

The table below shows MAF Properties' share of the profit or loss of its joint ventures and associates for the two years ended 31 December 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(*AED millions*)	
Share of (loss) of joint ventures	(8)	(86)
Share of (loss) of associates	(42)	(8)
Total	**(50)**	**(94)**

MAF Properties' share of loss in joint ventures and associates was AED 50 million in 2012 and AED 94 million in 2011. The loss in 2012 principally reflected MAF Properties' share of the net assets of the associate.

Net finance cost

The table below shows MAF Properties' net finance cost recognised in profit or loss for the two years ended 31 December 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(*AED millions*)	
Arrangement and participation fee	(6)	(6)
Interest charges (less capitalised interest)	(342)	(333)
Ineffective portion of changes in fair value of cash flow hedges	-	(4)
Net changes in fair value of cash flow hedges transferred from equity	(64)	(106)
Hedging reserve transferred from equity on novation of hedging instruments	(189)	—
Finance costs	**(601)**	**(449)**
Interest income	8	4
Finance income	**8**	**4**
Net finance costs	**(593)**	**(445)**

MAF Properties' net finance cost charged to profit and loss increased by AED 148 million, or 33.3 per cent., in 2012 (from AED 445 million in 2011 to AED 593 million in 2012). This principally reflected the net effect of the following factors:

- a decrease of AED 42 million, or 39.6 per cent., in net changes in fair value of cash flow hedges transferred from equity in 2012, as one derivative instrument matured and two derivative instruments were novated to MAF Holding in 2012. Under IFRS changes in the fair values of the effective portion of derivative instruments that are designated as cash flow hedges are recognised directly in other comprehensive income and presented in equity (in the hedging reserve). The amount recognised in other comprehensive income is reclassified and included in profit or loss in the same period that the hedged item affects profits or loss; and

- during 2012 the remaining balance of hedging reserve of AED 189 million in respect of the derivative instruments that were novated to MAF Holding was transferred to profit or loss.

Profit before tax

Reflecting the above factors, MAF Properties' profit before tax was AED 1,282 million in 2012 and AED 44 million in 2011.

Income tax

MAF Properties' is subject to tax on the income earned by it in certain of the jurisdictions in which it operates.

MAF Properties' operations in these jurisdictions gave rise to an income tax charge of AED 55 million in 2012 and tax credit of AED 82 million in 2011, MAF Properties recognises deferred tax on the temporary differences arising between the tax base and asset base on fair valuation of properties in Egypt and Lebanon. The tax credit in 2011 reflected the deferred income tax recognised in respect of the net valuation losses in each of these countries.

Discontinued operations

Under IFRS, when an operation is classified as a discontinued operation, the comparative income statement is reclassified as if the operation had been discontinued from the start of the comparative year. During 2012, MAF Properties sold its investment and operations in MAF Investment Syria LLC (a subsidiary incorporated in Syria) and MAF Syria for Investment and Development LLC (a subsidiary incorporated in the UAE) to MAF Capital. Accordingly, the profit/(loss) from discontinued operations has been stated separately in the consolidated income statement of MAF Properties and shows a loss of AED 117 million for 2012 and a loss of AED 10 million in 2011. See *"Description of the Group—Discontinued operations in Syria and Iran"* for further details on the transfer for these businesses.

Profit / (loss) for the year

Reflecting the above factors, MAF Properties' profit for the year was AED 1,110 million in 2012 and AED 116 million in 2011.

Other comprehensive income/(loss)

In 2012, MAF Properties' other comprehensive income was AED 941 million compared to the other comprehensive income of AED 1,122 million in 2011.

The principal factor affecting other comprehensive income and loss is the fair value gains and losses made on the valuation of land and buildings each year, see *"Net valuation change on land and buildings"*. Furthermore, in 2012, on the novation of the two derivative instruments to MAF Holding, MAF Properties transferred a hedging reserve of AED 189 million to profit or loss. The accumulated foreign currency translation differences in respect of the subsidiaries disposed during 2012 amounting to AED 120 million were previously recognized in other comprehensive income and presented in the currency translation reserve in equity. On disposal, these currency translation differences have been included in profit or loss in 2012. The combined impact of both these transactions resulted in an increase in other comprehensive income of AED 309 million in 2012.

MAF Properties' loss or profit for each year, the items above and other less significant changes in other comprehensive income line items, resulted in total comprehensive income for MAF Properties of AED 2,051 million in 2012 and AED 1,238 million in 2011.

Segments

MAF Properties is organised to achieve its objectives through three business units: the Shopping Mall Business Unit, the Hotels Business Unit and the Communities Business Unit and is sustained by corporate support functions such as business development, finance, information technology, human resources, project management, legal, valuation and risk management. Geographic segments are divided into the UAE, Oman, Bahrain, the Kingdom of Saudi Arabia ((**KSA**) and together, the **GCC**), Egypt and Lebanon.

MAF Properties' three business units are responsible for managing owned assets, as well as strategic equity investments or joint ventures which are defined as those in relation to which MAF Properties has management agreements such as asset management agreements or development management agreements.

Equity investments or joint ventures without such agreements are considered as non-strategic and are managed by corporate support functions.

Management Reporting

In conjunction with IFRS financial and other financial indicators, MAF Properties relies on non-GAAP profitability measures together with statistical and operating key performance indicators to achieve its business unit and corporate goals. These non-GAAP financial measures are used to supplement IFRS reporting in order to align business reporting with operating performance:

- Management Revenue: Statutory reported revenues are adjusted to exclude the impacts of non-cash IAS17 lease accounting impacts, and include the Group's proportionate share of strategic equity investments or joint ventures revenues.

- Business unit EBITDA: This key reporting measure includes: (i) all revenues and expenses for assets managed by the business unit, including the proportionate share of strategic equity investments or joint ventures, and management fees but excluding all finance costs, taxes, depreciation, amortisation and impairment charges and fair value changes; and (ii) all business unit overhead expenses.

- MAF Properties EBITDA: This is considered to be the key measure of the Group's operating performance and cash generation. It is defined as the aggregate of business unit EBITDA less corporate support overhead expenses, and excludes all finance costs, taxes, depreciation, amortisation, impairment charges and fair value changes.

- Business unit Operating Profit: This business unit financial measure is defined as business unit EBITDA after impacts of gross asset fair value changes (irrespective of IAS16 or IAS40 classification) and includes non-cash charges such as depreciation, amortisation, impairment and asset write-offs.

- Management Net Profit: This corporate measure is defined as the aggregate of the business unit's operating profit adjusted for accounting impacts of non-strategic equity investments, gain or loss on disposal of assets, gain or loss on foreign exchange, net finance costs, income or deferred tax charges and accounting impacts of minority (non-controlling) interest.

Shopping Mall Business Unit

This business unit leads and manages all aspects of the retail development and management of shopping malls, ranging from regional shopping malls to smaller community centres. The Shopping Mall Business Unit undertakes various functions in this respect such as development, design, leasing, marketing and property management. In addition, the Shopping Mall Business Unit owns a number of leisure and entertainment operations located within its shopping malls.

Revenues from this business unit principally comprise of base minimum rents, percentage rents based on tenant sales volume, mall promotions and media, recovery of common area charges, leisure and entertainment assets, and management fees.

Hotels Business Unit

This business unit is responsible for the development of hotel assets and the management of these assets in association with third-party hotel operators.

Revenues from this business unit principally comprise of room revenues, food and beverage revenues and management fees (in cases where the Hotels Business Unit is responsible for the management of the hotel).

Communities Business Unit

This business unit is responsible for master development of larger master planned lifestyle developments that comprise multiple asset classes (such as residential units, hotels and leisure and entertainment facilities), and is responsible for infrastructure, residential and commercial assets within these developments. The Communities Business Unit is also responsible for managing the Group's portfolio of office buildings.

Revenues from this business unit principally comprise of sale proceeds upon recognition of leasing revenues from commercial, residential, serviced land or other mixed use assets as well as management fees where the Communities Business Unit has agreed with its joint venture partner to provide management services in respect of the relevant development.

The table below shows each business unit's EBITDA, operating profit and management net profit for the years ended 31 December 2012 and 2011.

	Year ended 31 December					
	EBITDA		**Operating profit**		**Management net profit**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
	(AED millions)		*(AED millions)*		*(AED millions)*	
Shopping Malls Business Unit...	1,988	1,725	2,601	2,546	2,601	2,546
Hotels Business Unit	160	128	207	(261)	207	(261)
Communities Business Unit.......	(19)	(2)	(24)	(78)	(24)	(78)
Total Business Units..................	2,129	1,851	2,784	2,207	2,784	2,207
Corporate Support.....................	(199)	(139)	(197)	(386)	(1,002)	(1,104)
Total	**1,930**	**1,712**	**2,587**	**1,821**	**1,782**	**1,103**

The table below shows the geographical breakdown of EBITDA, operating profit and management net profit for the years ended 31 December 2012 and 2011.

	Year ended 31 December					
	EBITDA		**Operating profit**		**Management net profit**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
	(AED millions)		*(AED millions)*		*(AED millions)*	
UAE	1,545	1,397	2,192	2,407	1,541	1,827
Oman...	122	114	132	148	129	123
Bahrain	196	140	227	(195)	127	(286)
Kingdom of Saudi Arabia.............	(4)	—	(4)	—	(4)	—
GCC Total	**1,859**	**1,651**	**2,547**	**2,360**	**1,793**	**1,664**
Egypt..	105	76	142	(303)	66	(320)
Lebanon.......................................	(30)	(6)	(97)	(218)	(82)	(227)
Syria...	(4)	(9)	(5)	(17)	5	(14)
Total Non-GCC Countries..........	**71**	**61**	**40**	**(538)**	**(11)**	**(561)**
Total	**1,930**	**1,712**	**2,587**	**1,822**	**1,782**	**1,103**

Reconciliation of Statutory net profit / (loss) with management net profit

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Statutory net profit	1,103	120
Reconciling items:		
Fair value adjustments(1)	(553)	(591)
IAS-16 Fair value changes recognised in income statement(1)	754	1,291
Depreciation on strategic assets(2)	515	526
Coupons declared to MAF Holding(3)	(220)	(220)
Transfer of hedging reserve from equity to profit or loss on novation of derivative instruments to MAF Holdings	189	—
Non-cash IAS-17 lease adjustments(4)	(6)	(26)
Other adjustments	—	3
Total reconciling items	679	983
Management net profit / (loss)	1,782	1,103

(1) For the calculation of Management net profit, gross changes in fair value from one reporting date to another are reported in the income statement compared to the net accounting valuation change computed as per the requirements of IAS 16/40 for statutory purposes. Also, for the calculation of management net fair value changes, changes in fair value of non-strategic assets are not considered and the proportionate equity share of strategic equity investments or joint ventures are considered as part of the respective business unit.

(2) For management net profit calculation, depreciation is not charged to strategic assets which are subject to fair valuation. Gross changes in fair value are reported in the income statement. For statutory purposes all assets which are classified under IAS 16 are depreciated and any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

(3) For management net profit calculation, coupons declared during the year are shown as a deduction from net profit. For financial reporting purposes, coupons are shown as an appropriation of distributable profit and are adjusted in equity.

(4) For management net profit calculation, IAS 17 lease adjustments are not considered.

Note 5 to the 2012 MAF Properties Financial Statements presents certain financial information for each segment. In revenue and assets terms, the Shopping Malls Business Unit is the most significant segment, accounting for 82.3 per cent. of MAF Properties' revenue in 2012 and for 78.3 per cent. of its assets as at 31 December 2012. In terms of EBITDA, the Shopping Mall Business Unit and the Hotels Business Unit each generated positive EBITDA in 2012 and 2011. The Communities Business Unit generated a negative EBITDA in 2012 and 2011.

CASH FLOWS FOR THE TWO YEARS ENDED 31 DECEMBER 2012

The table below summarises MAF Properties' cash flows for the two years ended 31 December 2012 and 2011, respectively.

	Year ended 31 December	
	2012	**2011**
	(AED millions)	
Net cash from operating activities	2,144	1,783
Net cash (used in) investing activities	(1,148)	(1,083)
Net cash (used in) financing activities	(1,281)	(673)
Increase / (decrease) in cash and cash equivalents	**(285)**	**27**
Cash and cash equivalents at start of year	769	743
Cash and cash equivalents at end of year	**484**	**769**

In 2012, MAF Properties' net cash from operating activities was AED 2,144 million and net cash used in investing activities was AED 1,148 million, principally reflecting the cost of acquiring property, plant and equipment, which was AED 351 million, and investment property, which was AED 584 million. The majority of these amounts reflected capital work in progress. The additions in property, plant and equipment principally reflected redevelopment work in Deira City Centre, Mall of the Emirates, refurbishment of City Centre Hotel and Kempinski Hotel, Mall of the Emirates. Additions in investment property mainly pertained to Fujairah City Centre, Beirut City Centre and Mall of Egypt. MAF Properties also invested AED 83 million in a joint venture and AED 117 million in fixed deposits with maturity of more than 3 months in 2012. The net cash used by MAF Properties in financing activities in

2012 was AED 1,281 million. MAF Properties paid a net AED 513 million in 2012 against its borrowings and paid interest of AED 548 million.

In 2011, MAF Properties' net cash from operating activities was AED 1,783 million. MAF Properties' net cash used in investing activities in the same year was AED 1,083 million, principally reflecting the cost of acquiring property, plant and equipment, which was AED 431 million, and investment property, which was AED 506 million. The majority of these amounts reflected capital work in progress, the additions in property, plant and equipment principally reflected the expenditure on Kempinski Hotel in Bahrain, refurbishment of City Centre Hotel and the Khams Shamat Tourist Complex. Additions in investment property mainly pertained to Fujairah City Centre and Beirut City Centre. MAF Properties also invested AED 145 million in a joint venture in 2011. The net cash used by MAF Properties in financing activities in 2011 was AED 673 million. MAF Properties paid a net AED 102 million in 2011 against its borrowings and paid interest of AED 461 million.

LAND AND BUILDINGS

MAF Properties' land and buildings are categorised either as investment property or as property, plant and equipment. Investment properties are properties held either to earn rental income, for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Certain of MAF Properties' properties include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use in the supply of services or for administrative purposes. These properties may be split between the two categories where applicable law provides that separate title could be granted to each portion. Due to legal restrictions in Oman, and in the UAE in respect of properties which are built on land gifted by the Ruler of Dubai, these properties cannot currently be sold or finance-leased separately (in the case of the UAE, without the prior consent of the Ruler). As a result, these properties are classified as investment properties only if an insignificant portion is held for own use. As at 31 December 2012, MAF Properties' has revised its basis of estimating the level of own use of properties that cannot be sold or finance-leased separately. The basis has changed from the level of ancillary income to leasable value of the self-occupied and let out portions of the respective properties. If the level of own use of a property, as determined by leasable value, is insignificant, the property is classified as investment property, otherwise, it is classified as property plant and equipment. This change in accounting estimate will only have an impact on future periods, commencing after 31 December 2012.

MAF Properties determines the fair value of undeveloped land and other developed properties twice a year on 31 December and 30 June using valuations made by an independent firm of RICS valuers. Internal valuations are used to assess fair value changes between valuation dates. Fair value is the market value of the properties determined as the highest possible price for which the property could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. If there is no market-based evidence of the fair value of a property, fair value is determined using the present value of the estimated future net cash flows for the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to determine the fair value.

The table below shows the value of MAF Properties' land and buildings as at 31 December in each of 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(AED millions)	
Classified as property, plant and equipment	2,826	16,090
Classified as investment property	23,659	9,162
Total	**26,485**	**25,252**

In addition, MAF Properties had undeveloped land classified as investment property and valued at AED 931 million at 31 December 2012.

BORROWINGS

MAF Properties' external borrowings comprise long-term loans from commercial banks. In addition, as at 31 December 2012 MAF Properties has loans outstanding from MAF Holding totalling AED 3,655 million, see "*Related Parties*".

The table below summarises MAF Properties' borrowings as at 31 December in each of 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(AED millions)	
Long-term loans	7,104	7,616
Of which current portion	3,997	2,273

Details of MAF Properties' seven outstanding external loans and facilities at 31 December 2012 are set out in note 21 to the 2012 MAF Properties Financial Statements. The loans have maturity dates ranging from 8 September 2013 to 30 January 2022. The loans are denominated in dirham, U.S. dollars, Egyptian pound and Lebanese pound. The majority of the loans bear interest at floating rates with margins ranging from 1 per cent. to 3.5 per cent. above a reference rate. One loan has a fixed 5.85 per cent. rate of interest. Certain of the loans (as identified in note 21) are secured against assets of MAF Properties. The principal amount outstanding of secured loans at 31 December 2012 was AED 1,182 million.

SHAREHOLDERS' EQUITY

The table below shows MAF Properties' shareholders' equity as at 31 December in each of 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(AED millions)	
Share capital	3,500	3,500
Shareholder contribution	2,938	2,750
Retained earnings	2,388	1,943
Revaluation reserve	13,095	12,341
Other reserves	426	187
Total equity attributable to the owners of MAF Properties	**22,347**	**20,721**

Share capital

MAF Properties' share capital as at 31 December 2012 comprised 3,500,000 shares of AED 1,000 each, all of which are fully paid and owned by MAF Holding.

Shareholder contribution

In October 2009, MAF Properties issued perpetual subordinated loan instruments of AED 2,500 million to MAF Holding. During 2010, a further AED 250 million of these instruments were issued. The instruments bear interest at 8 per cent. to 7 October 2019 at which point they can be called for redemption. If not redeemed, they will bear interest at a floating rate equal to a margin of 5 per cent. over a defined benchmark. The coupon is not cumulative and can be deferred at MAF Properties' discretion. Should MAF Holding cease to control MAF Properties, the coupon will increase by 5 per cent. and become cumulative. All of the instruments were issued against cancellation of an equivalent amount of debt owed to MAF Holding by MAF Properties and the first coupon declared in 2010 was similarly set-off.

In 2012 MAF Properties novated derivative instruments with a negative fair value of AED 188 million to MAF Holding. MAF Holding waived its contractual obligation of recovering the liability from MAF Properties and accordingly this balance was classified within shareholder contribution.

Revaluation reserve

The revaluation reserve principally reflects changes in the fair value of MAF Properties' land and buildings classified as property, plant and equipment as required by IAS 16. Any increase in value arising on each revaluation of such assets is credited to the revaluation reserve unless and to the extent it reverses a decrease in the value of the same asset previously recognised in profit and loss, in which case the increase in value is recognised in profit and loss instead. Any decrease in value arising on each revaluation of such assets is debited from the revaluation reserve to the extent that the revaluation reserve contains a credit balance in respect of the asset concerned. If and to the extent there is no such credit balance, the decrease is charged to profit and loss.

Other reserves

MAF Properties and its subsidiaries maintain a statutory reserve as required by applicable law. Typically a percentage of profit of the relevant company is transferred to the statutory reserve each year until the reserve equals the limit prescribed by applicable law. In addition, MAF Properties maintains fair value reserves in respect of hedging instruments as well as a currency translation reserve in respect of foreign currency differences arising from the translation of the financial statements of MAF Properties' group companies whose functional currency is not the dirham.

RELATED PARTIES

MAF Properties' related party transactions are described in note 17 to the 2012 MAF Properties Financial Statements and principally comprise transactions with other Group companies and key management personnel and/or their close family members. In 2010, a number of unique leisure offerings were transferred from MAF Leisure and Entertainment to MAF Properties and these transactions, together with the shareholder contributions described under "*Shareholders' Equity—Shareholder contribution*", the guarantees given by and to MAF Properties in respect of borrowings by it and other Group companies as referred to under "*Group Financial Review—Liquidity and Borrowings*" and the additional transactions described in note 17 to the 2012 MAF Properties Financial Statements and note 16 to the 2011 MAF Properties Financial Statements, comprise the principal related party transactions in the two years under review.

OFF-BALANCE SHEET LIABILITIES

MAF Properties has significant off-balance sheet liabilities in the form of capital commitments and guarantees given by it.

The table below shows MAF Properties' off-balance sheet liabilities as at 31 December in each of 2012 and 2011, respectively.

	At 31 December	
	2012	**2011**
	(AED million)	
Capital commitments[(1)]	2,238	948[(2)]
Letters of credit	—	—
Financial guarantees ...	3,787	3,673
Other operational guarantees	5	6
Total	**6,030**	**4,627**

(1) MAF Syria for Investment and Development LLC has entered into a development agreement with a government agency in Syria to invest AED 3,673.0 million over a period of 15 years from July 2009, of which AED 1,101.9 million should be invested in the first five years. At 31 December 2011, MAF Properties had invested AED 324.7 million in the project. During 2011, MAF Properties sold its investment and operations in MAF Syria for Investment and Development LLC and accordingly this commitment is no longer applicable to MAF Properties.

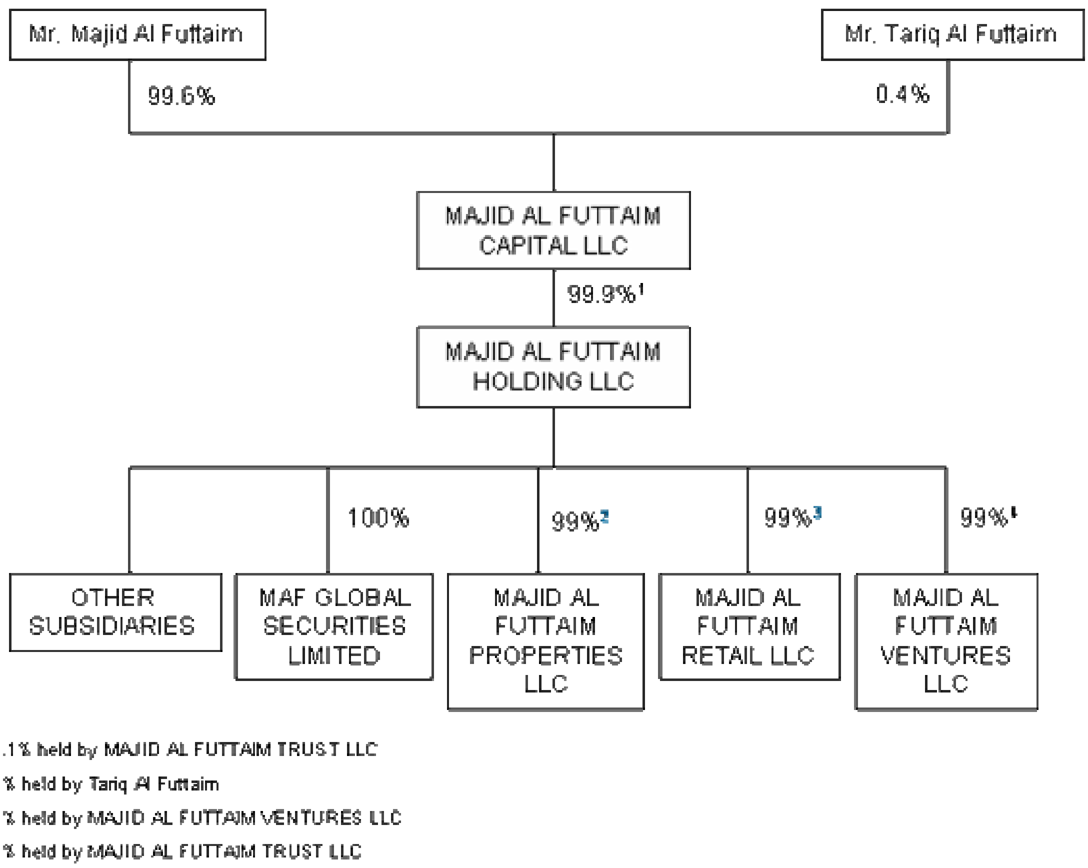
(2) Adjusted in the 2012 MAF Properties Financial Statements to accurately reflect MAF Properties share of capital commitments in relation to its equity accounted investees.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is one of the largest developers and operators of shopping malls and hypermarkets in the MENA region. Founded in Dubai in 1992 to bring the first regional shopping mall to the Middle East, the Group's activities have since grown to include hotel development and the provision of synergistic leisure and entertainment products and services. The Group currently has operations in 12 countries predominantly in the MENA region.

In 2012, driven by annual footfall of approximately 147 million people through its shopping mall destinations, MAF Holding had consolidated revenue of AED 20,824 million and consolidated EBITDA of AED 3,008 million, as well as consolidated assets of AED 37,930 billion at 31 December 2012. MAF Holding had consolidated revenue of AED 18,730 million and consolidated EBITDA of AED 2,805 million, as well as consolidated assets of AED 36,130 billion at 31 December 2011.



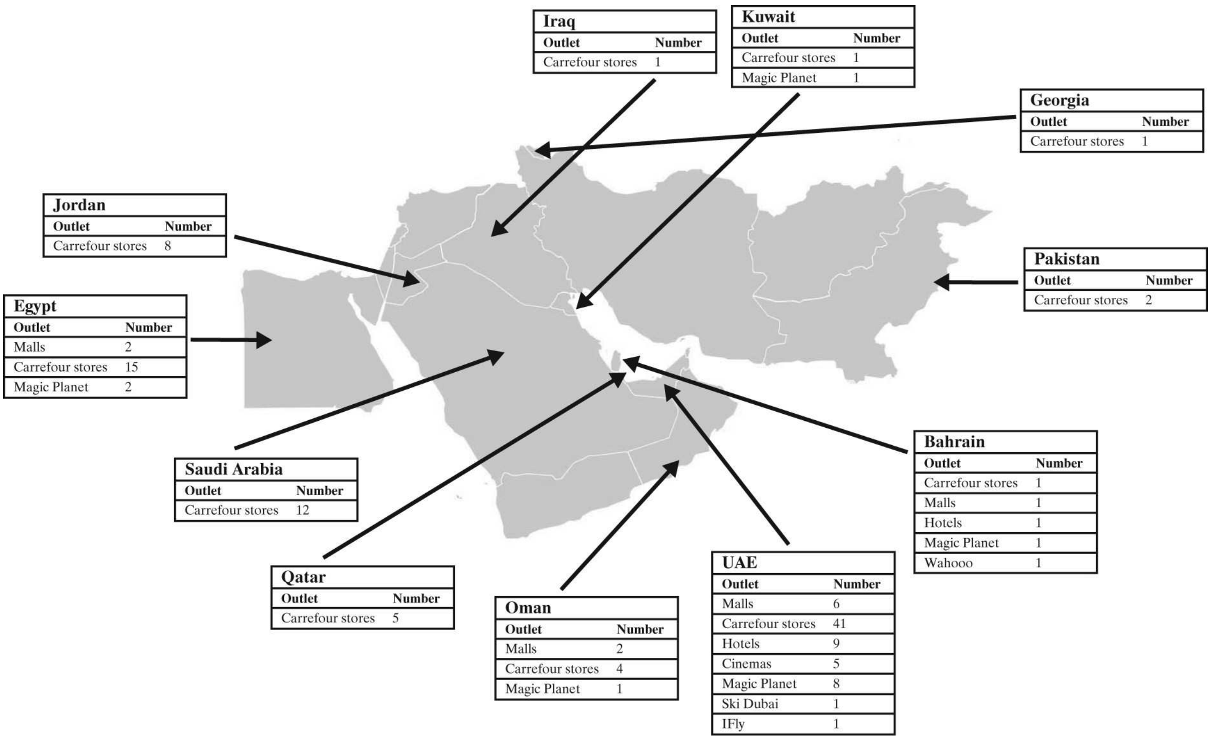
The Group's operations are carried out by three complementary operating companies: MAF Properties, MAF Retail and MAF Ventures, each of which is a wholly-owned subsidiary of MAF Holding:

- **MAF Properties** develops and manages shopping malls, which is the Group's core business. MAF Properties currently operates 11 shopping malls in the UAE, Egypt, Oman and Bahrain and is currently constructing or master planning an additional four malls, located in Lebanon and Egypt. MAF Properties also develops hotels adjacent to or in close proximity to shopping mall destinations and, on a selective basis, undertakes mixed-use developments, in each case where this adds value to its core mall development business. MAF Properties currently owns 11 hotels, of which nine are located in the UAE and two are located in Bahrain. MAF Properties operates through its three business units: Shopping Malls, Hotels and Communities. For the year ended 31 December 2012, MAF Properties had revenue of AED 3,149 million and EBITDA of AED 1,954 million, whereas for the year ended 31 December 2011, MAF Properties had revenue of AED 2,758 million and EBITDA of AED 1,735 million.

- **MAF Retail** first introduced the hypermarket model to the Middle East in 1995 through MAF Hypermarkets, originally established as a joint venture company with Carrefour in which MAF Retail had a 75 per cent. interest. As at the date of this Base Prospectus, MAF Hypermarkets is a wholly owned subsidiary of the Group, managed by MAF Retail in which MAF Retail has a 99.9 per cent. interest and MAF Holding has a 0.1 per cent. interest. For further detail on the history of MAF Hypermarkets please see *"Description of the Group—MAF Retail"* and for further detail on MAF Holding's recent acquisition of Carrefour's 25 per cent. interest please see *"Group Financial Review—Recent Developments"*. Carrefour stores are a key anchor tenant in each of the Group's shopping malls and the Group has also opened Carrefour stores outside its shopping malls. MAF Retail has expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia and Georgia. As at 31 December 2013, MAF Retail operated 48 Carrefour hypermarkets and 43 Carrefour supermarkets in 11 countries predominantly in the MENA region. For the year ended 31 December 2012, MAF Retail had revenue of AED 17,798 million and EBITDA of AED 927 million, whereas for the year ended 31 December 2011, MAF Retail had revenue of AED 16,290 million and EBITDA of AED 958 million.

- **MAF Ventures** operates the Group's leisure and entertainment services, including a unique leisure offering in each of its three super-regional shopping malls, for example Ski Dubai which is located in the Group's flagship shopping mall, Mall of the Emirates. MAF Ventures also owns 13 Magic Planet entertainment centres located in ten of the Group's shopping malls and elsewhere and five cinemas located in four of the Group's shopping malls and elsewhere. MAF Ventures also offers Najm Visa credit cards and has a small portfolio of other investments. For the year ended 31 December 2012, MAF Ventures had revenue of AED 810 million and EBITDA of AED 174 million, whereas for the year ended 31 December 2011, MAF Ventures had revenue of AED 724 million and EBITDA of AED 159 million.

The following map sets out details of the Group's principal operations in each of the countries in which it currently operated as at 31 December 2012.



In geographical terms, during the year ended 31 December 2012, 55.8 per cent. of the Group's revenue was derived from the UAE, 11.2 per cent. was derived from Egypt, 8.6 per cent. was derived from Saudi Arabia, 7.9 per cent. was derived from Qatar, 5.6 per cent. was derived from Oman, and the remaining 10.9 per cent. was derived from other countries predominantly in the MENA region.

HISTORY

Founded in 1992 in Dubai, the Group operated solely in Dubai until 1999. During that period, the joint venture with Carrefour was established, and the Group operated shopping malls, hypermarkets, hotels and cinemas. Between 1999 and 2001, the Group expanded across the UAE and into Oman. Between 2001 and 2003, the Group expanded into Egypt. Between 2003 and 2005, the Group expanded into Saudi Arabia. Between 2005 and 2008, the Group expanded into Kuwait, Bahrain, Jordan and Qatar and invested in a mixed-use development in Oman. Between 2008 and 2010, the Group expanded into Pakistan. The Group's geographic expansion has principally been driven by its retail business with five Carrefour hypermarkets operating by the end of 2000, 18 by the end of 2005, 45 by the end of 2011 and 48 by the end of 2012.

In July 2011, the franchise agreement between MAF Hypermarkets and Carrefour was extended to four countries in the Commonwealth of Independent States: Armenia, Azerbaijan, Georgia and Kazakhstan.

CREDIT STRENGTHS

Management believes that the Group's credit strength is bolstered by the following factors:

- **Low volatility in operating income:** Reflecting the fact that a significant majority of its revenue is derived from food retailing (which is relatively unaffected by economic cycles) and, to a lesser extent, from rental income from tenants in its shopping malls (which is also a generally stable source of income), the Group experiences low levels of volatility in its operating income. The Group's operating income in each of 2010, 2011 and 2012 was AED 5,237 million, AED 5,816 million and AED 6,606 million, respectively, and its operating margins were 29.5 per cent., 31.1 per cent and 31.7 respectively;

- **Leadership in markets where the Group competes**: The Group's principal market is the UAE and Dubai in particular. The Group believes that it has a leading position as a shopping mall developer in Dubai as it owns three of the leading shopping malls currently operating in Dubai. The Group also believes that it has a leading position as a shopping mall developer in the MENA region as no other company operating in the region has a geographic spread of shopping malls to match the Group's and that its experience of operating in a wide range of markets within the MENA region will help the Group as it seeks to expand into new markets such as Armenia and Kazakhstan;

- **Steady cash flows and balanced financial profile:** The Group benefits both from a sound asset base in MAF Properties, which accounted for 85.3 per cent. and 83.7 per cent. of the Group's assets at 31 December 2011 and 31 December 2012, respectively, and also from a stable source of operating cash flow from the retailing business carried on by MAF Retail, which accounted for 83.2 per cent. and 82.5 per cent. of the Group's revenue in 2011 and 2012, respectively, and from rentals generated by its shopping malls and certain other properties. The Group believes that this combination of sound asset base and stable cash flow is a significant differentiator from other property development companies in the region;

- **Complementary businesses:** The Group has a focused strategy aimed to ensure that it delivers outstanding shopping destinations in significant part through creating and exploiting a range of synergies in its businesses. For example, having Carrefour as an anchor tenant helps to drive significant footfall in the Group's shopping malls which makes the malls more attractive to prospective tenants. In addition, the Group's hotels and leisure businesses help to differentiate its shopping malls and provide additional attractions to shoppers, particularly tourist shoppers in Dubai and Bahrain. The Group's credit cards help to build customer loyalty and to differentiate the Group whilst the Group's significant customer base is a large potential target market for its credit card offering. Management of MAF Holding believes that these synergies were a major factor in insulating the Group against the worst effects of the global financial crisis during 2008 and 2009;

- **Strong corporate governance:** Management of MAF Holding believes that the Group has robust corporate governance procedures in place. In particular, the Group has voluntarily adopted the principles of the Combined Code on Corporate Governance for listed companies in the UK across all areas of its business and established principles of corporate governance and defined their application across each of the Group's operating companies. In addition, the Group has established strong operating company board structures reporting to the Board of MAF Holding, has segregated shareholdings in and management of the Group's operating companies and ensures that all applicable laws and regulations in the countries in which it operates are complied with. Although the Chief Executive Officer (**CEO**) and Chairman of MAF Holding are in regular contact with Mr. Majid Al Futtaim, the Majid Al Futtaim family does not actively participate in the day-to-day operations of the Group;

- **Presence in locations with strong business potential:** When considering a new shopping mall or stand alone Carrefour store project, the Group conducts extensive due diligence and market research in order to identify the best sites. In particular, factors such as current and anticipated population, catchment areas, accessibility to the proposed shopping mall or store, potential rate of urbanisation and known or planned competing facilities are all considered and, in the case of additional shopping malls or stores in a single city, enhanced market research is conducted into relevant catchment areas to ensure that competition between the Group's facilities is minimised. The Group believes that it has been able to secure prime locations for many of its assets. In addition, particularly in Dubai (where it has three shopping malls) and Bahrain, the Group is not solely reliant on the local population and benefits from significant tourist footfall in its shopping malls. In all of the countries in which the Group operates, it also benefits from factors such as the generally high temperatures which encourage indoor shopping and the fact that shopping malls are perceived as family-friendly places to socialise and engage in wider activities other than just shopping;

- **Low leverage:** The Group's net debt to EBITDA ratios in each of 2010, 2011 and 2012 were 3.5, 2.7 and 2.3 respectively. For these purposes, the Group's net debt is defined as long-term loans (including current maturity), short-term loans and bank overdrafts less cash in hand and at banks;

- **Operating in markets with long-term macro-economic potential:** The Group's principal market is the UAE but other markets which are significant to the Group are Egypt, Qatar, Saudi Arabia, Oman and Bahrain. Between 2006 and 2012, each of these markets experienced significant increases in nominal GDP, had growing populations and experienced an average annual growth in private consumption in excess of 5 per cent. Reflecting these factors, retail sales grew significantly in each market over the 2006 to 2012 period, with MAF Retail, reporting in 2012 compound annual growth rates in retail sales of 8.1 per cent. in Bahrain (for the period 2009-2012 only), 11.87 per cent. in the UAE, 14.88 per cent. in Saudi Arabia, 16.74 per cent. in Oman, 17.38 per cent. in Egypt and 17.61 per cent. in Qatar; and

- **Prudent financial management and track record:** The Group believes that it has implemented strong risk management policies, particularly as regards managing its liquidity and credit risks, see "*Group Financial Review—Financial Risk Management*". The Group has experienced steady revenue and EBITDA growth, even through the global financial crisis and property market crash in Dubai and other countries in the MENA region. The Group's revenue grew by 11.6 per cent. in 2010, 10.4 per cent. in 2011 and 11.2 per cent. in 2012 whilst its EBITDA grew by 31.3 per cent. in 2010, 18.8 per cent. in 2011 and 7.2 per cent. in 2012. In addition, the Group follows a conservative investment capital expenditure policy, typically entering new markets with lower cost hypermarket developments before committing to capital intensive shopping mall developments, adhering to a defined and rigorous process for making investment decisions, seeking to pre-fund its capital expenditure, entering into joint ventures where appropriate and by retaining the flexibility to scale back its developments in adverse market conditions.

STRATEGY

The Group's corporate strategy is focussed on achieving outstanding shopping destinations. The Group intends to focus on core sectors and markets where it has existing market leadership or where it sees an opportunity to establish itself as a leader in an under-developed market and to continue to create and exploit the synergies between its different businesses. In particular, the Group intends to:

- **Enhance and grow its shopping destination business:** The Group intends to continue to undertake shopping mall developments on a regional basis both within the UAE and, outside the UAE, in markets which it believes are currently under-developed and offer a combination of increasing consumer spending power, increasing openness to international markets and low levels of international competitiveness. The Group intends, over time, to continue to diversify away from Dubai, where its revenues are currently concentrated;

- **Control and grow its retail businesses:** The Group expects to continue to develop its Carrefour hypermarket and supermarket business, both as anchor tenants for its new shopping mall developments and also on a stand alone basis. In particular, the Group expects to continue to expand its portfolio of Carrefour supermarkets to meet customer preferences for more convenient food retail outlets and to exploit other synergies within its business, such as the loyalty rewards it can offer through the credit cards issued by MAF Finance (see "—*Development pipeline*"); and

- **Strengthen its core capabilities to compete in the future:** The Group intends to strengthen certain aspects of its individual businesses to further support its retail-focused corporate strategy. One of the Group's core capabilities is its ability to identify retail potential in specific catchment areas within a city, which is critical to the decision of where to locate a new shopping mall, Carrefour store or other relevant asset. To this end, the Group continues to invest in proprietary research methods based on primary ground research and its accumulated experience gained in relation to the Carrefour stores and shopping malls already opened. Another core capability that the Group is further strengthening is its accumulation and integration of customer data that allows it to better serve the needs of its final consumers. During 2012, Carrefour worked on a personalised loyalty programme in the UAE that allows the capture of data in relation to individual shoppers. MAF Properties also designed a loyalty programme for shopping mall visitors. Customer data from these programmes is expected to be integrated with existing MAF Finance credit card data and loyalty programmes in the Group's cinema and leisure businesses.

MAF PROPERTIES

Overview

MAF Properties' vision is to be recognised as the market leader in the development, ownership and management of shopping malls in the MENA region. MAF Properties' goal is to create long-term sustainable wealth for the Group through:

- the entrepreneurial development and management of a diversified portfolio of shopping centres; and

- the development of hotels and, on a selective basis, mixed-use projects where they add synergistic value to its shopping centres.

MAF Properties operates through three independent business units as follows:

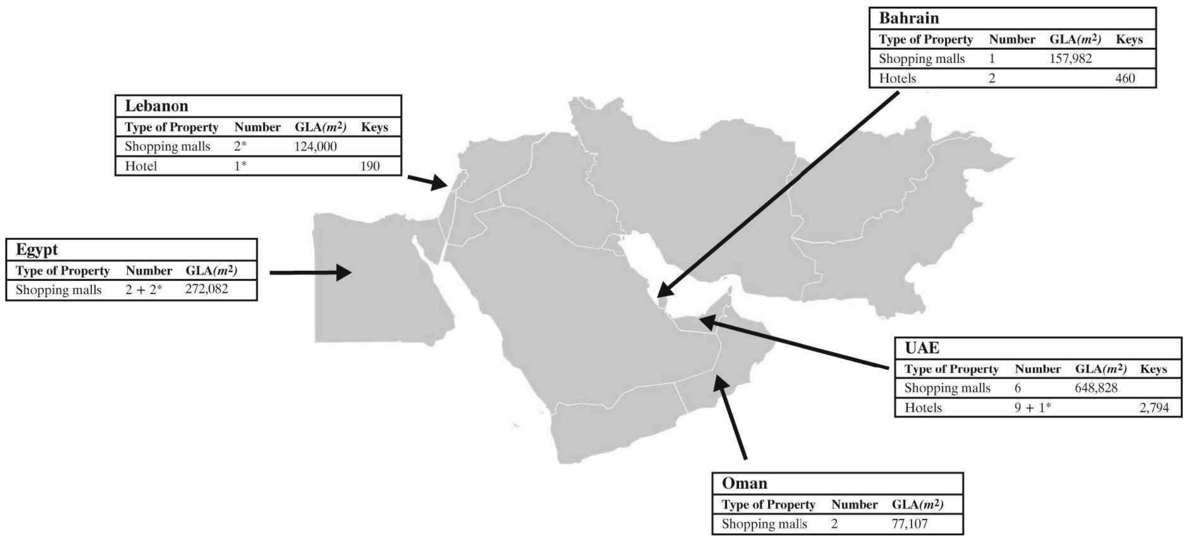
- **Shopping Malls**: At 31 December 2012, the Shopping Malls Business Unit owned and operated 11 shopping malls with a gross leasable area of approximately 973,500 square metres. One new community mall was opened in April 2012 at Fujairah, UAE with a gross leasable area of 30,800 square meters (excluding the new cinema) with 100 per cent. tenant occupancy (this mall also includes a new cinema with 11 screens which MAF Cinemas opened in February 2013). MAF Properties is also constructing or planning an additional four shopping malls with a combined planned gross leasable area of approximately 306,000 square metres in Lebanon and Egypt. The Shopping Malls Business Unit is also currently undertaking redevelopment projects at Mall of the Emirates and Deira City Centre in the UAE. Combined, the Group's malls attracted approximately 147 million visitors in 2012. The Shopping Malls Business Unit's revenue and EBITDA were AED 2,584 million and AED 1,988 million, respectively, in 2012 and its assets were AED 25.5 billion at 31 December 2012, representing 11.9 per cent., 66.1 per cent. and 67.2 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2012. By comparison, the Shopping

Malls Business Unit's revenue and EBITDA were AED 2,307 million and AED 1,725 million, respectively, in 2011 and its assets were AED 25.0 billion at 31 December 2011, representing 11.8 per cent., 61.5 per cent. and 69.2 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2011;

- **Hotels**: The Hotels Business Unit primarily focuses on developing hotels adjacent to, or in close proximity to, the MAF Properties shopping malls. The Hotels Business Unit currently owns 11 hotels, nine of which are in the UAE and two in Bahrain with one hotel in Lebanon (Waterfront City Dbayeh) and one hotel in Dubai, UAE in development. The operating hotels offer a total of 2,980 keys, with revenue and EBITDA of AED 533 million and AED 160 million in 2012 and assets as at 31 December 2012 of AED 3,064 million, representing 2.5 per cent., 5.3 per cent. and 8.1 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 2012. By comparison, the Hotels Business Unit's revenue and EBITDA were AED 429 million and AED 127 million, respectively, in 2011 and its assets were AED 2,801 million at 31 December 2011, representing 2.2 per cent., 4.5 per cent. and 7.8 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2011; and

- **Communities**: The Communities Business Unit focuses on selective community developments principally covering land, residential and office developments and also provides access to MAF Properties' core shopping mall business. Currently, this is achieved primarily through limited- or non-recourse joint ventures accounted for under the equity method. The Communities Business Unit is also responsible for managing three office buildings in Dubai, UAE. The Communities Business Unit's revenue in 2012 was AED 32 million and it had assets of AED 1,227 million at 31 December 2012 representing 0.1 per cent. and 3.4 per cent., respectively, of the Group's revenue and assets as of and for the year ended 31 December 2012. The Communities Business Unit's EBITDA for the year ended 31 December 2012 was negative AED 19 million compared to an EBITDA of negative AED 1.6 million for the year ended 31 December 2011.

The following map sets out details of MAF Properties' operating properties, properties under construction, properties under master planning and design and land bank in each of the countries in which it was present as at 31 December 2012:



* Denotes properties being master planned or under construction

Two of MAF Properties' shopping malls in Dubai (being Mall of the Emirates and Deira City Centre, which were together valued at AED 12,759 million as at 31 December 2012, which represented approximately 33.6 per cent. of the Group's total assets as at 31 December 2012) are built on land gifted by the Ruler of Dubai to Mr. Majid Al Futtaim and title to both of MAF Properties' shopping malls in Oman and the land on which they are built (which were together valued at AED 1,079 million as at 31 December 2012, which represented approximately 2.8 per cent. of the Group's total assets as at 31

December 2012) are also registered in the name of Mr. Majid Al Futtaim in his personal capacity. This status imposes certain restrictions on MAF Properties' ability to dispose freely of the properties, see "*MAF Properties Financial Review—Land and Buildings*" and "*Risk Factors—Risks relating to MAF Properties—MAF Properties does not have unrestricted title to all of its land parcels*". In addition, MAF Properties owns a land bank of approximately 868,000 square metres of land, located primarily in the UAE, which is neither developed nor currently under development and which has a book value of AED 930.7 million as of 31 December 2012. In accordance with Group policy, land exceeding a valuation threshold of AED 50 million is valued on an annual basis by an external firm of chartered surveyors and valuers.

MAF Properties had revenue of AED 3,149 million and EBITDA of AED 1,930 million in 2012 as well as assets of AED 31.8 billion at 31 December 2012, equal to 14.6 per cent., 64.2 per cent. and 83.8 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2012.

MAF Properties had revenue of AED 2,758 million and EBITDA of AED 1,712 million in 2011 as well as assets of AED 30.8 billion at 31 December 2011, equal to 14.1 per cent., 61.0 per cent. and 85.3 per cent., respectively, of the Group's revenue (not including inter-segment revenue), EBITDA and assets as of and for the year ended 31 December 2011.

Strategy

MAF Properties' strategy is to focus on the development and operation of shopping malls within the MENA region. This is done as its core business through developing different product types: (i) super-regional shopping malls (malls with in excess of 120,000 square metres of gross leasable area); (ii) regional shopping malls (malls with between 60,000 and 120,000 square metres of gross leasable area); (iii) community malls (malls with between 15,000 and 60,000 square metres of gross leasable area); and (iv) neighbourhood community malls (malls with less than 15,000 square metres of gross leasable area). MAF Properties expects to build a network of malls covering differing catchment areas in selected cities in which it believes it can achieve a dominant position and/or capture unique market opportunities and aims to develop hotels and undertake mixed-use projects preferably where there are clear synergistic benefits to the Group's core shopping mall business. In relation to its hotel developments, MAF Properties' strategy is to outsource the day-to-day operational management of the hotels to specialist hotel management companies, such as Kempinski, Accor and Starwood (Sheraton).

MAF Properties intends to prioritise its future capital expenditures on existing and new markets, utilising existing land owned by it, new land acquisition where practicable and through joint ventures where it can secure development and asset management agreements. It also expects to realise value through the sale of non-strategic properties within its land bank and to provide development, management and other shopping centre related services to third parties where this generates knowledge or other benefits to its existing shopping malls and where it can ensure that reputational and conflict risks are properly controlled. Wherever possible, MAF Properties intends to add value to its non-strategic land, for example through planning approvals, prior to its sale.

Competitive advantages

MAF Properties believes that its competitive advantages include:

- **Established track record and reputation:** MAF Properties owns and manages 11 shopping malls in four countries, including its flagship mall, the Mall of the Emirates in Dubai, which was opened in 2005 and had an annual footfall of approximately 35 million in 2012. MAF Properties' first mall, Deira City Centre, was opened in November 1995. As at 31 December 2012, the average occupancy rates of its shopping mall portfolio was around 98 per cent. MAF Properties believes that this track record, along with its established reputation, give it a significant competitive advantage in attracting consumers and customers (tenants) both to its existing and future shopping malls;

- **Locations:** In many of the countries and markets in which it operates, MAF Properties has been able to secure prime locations for its shopping malls. In addition, MAF Properties seeks to ensure that malls are located in all prime catchment areas within its target markets;

- **In-house expertise:** MAF Properties benefits from having integrated development, project management and asset management teams. MAF Properties outsources site project management and construction activities to reputable firms and construction contractors with which it has established relationships;

- **Alliances and partnerships:** Through its alliance with MAF Retail (Carrefour franchisee) and its established relationships with a number of regional retail franchise groups, MAF Properties is able to secure a strong tenant base for each of its shopping malls. In addition, MAF Properties is able to leverage these relationships and the demand for prime space in certain of its malls (such as the Mall of the Emirates) to help achieve an optimal tenant mix in its shopping malls. See "*Risk Factors—Risks Relating to MAF Properties—MAF properties rental revenues depend upon its ability to find tenants for its shopping malls and offices and the ability of such tenants to fulfil their lease obligations as well as on MAF Properties achieving an optimal tenant mix for its shopping malls. In addition, MAF Properties is exposed to tenant concentration*"; and

- **Unique leisure offers:** Through its collaboration with MAF Ventures, MAF Properties' super-regional shopping malls are each able to provide a unique leisure offering to their customers. These offerings include Ski Dubai (at Mall of Emirates), Wahoo water park (at Bahrain City Centre) and IFly (a simulated sky diving experience at Mirdif City Centre). MAF Properties' regional and community shopping malls benefit from other leisure and entertainment facilities such as cinemas and family entertainment centres, in each case where appropriate to the shopping mall concerned.

Project development model

MAF Properties has three asset creation functions: business development, project development and project management, which are responsible for conceptualising, sourcing, developing and delivering projects for each of the three business units: Shopping Malls, Hotels and Communities. The business development function pursues project opportunities and assesses their feasibility prior to acquisition. The project development function is responsible for producing business plans, detailed master plans and concept designs for each project. The project management function manages project construction with the goal of delivering projects on time, in scope and within budget.

All development projects undertaken by MAF Properties follow a rigorous standard operating process designed to ensure consistent oversight and that all development projects are executed in line with overall Group strategy, represent economically sound investments that add shareholder value and are able to be funded. MAF Properties' project development model is a nine-stage process and is followed for all asset classes. The expertise of MAF Properties' business development, and project development functions is utilised at each step of the process.

Stage 1: Sourcing, due diligence & land acquisition

The first of the nine stages principally involves potential site identification and the preparation and approval of a due diligence scope and budget for each potential development site. Target markets and geographies are identified within MAF Properties' strategic priorities which are approved by senior management in line with MAF Properties' strategic plan.

Stage 2: Land purchase and outline master plan

During this stage, a high level feasibility study is undertaken. This seeks to identify the potential options for the project and key success criteria. Additional due diligence is undertaken, including background market research by internal and external research providers (including current and projected population and household numbers in the catchment areas, any current and potential future competitors, potential tenant interest and any environmental or other material factors affecting the site concerned), traffic assessment (including ease of accessibility) and financial criteria such as indicative land, construction and other development costs, as well as possible financing strategies. This research is updated at each later stage of the project. Exit options are also identified for any non-strategic assets and approval by both senior management and the Board of MAF Properties is required before the identified land is purchased and the next stage can commence. MAF Properties prefers to acquire 100 per cent. ownership of its properties and to develop its assets itself, but will enter into joint ventures where appropriate, for example as a result of legal restrictions on foreign ownership in some of the countries in which it operates. Key considerations for entering into a joint venture agreement include property location, identity of the joint venture partner and clarity of land ownership as well as control over development and operations. Although it has not done so to date, MAF Properties will also consider acquiring existing companies or properties where economically attractive to do so. When constructing a new shopping mall, MAF Properties seeks to purchase sufficient land to allow for future expansion projects and may also seek to plan the development in stages. See "*Risk Factors—Risks Relating to MAF Properties—The success of MAF Properties' business strategy and profitability depends upon its ability to locate and acquire or lease land suitable for development at attractive terms*".

Stage 3: Master plan approval and development budget

During this stage, the proposed structure of the project is identified and the high level feasibility study is developed into an indicative business and financial plan and more detailed success criteria (such as cash yield, internal rates of return, payback and net present value) are developed and analysed together with benchmarking and sensitivities, with a view to establishing a clear understanding of the financial, resourcing and risk implications of the proposed project. A financing strategy is also formulated at this stage. In the case of a new shopping mall project, the proposed merchandising mix is identified and for all new projects any necessary statutory approvals are applied for and obtained. Approval by the Project Control Group is required for the key elements of this stage. The Project Control Group is comprised of:

- the CEO and CFO of MAF Properties (the CEO chairs the meetings);
- the head of development and project management divisions;
- the projects specific developments directors, project manager and asset manager;
- the country head and country representative; and
- the representatives of specialists functions (such as leasing, marketing and finance).

Stage 4: Concept design

During this stage, a detailed business plan is prepared. Financial assumptions (including revenues, costs, financing, taxation and discount rates as well as revenue assumptions) are clearly identified and updated at each later stage of the project. Based on the approved financing strategy (approved in the previous stage), funding proposals are sought from third parties, a preliminary leasing (or mixed-use sales) plan is prepared and a project development brief containing all relevant data in relation to the proposed project is presented to the Project Control Group for approval.

Stage 5: Schematic design

During this stage, a scheme design and planning report is prepared with a view to achieving a high level of confidence that the proposed project can meet or exceed its objectives. The purpose of the scheme design and planning report is to allow a commitment to be made on detailed design and procurement, and to secure lease commitments from anchor tenants in the case of shopping malls. The detailed business plan is revised in the light of any new information and the financing strategy and preliminary leasing or sales plans are also finalised and approved. In the case of a new shopping mall project, commitments from anchor tenants are sought at this stage and in the case of a new hotel project, management agreements (both for technical services and hotel management) are entered into at this stage, whilst in the case of residential and office projects, off-plan sales reservations are commenced. Qualified contractors are identified and pre-qualification activity is undertaken. Approval by the Project Control Group is required for the key elements of this stage.

Stage 6: Detailed design

During this stage, a detailed design, procurement and construction report is prepared and any required funding is negotiated and secured in accordance with the approved financing strategy and further pre-leasing and off-plan sales reservations are undertaken. Typically projects are funded with a combination of debt and equity financing. Additionally the project development team seeks to ensure flexibility in the construction costs and commitments to minimise potential exit costs in the event of a significant adverse change in the feasibility of a project. Detailed designs are finalised, tenders are undertaken and any required building permits are obtained at this stage. The business plan is finalised and investment indicators are further revised in the light of any new information. Approval by the Project Control Group is required for the key elements of this stage.

Stage 7: Main construction contract award

During this stage, the business plan is finalised. A tender report is prepared summarising the outcome of the tender process and recommending proposed contractors. The main construction contractor is appointed and enabling works and any necessary site preparation commence, although, in the case of a new shopping mall project, historically this has taken place once tenants have been secured for about 50 per cent. of the gross leasable area (or in the case of residential or office developments, a 50 per cent. off-plan sales reservation target is achieved). Approval by the Project Control Group is required for the key elements of this stage.

Stage 8: Construction

During this stage, construction is undertaken in accordance with the detailed designs prepared. The costs, time and associated construction risks are closely monitored throughout this stage with a view to achieving handover on time, within scope and budget. During this stage, in the case of a new shopping mall project the leasing process continues and space is allocated within the shopping mall to committed tenants. In the case of residential and office developments, further sales reservations are undertaken and staged payments are collected from clients under contracted agreements. Approval by the Project Control Group is required for the key elements of this stage and any adverse construction or project results such as cost overruns are referred to the Board of MAF Properties.

Stage 9: Project completion

During this stage, post-completion evaluations are conducted for each project at the first and third year following delivery.

The development of a new project, from concept to completion, typically averages between four and seven years depending on asset class. In the case of shopping malls, the first three stages set out above typically take between one to two years and account for around 15 to 20 per cent. of the total project investment. Each of the fourth and fifth stages and the sixth and seventh stages described above typically takes between six months and one year to complete and accounts for around 5 per cent. of the total project investment. The final two stages typically take between two and three years to complete and account for approximately 70 to 75 per cent. of the total project investment.

Shopping Malls Business Unit

The Shopping Malls Business Unit's 11 shopping malls, six in the UAE, two each in Egypt and Oman and one in Bahrain, enjoyed a combined total footfall of approximately 147 million visitors in 2012, an increase of 8.3 per cent. At 31 December 2012, the Shopping Malls Business Unit owned and operated 11 shopping malls with a gross leasable area of 973,500 square metres with a combined average occupancy rate of around 98 per cent. One new community mall was opened in April 2012 at Fujairah, UAE with a gross leasable area of 30,800 square metres with 100 per cent. tenant occupancy (this mall also includes a new cinema which MAF Cinemas opened in February 2013). Four additional shopping malls with a combined planned gross leasable area in excess of 306,000 square metres are under development in Lebanon and Egypt.

Shopping malls are classified in terms of their size and type. Three of the Shopping Malls Business Unit's malls are currently classified as super-regional malls and the remaining eight are regional and community malls. Each shopping mall is designed to have large anchor stores and various leisure amenities, including entertainment facilities and food and beverage facilities (such as food courts, fast food and speciality restaurants). Where feasible, MAF Properties seeks to maximise the synergies across Group businesses in new shopping mall developments. For example: Carrefour hypermarkets operated by MAF Retail as the food retail anchor store; entertainment facilities such as cinemas or Magic Planet centres operated by MAF Ventures; and facilities management services of the Group's joint venture with Dalkia for certain facilities.

The Shopping Malls Business Unit seeks to maintain a balanced portfolio of shopping malls, ensuring that it has the right mix of super-regional, regional, community and neighbourhood malls and that the format it chooses to develop in a particular location will be attractive to its potential customer base. The Shopping Malls Business Unit strategically locates its shopping mall destinations close to residential areas to attract local residents with the convenience of shopping close to home. The potential customer base is expanded when, in line with the Group's overall strategy, the Hotels Business Unit and, where relevant, the Communities Business Unit develop hotels or residential properties close to the shopping malls.

The design and type of shopping malls are based on the profile of the relevant catchment areas. For example, the Shopping Malls Business Unit has to date focused on super-regional malls in growing urban communities or tourism markets such as Dubai and Bahrain, and plans to focus on developing community and regional malls in other markets. In addition, the mix of retail outlets is based on the Shopping Malls Business Unit's understanding of the consumer preferences of local shoppers and, where appropriate, regional and international tourists within the particular area. This is done with the aim of ensuring an attractive mix of international brands, national retailers and leading local retailers. Market research is performed to evaluate trends, to segment the market and to benchmark against competitors.

The Shopping Malls Business Unit has strong relationships with key retail franchise groups which control a number of major brands in different countries. Depending on the size and customer profile of a particular shopping mall, the Shopping Malls Business Unit will contract with one or more of these retail franchise groups as well as local retailers to establish a selection of retail brands within the shopping mall. In addition, the Shopping Malls Business Unit endeavours to cater to the expansion strategies of its tenants by offering them retail space in a variety of preferred locations in a number of its developments. At the same time, the Shopping Malls Business Unit seeks to increase its footfall across the region by leveraging the increased recognition and popularity of its tenants.

Shopping malls in operation as at 31 December 2012

The following table shows the year opened, occupancy rate (for 2012), footfall (for 2012 and 2011), gross leasable area (for 2012) tenant sales per square metre (for 2012 and 2011) and the mall valuation (for 2012 and 2011) for each of the 11 shopping malls in operation as at 31 December 2012.

	Year Opened	**Occupancy (%)**	**Footfall (31 December 2012)**	**Footfall (31 December 2011)**	**Gross Leasable Area**	**Tenant Sales/m² (31 December 2012)**	**Tenant Sales/m² (31 December 2011)**	**Mall Valuation (31 December 2012)**	**Mall Valuation (31 December 2011)**
Super-Regional Malls			*(millions)*		*(sq m)*			*(AED millions)*	
Mall of the Emirates, Dubai, UAE.....................	2005	97.7	34.8	33.8	234,479	35,075	31,783	8,742	8,299
Mirdif City Centre, Dubai, UAE..........................	2010	95.6	18.6	17.6	197,593	16,644	14,344	4,966	4,782
Bahrain City Centre, Bahrain.............................	2008	97.1	10.6	9.8	157,982	12,447	10,815	2,218	2,109
Regional & Community Malls									
Deira City Centre, Dubai, UAE..........................	1995	99.3	21.2	20.7	118,122	30,139	29,038	4,017	3,973
Alexandria City Centre, Alexandria, Egypt.........	2003	99.9	15.1	12.2	60,978	14,416	12,304	611	616
Muscat City Centre, Muscat, Oman..................	2001	100.0	9.5	9.0	56,551	22,905	20,483	768	758
Sharjah City Centre, Sharjah, UAE	2001	99.6	12.4	11.5	37,752	26,000	23,834	677	684
Maadi City Centre, Cairo, Egypt........................	2002	100.0	9.7	7.9	28,604	31,088	23,429	424	435
Ajman City Centre, Ajman, UAE........................	1998	100.0	8.7	9.3	30,114	24,971	24,590	390	416
Qurum City Centre, Qurum, Oman....................	2008	100.0	3.8	3.8	20,556	21,020	20,670	311	310
Fujairah City Centre, Fujairah, UAE	2012	99.5	2.4	-	30,768	9,428*	-	366	266
Total		**97.9**	**146.9**	**135.7**	**973,499**	**23,173**	**20,616**	**23,492**	**22,649**

* Partial period

- *Mall of the Emirates, Dubai, UAE*: This three-level shopping and leisure centre had 595 tenants, including 29 stores with a gross leasable area in excess of 1,000 square metres, located in 234,479 square metres of gross leasable area as at 31 December 2012. The Mall of the Emirates features the largest Carrefour hypermarket in the Middle East and more than 60 stores that are unique in the marketplace.

  Its family leisure and entertainment offerings include an 8,000 square metre Magic Planet entertainment centre, a MAF Ventures' cinema, Ski Dubai, a five-star Kempinski hotel with 393 keys and a five-star Sheraton hotel with 481 keys. The mall is located next to a metro station, named Mall of the Emirates. In 2005, its first year of operation, the Mall of the Emirates welcomed more than 23 million visitors. In 2012, the Mall of the Emirates had 34.8 million visitors.

- *Mirdif City Centre, Dubai, UAE*: Mirdif City Centre opened on 16 March 2010. The mall had 485 tenants, including a Carrefour hypermarket, 36 other stores with a gross leasable area in excess of 1,000 square metres, located in 197,593 square metres of gross leasable area as at 31 December 2012.

  The mall's unique leisure offerings include IFly, a simulated sky diving experience, a soccer academy and Little Explorer, an educational establishment for children. The Mirdif City Centre shopping mall was the first shopping centre in the Middle East to achieve a Gold Rating for Leadership in Energy and Environmental Design (LEED), the sustainability rating system developed by the U.S. Green Building Council. In 2012, Mirdif City Centre had 18.6 million visitors.

- *Bahrain City Centre, Bahrain*: Bahrain City Centre is MAF Properties' third super-regional mall and is its landmark project in Bahrain. The Bahrain City Centre shopping mall started operations in September 2008. The three-level mall, with 157,982 square metres of gross leasable area and 388 tenants as at 31 December 2012, is the first integrated entertainment, shopping and leisure complex in Bahrain, the largest shopping mall in Bahrain and one of the largest in the GCC region. It features 22 stores with a gross leasable area in excess of 1,000 square metres (including a Carrefour hypermarket), Wahoo, the region's largest indoor-outdoor water park, the largest cinema complex in the Middle East and a Magic Planet entertainment centre. In 2012, the Bahrain City Centre had 10.6 million visitors.

- *Deira City Centre, Dubai, UAE*: Deira City Centre, with 368 tenants and 118,122 square metres of gross leasable area as at 31 December 2012, was MAF Properties first mall development. Opened in November 1995, the Deira City Centre shopping mall underwent various expansions and refurbishment and is currently undertaking further redevelopments. Deira City Centre has 23 stores with a gross leasable area in excess of 1,000 square metres (including a Carrefour hypermarket) and includes a 12-screen cinema complex. The mall is located next to a metro station, named Deira City Centre. The Deira City Centre shopping mall had 21.2 million visitors in 2012.

- *Alexandria City Centre, Alexandria, Egypt*: Alexandria City Centre opened in January 2003 and is currently Alexandria's largest shopping centre, with 11 stores with a gross leasable area in excess of 1,000 square metres, 209 tenants and 60,978 square metres of gross leasable area as at 31 December 2012. The Alexandria City Centre shopping mall had 15.1 million visitors in 2012.

- *Muscat City Centre, Muscat, Oman*: Muscat City Centre, which opened in October 2001, is the largest mall in Oman in terms of gross leasable area. The original 33,036 square metres of gross leasable area was expanded in 2007 to a total of 56,551 square metres of gross leasable area, almost doubling the size of the mall. Muscat City Centre had 159 tenants and 11 stores with a gross leasable area in excess of 1,000 square metres as at 31 December 2012. The Muscat City Centre shopping mall had 9.5 million visitors in 2012.

- *Sharjah City Centre, Sharjah, UAE*: Sharjah City Centre, encompassing 37,752 square metres of gross leasable area, had seven stores with a gross leasable area in excess of 1,000 square metres and 142 tenants as at 31 December 2012. The mall opened in September 2001 and is located in central Sharjah. The Sharjah City Centre shopping mall had 12.4 million visitors in 2012.

- *Maadi City Centre, Cairo, Egypt*: Maadi City Centre opened in December 2002 and had 28,604 square metres of gross leasable area as at 31 December 2012. The mall had four stores with a gross leasable area in excess of 1,000 square metres and a total of 105 tenants as at 31 December 2012. The Maadi City Centre shopping mall had 9.7 million visitors in 2012.

- *Ajman City Centre, Ajman, UAE*: Ajman City Centre opened in December 1998 with 46 stores. It had a gross leasable area of 30,114 square metres, five stores with a gross leasable area in excess of 1,000 square metres and 74 tenants as at 31 December 2012, as well as a 6-screen cinema complex making Ajman City Centre the largest shopping mall in Ajman. The Ajman City Centre shopping mall had 8.7 million visitors in 2012.

- *Qurum City Centre, Qurum, Oman*: Qurum City Centre opened in November 2008 and comprised 20,556 square metres of gross leasable area as at 31 December 2012. The Qurum City Centre shopping mall had two stores with a gross leasable area in excess of 1,000 square metres and 85 tenants as at 31 December 2012 and had 3.8 million visitors in 2012.

- *Fujairah City Centre, Fujairah, UAE*: The Fujairah City Centre shopping mall opened in April 2012 and is located west of the City of Fujairah. The mall has a gross leasable area of over 34,800 square metres (including the cinema) and includes a Carrefour hypermarket, a cinema opened in February 2013, a Magic Planet entertainment centre and four stores with a gross leasable area in excess of 1,000 square metres along with a range of other tenants. The Fujairah City Centre shopping mall had 2.4 million visitors in 2012.

- *Beirut City Centre*: This regional mall opened in April 2013 with a total gross leasable area of approximately 63,000 square metres. The shopping mall is centrally located with a wide catchment area and close to major highways.

Shopping Malls under development

In addition to the 11 existing shopping malls currently in operation, three additional shopping malls with a combined planned gross leasable area in excess of 306,000 square metres are under development in Lebanon and Egypt.

- *Mall of Egypt:* This super regional mall located in the west of Cairo, Egypt is under construction and is planned to open at the end of 2015 with a total gross leasable area of approximately 162,500 square metres. The mall includes a unique leisure offering themed around snow and ice. The mall is also expected to include a MAF Ventures' cinema and a Magic Planet entertainment centre.

- *Waterfront City Centre:* This regional mall located in Dbayeh, Lebanon (10 kilometres north of Beirut) is at an advanced design stage and is planned to open at the end of 2015 with a total gross leasable area of approximately 61,000 square metres.

- *Almaza Community Mall:* This shopping mall located in east Cairo, Egypt is at design stage and is currently planned to be a community mall with a gross leasable area of approximately 20,000 square metres.

Marketing

The Shopping Malls Business Unit has a centralised marketing structure within the GCC and acts as a centre of excellence for non-GCC markets ensuring consistent marketing across assets and geographies and aimed at enhancing the value of the Group's brands. Marketing is targeted at both retailers (as potential tenants) and end-consumers. The principal marketing activities include branding, advertising, media buying, sales promotions, loyalty programmes, digital marketing and CSR (corporate social responsibility and community relations). The Group's shopping malls have won numerous awards, including 45 international and regional awards such as:

- Middle East and North Africa Community Support Award from the International Council of Shopping Centres (the ICSC) for its ‘‘It’s a woman’s world at Mall of the Emirates’’ campaign in 2012;

- Two Gold awards from the ICSC Middle East for marketing (Deira City Centre for new media; Bahrain City Centre for Fashion promotion) in 2011;

- Two Silver awards from the ICSC Middle East (Fujairah City Centre for their grand opening marketing and Mirdif City Centre for their ‘‘World of Fashion’’ fashion show) in 2011;

- Best Shopping Mall in Oman Award (Muscat City Centre shopping mall) at the Oman Observer Awards in 2010; and

- Best Mall Promotion Award (Mall of the Emirates) for the Dubai Shopping Festival 2009.

Lease arrangements

MAF Properties enters into lease agreements with its retail tenants, the duration of which varies by tenant, and typically commences negotiations regarding the renewal of lease agreements approximately six months prior to the expiration of a lease agreement. The lease term for anchor tenants typically varies from 10 to 20 years, for major tenants from between five to 10 years and for line stores from between one to five years. The average lease terms across the Group’s malls as at 31 December 2012 ranged from six to eight years. Maximum lease terms, excluding leases for Group tenants, are 10 years, with the exception of the Mall of the Emirates where the maximum lease term is 20 years. MAF Properties also enters into leases of one year or less for tenants operating counters, carts, kiosks and mall media in each mall. Under the terms of the lease agreements, some major tenants have a restrictive clause preventing them from opening a competing store within a defined radius. In addition, tenants typically do not have the right to rescind their lease agreements except in limited cases and MAF Properties has the right to rescind certain line tenants’ lease agreements in the event they do not achieve certain sales thresholds.

The fit-out of individual stores is the responsibility of the tenant subject to approval by MAF Properties. Tenants are also responsible for all repairs and maintenance to their leased area over the lease period and must vacate the premises at the end of the lease period as found prior to fit-out.

Lease rental fees contain a number of fixed elements linked to the area of floor space under lease, along with a variable rent element calculated based on the tenant’s gross sales. This variable rent element is automatically converted to base rent at the start of a new lease year. Each lease is negotiated separately and there is no set formula for rents applied across all tenants.

Some jurisdictions in which MAF Properties has shopping malls (notably the UAE) have passed laws which limit MAF Properties’ flexibility to increase the rentals paid in those jurisdictions.

Competition

MAF Properties is one of the largest shopping mall destination developers in the MENA region. However, it still faces competition from a number of real estate developers in each of the markets in which it operates. The principal competitor in the UAE, the Group’s main market, is Emaar Properties PJSC, 32 per cent. owned by the Dubai government, which opened its first shopping mall in Dubai (the Dubai Mall with approximately 350,000 square metres of gross leasable area) in November 2008. Other competing malls include the Ibn Battuta shopping mall and the Dubai Festival City shopping mall, both in Dubai with gross leasable areas of approximately 175,000 square metres and approximately 110,000 square metres, respectively.

Hotels Business Unit

The Hotels Business Unit focuses on the development of hotels located adjacent, or in close proximity to, MAF Properties’ shopping malls. The Hotels Business Unit currently owns 11 hotels, nine of which are located in the UAE and two in Bahrain with one hotel in each of Lebanon (Waterfront City Dbayeh) and Dubai in development. The Hotel Business Unit’s revenue and EBITDA were AED 533 million and

AED 160 million, respectively, in 2012 and its assets were AED 3,064 million as at 31 December 2012, representing 2.5 per cent., 5.3 per cent. and 8.1 per cent., respectively, of the Group's revenue, EBITDA and assets as of an for the year ended 31 December 2012. By comparison, the Hotels Business Unit's revenue and EBITDA were AED 429 million and AED 127 million, respectively, in 2011 and its assets were AED 2,801 million as at 31 December 2011, representing 2.2 per cent., 4.5 per cent. and 7.8 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2011.

The Hotels Business Unit's current business model is to focus on asset ownership and therefore to outsource the day-to-day management of its hotels to international hotel management companies such as Kempinski, Accor and Starwood (Sheraton). The Hotels Business Unit enters into agreements with international hotel operators to provide its hotels with a recognised brand, experienced operational management and access to bespoke booking systems and customer networks.

Hotels in operation

As at 31 December 2012, out of the 11 owned hotels, 10 were in operation. Ten of these hotels are either co-located adjacent to, or are sited in close proximity to, shopping malls operated by the Group in the UAE and Bahrain. The co-located hotels are the five-star Pullman City Centre Hotel and Residence (which is classified as two hotels), the five-star Kempinski Hotel Mall of the Emirates, the five-star Sheraton Mall of the Emirates Hotel (formerly Pullman Mall of the Emirates), the five star Kempinski Grand Hotel, Bahrain and the four-star Kempinski Ixir Hotel in Bahrain. These hotels have a combined capacity of 1,763 keys. The other hotels are the four-star Port Saeed Novotel and the two-star Port Saeed IBIS which have a combined capacity of 553 keys and are located close to the Deira City Centre shopping mall and the two-star Barsha IBIS Hotel and three-star Suite Novotel, which have a combined capacity of 384 keys and are located close to the Mall of the Emirates. In addition, the Hotels Business Unit owns the stand alone budget Rigga IBIS Hotel in Deira which offers 280 keys.

The table below sets out certain information as at 31 December 2012 on the Hotels Business Unit's 11 hotels.

Property	**Location**	**Total Keys**	**Average Daily Rate**[1]	**Occupancy**[2]	**RevPar**[3]
			(AED)	*(%)*	*(AED)*
Pullman City Centre Hotel	Dubai, UAE	317	540	47	253
Pullman City Centre Residence.........	Dubai, UAE	112	471	76	358
Kempinski Hotel Mall of the Emirates	Dubai, UAE	393	1,169	76	892
Novotel DCC.....................................	Dubai, UAE	188	436	75	328
Port Saeed IBIS................................	Dubai, UAE	365	243	88	214
Barsha IBIS Hotel.............................	Dubai, UAE	204	255	91	231
Suite Novotel	Dubai, UAE	180	422	82	346
Sheraton Mall of the Emirates (formerly Pullman Mall of the Emirates)	Dubai, UAE	481	703	74	519
Rigga IBIS, Deira..............................	Dubai, UAE	280	232	80	186
Kempinski Grand Hotel......................	Bahrain	200	955	59	561
Kempinski Ixir Hotel..........................	Bahrain	260	N/A	N/A	N/A

Notes:

(1) Average daily rate refers to the average room rate charged by a hotel over a given period.

(2) Occupancy refers to the percentage of a hotel's rooms that are occupied over a given period.

(3) RevPAR (revenue per available room) is calculated by multiplying the average daily rate by the occupancy rate over a given period.

Pullman City Centre Hotel and Residence, Deira, Dubai

The Pullman City Centre Hotel and Residence offers two distinct choices: hotel rooms and fully furnished apartments. The 317 key 5-star hotel has been operating since March 1998 and is managed by Accor. A major refurbishment and renovation programme of the Pullman City Centre Hotel was substantially completed in 2012. The Pullman City Centre Hotel includes a lounge, outdoor pool, food and beverage venues, gym and spa. The City Centre Residence, which opened in April 1998, offers 112 fully-furnished and serviced studios, one, two and three bedroom apartments. The City Centre

Residence is currently undergoing major refurbishment which is due to be completed in the first quarter of 2015.

Kempinski Hotel Mall of the Emirates, Dubai

Kempinski Hotel Mall of the Emirates, Kempinski's first hotel in Dubai, is located on Sheikh Zayed Road, at the forefront of the Mall of the Emirates. The hotel, which covers an area of 48,000 square metres, began operating in April 2006. Since January 2008, the hotel has been operating with a full inventory of 393 keys, including deluxe rooms, suites, ski chalets and business suites with private board rooms, some of which enjoy views over Ski Dubai. The Kempinski Hotel Mall of the Emirates includes a wellness spa, fitness centre, swimming pool and tennis court. The hotel features a number of restaurants and bars, including a 1,000 seat dining and lounge area occupying 2,900 square metres. The hotel attracts leisure and business clientele in a ratio of approximately two to one.

Port Saeed Novotel and Port Saeed IBIS, Deira, Dubai

The Port Saeed Novotel and Port Saeed IBIS both opened for business in November 2008 and are managed by Accor. These properties are both located in close proximity to the Deira City Centre shopping mall. This hotel cluster comprises the Hotels Business Unit's first budget/midscale hotels. The Port Saeed Novotel offers 188 keys as well as international and regional restaurants, fully licensed bars and an outdoor temperature controlled swimming pool. The Port Saeed IBIS offers 365 keys, a bistro restaurant and a bar.

Barsha IBIS Hotel and Suite Novotel, Mall of the Emirates, Dubai

The Barsha IBIS Hotel and Suite Novotel both opened for business in June 2009 and are managed by Accor. These properties are both located in close proximity to the Mall of the Emirates. The hotel has 204 keys, a restaurant, a café, two bars and a gym. The Suite Novotel has 180 residence keys, a restaurant, bar, 24 hour Deli Boutique, a swimming pool and a fully-equipped gym.

Sheraton Mall of the Emirates, Dubai

The Sheraton Mall of the Emirates Hotel (formerly Pullman Mall of the Emirates) was constructed adjacent to the extension of the Mall of the Emirates and opened for business in September 2010. Since 1 February 2013, this hotel has been managed by Sheraton and offers 481 keys and features two restaurants, two bars and extensive meeting facilities. MAF Properties changed the operator of the former Pullman Mall of the Emirates to Sheraton Mall of the Emirates Hotel under a management agreement with Starwoods (Sheraton) at the beginning of 2013.

Rigga IBIS, Deira, Dubai

The Rigga IBIS opened for business in March 2010. This stand-alone budget hotel, which is managed by Accor, offers 280 keys, a café, bar and a fitness centre.

Kempinski Grand Hotel, Bahrain

The Kempinski Grand Hotel is a five star hotel constructed adjacent to the Bahrain City Centre, Bahrain and opened for business in September 2011. The hotel is managed by Kempinski and offers 200 keys and features three restaurants, a bar, spa and extensive meeting facilities.

Kempinski Ixir Hotel, Bahrain

The Kempinski Ixir Hotel, opened for business in March 2013. This four star hotel is adjacent to the Bahrain City Centre mall, offering a total of 260 keys.

Hotels under development

In addition to the 11 existing hotels currently in operation two additional hotels with a total of 462 keys are under development in Dubai and Lebanon.

- *Deira City Centre Luxury Hotel*: This luxury hotel is under design and is planned to open in 2017 with 274 keys. The hotel will be connected to the Deira City Centre.

- *Waterfront City Hotel*: This 5-star hotel 190 key hotel is under design and will be located in Waterfront City Debayeh, Lebanon.

MAF Properties has entered into the following agreements for the management of its hotels:

- ***Management agreements with Kempinski.*** MAF Properties has two separate management agreements with Kempinski, appointing Kempinski as the exclusive operator and manager of the Kempinski Hotels in the Mall of the Emirates and in the Bahrain City Centre shopping mall. Under the terms of these agreements, Kempinski carries out all duties required to manage, operate and market the hotels efficiently, including in relation to the appointment and dismissal of employees, in exchange for an incentive fee based on the success of each hotel. In addition, under separate technical and pre-opening services agreements in respect of each of the hotels and a marketing and central services agreement in respect of the Mall of the Emirates, Kempinski provides consultancy services in relation to the design and set-up of the hotels and ongoing "back-of-house'' functions such as marketing and reservations, for which Kempinski is entitled to separate remuneration.

- ***Management agreements with Accor.*** MAF Properties has entered into separate management agreements with Accor, appointing Accor as the exclusive operator and manager of the City Centre Hotel and Residence at Deira City Centre, the Barsha IBIS Hotel, the Suite Novotel, the IBIS Hotel and Novotel at Port Saeed and the IBIS Hotel on Rigga Road, Deira. The terms of the management agreements with Accor are similar to those of the management agreements with Kempinski described above and also cover the provision of centralised "back-of-house'' functions. In exchange for the provision of its services, Accor receives a monthly basic management fee as well as an incentive fee based on the success of each hotel. In addition to the management agreements, MAF Properties has entered into separate technical assistance contracts with Accor, pursuant to which Accor provides consultancy services in relation to the design and setup of the hotels.

- ***Management agreements with Starwood (Sheraton).*** MAF Properties changed the operator of the former Pullman Mall of the Emirates to Sheraton Mall of the Emirates under a management agreement with Starwoods (Sheraton) at the beginning of 2013. The contract term is 15 years. Sheraton's compensation includes base and incentive fees which are paid in exchange for the provision of its services which includes property management, food and beverage outlet and banquet management, hiring and termination of staff, sales and marketing and finance and accounting in line with the global brand standards and practices of five star hotels.

Marketing

Pursuant to the terms of the management agreements with Kempinski, Accor and Starwood (Sheraton), each relevant manager is responsible for all marketing activities related to the hotels they manage. See *"—Hotel management agreements"*.

Competition

The hotels managed by the Hotels Business Unit face competition from a number of existing hotel operators in the region as well as new market entrants. Dubai continues to be the most desirable destination in Middle East and the preferred choice for hotel operators, which is demonstrated by an influx of new hotel openings during 2012. Over the next five years the hotel supply is expected to increase at 6 per cent. compound annual growth rate (**CAGR**) increasing the supply from 54,000 to 77,000 keys. Due to strong market fundamentals as the hotel markets mature in Dubai, the demand is expected to also continue to grow at 5 per cent. CAGR. According to the Dubai Department of Tourism and Commerce Marketing, Dubai hotels accommodated approximately 10 million guests in 2012 as compared to 7.3 million in 2011. According to STR Global, hotel occupancy rates in Dubai increased to 83 per cent. in 2012 from 74 per cent. in 2011 and average hotel room rates increased by approximately 3 to 4 per cent. in 2012 from 2011.

Communities Business Unit

The Communities Business Unit was established to develop sites containing a mix of residential and commercial properties throughout the MENA region or to develop such sites itself. The Communities Business Unit is also responsible for managing MAF Properties' portfolio of three office buildings in Dubai, UAE. The Communities Business Unit is currently involved in developing a mixed-use joint venture in Lebanon, and is the joint venture partner with the Governments of Oman and Sharjah for two further master-planned communities as described below.

Lebanon Waterfront City

The Group has invested in a 50/50 joint venture with a Lebanese company, Joseph G. Khoury Holdings & Fils S.A.L., which owns around 193,700 square metres of reclaimed land surrounding a marina located 10 kilometres north of central Beirut in Lebanon. The joint venture company is undertaking a mixed-use development in a number of phases. The first phase covers approximately 64,000 square metres and was launched in July 2011 while construction started in 2012. This phase is primarily residential in nature with the development expected to be funded in large part by advance property sales. MAF Properties retains development control of this project through a development agreement between the joint venture company and one of MAF Properties' subsidiaries.

The Wave Muscat, Oman

Located close to Muscat, the capital city of Oman, The Wave Muscat is a mixed-use development project occupying a total area of 2.5 million square metres along over six kilometres of natural beach. The Wave Muscat is being developed as a joint venture between the Oman-based Waterfront Investments, National Investment Funds Company, representing the Omani pension funds, and MAF Properties, which holds 50 per cent. of the joint venture entity, The Wave - Muscat SAOC (**The Wave JV**). The Wave JV has been established as an independent joint venture that has its own employees and operations, with MAF Properties having 50 per cent. voting powers and representation on the board. The Wave Muscat is being developed in seven phases, four of which have been completed. The Wave JV does not require funding from MAF Properties and is financed independently, including through the receipt of advance cash payments for the sale of units which are currently being used to finance construction of further development work.

Al Zahia and Matajer, Sharjah Holding, UAE

Located close to Sharjah University City, Sharjah International Airport, SAIF Zone and the major road links to Dubai and the Northern Emirates, Al Zahia is an integrated mixed-use community, featuring a range of villas, apartments and commercial units. The Al Zahia is being developed under Sharjah Holding, a 50/50 joint venture between the Government of Sharjah and MAF Properties. Phase one of the development is under construction and planned to be completed by September 2013.

In addition to Al Zahia, Sharjah Holding is developing community shopping malls in the Emirate of Sharjah, namely Matajer. As at 31 December 2012, the Sharjah Holdings owned and operated four Matajer malls with a gross leasable area over 15,000 square metres.

Other property

In addition to the properties described above, MAF Properties owns 868,000 square metres of land, principally in the UAE, that it plans to develop or sell to third parties. The value of these lands was approximately AED 930.7 million as of 31 December 2012. MAF Properties has not yet initiated the project development phase for these properties, and therefore, appropriate Board approvals have not yet been received and financing has not yet been secured for the development of these projects.

In addition to its land bank held for development, MAF Properties also owns four office buildings in Dubai, three of which are leased to third parties. Three of the office buildings are fully or partially occupied by Group and the remaining buildings are leased to third parties.

MAF RETAIL

Overview

The Group first introduced the hypermarket model to the Middle East in 1995 under a partnership with Promodes S.A. (**Promodes**) using the brand "Continent''. A joint venture agreement with Promodes established MAF Hypermarkets, a joint venture company 75 per cent. owned by the Group and 25 per cent. owned by Promodes. In 2000, Promodes merged with Carrefour and the joint venture agreement was updated and amended. Over the past 40 years, France's Carrefour group has grown to become one of the world's leading distribution groups. As the world's second-largest retailer and the largest in Europe (according to the Carrefour website), the Carrefour group currently operates four main grocery store formats: hypermarkets, supermarkets, hard discount and convenience stores. In May 2013, MAF Holding entered into an agreement with Carrefour France SA whereby MAF Holding acquired Carrefour SA's 25 per cent. ownership interest in MAF Hypermarkets and further agreed to extend the franchise agreement in place between the two parties (see *"Group Financial Review—Recent Developments"* for more detail).

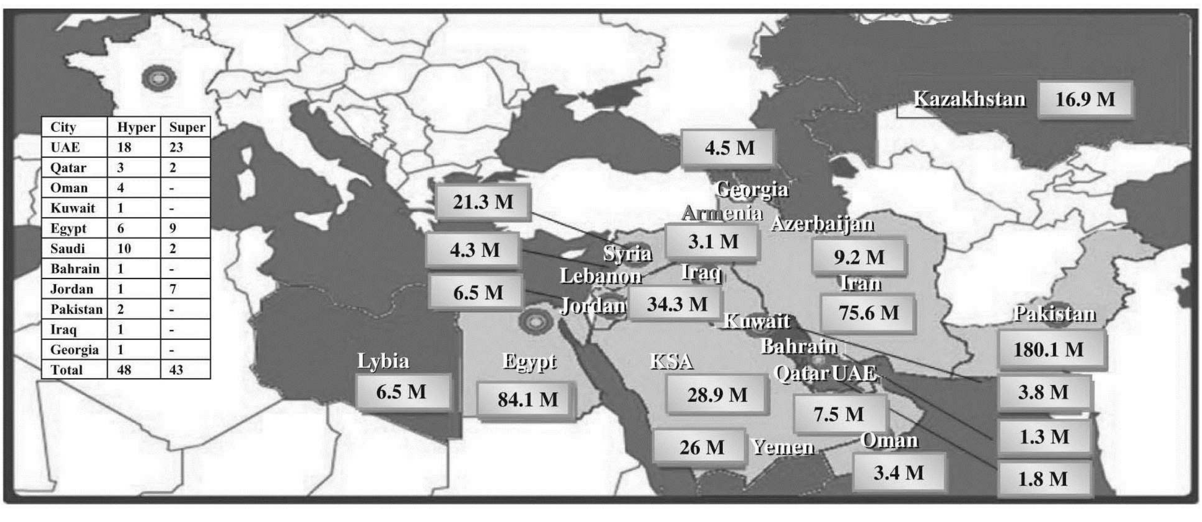
Pursuant to the franchise agreement with Carrefour, MAF Hypermarkets currently has the exclusive right to establish Carrefour stores in 19 countries predominantly in the MENA region. The franchise agreement was recently extended to expand MAF Hypermarket's use of the Carrefour brand into new jurisdictions and in new formats (see *"Group Financial Review—Recent Developments"*). As at 31 December 2012, MAF Retail had expanded the Carrefour concept across the UAE and into Bahrain, Egypt, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Iraq and Georgia. As at 31 December 2012, MAF Retail operated 48 Carrefour hypermarkets and 43 Carrefour supermarkets across the MENA region and also operates an online store (www.iC4uae.com), principally selling light and heavy household goods for delivery within the UAE.

MAF Retail initially rolled out Carrefour supermarkets in 2007 on a trial basis in the UAE in an attempt to take advantage of its large store network and the regional suburban demand for smaller stores allowing easier access to the local population. MAF Retail has rolled out the new format in three sizes, ranging from approximately 500 square metres to 2,500 square metres, depending on factors including target product range, population density and catchment areas. The Carrefour supermarkets focus mainly on food products, with food sales contributing approximately 89 per cent. of total sales per year.

MAF Retail's workforce of more than 18,700 employees processed more than 127 million transactions at its Carrefour stores in 2012, resulting in sales of AED 16,377 million for the year.

The following map shows the location of MAF Retail's Carrefour hypermarkets and supermarkets as at 31 December 2012.

The territory population: 519.1 million inhabitants



City	Hyper	Super
UAE	18	23
Qatar	3	2
Oman	4	-
Kuwait	1	-
Egypt	6	9
Saudi	10	2
Bahrain	1	-
Jordan	1	7
Pakistan	2	-
Iraq	1	-
Georgia	1	-
Total	48	43

MAF Retail had revenue of AED 17,798 million and EBITDA of AED 927 million in 2012 as well as assets of AED 5.1 billion at 31 December 2012 equal to 82.5 per cent., 30.8 per cent, and 13.5 per cent, respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2012. MAF Retail had revenue of AED 16,290 million and EBITDA of AED 958 million in 2011 as well as assets of AED 4.8 billion at 31 December 2011, equal to 83.2 per cent., 34.2 per cent. and 13.4 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2011. During 2012, MAF Retail sold certain assets in relation to operations in Iran (see *"—Discontinued operations in Syria and Iran"* below for further details). The sale consideration was equivalent to the net assets of the operations disposed.

Strategy

MAF Retail aims to establish Carrefour as the hypermarket store of choice for consumers throughout the MENA region. MAF Retail aims to offer the cheapest products through utilising a portion of the rebates it receives from suppliers to reduce prices and by maintaining a low level of commercial margin. Accordingly, MAF Retail aims to offer the best quality at an affordable price and the widest possible range of both local and international products to meet customer demand.

MAF Retail intends to continue to focus on the hypermarket format (with an average of 8,000 square metres of selling space) and smaller store formats to fill market gaps. See "*—Store Rollout and development strategy*". MAF Retail is also focused on further developing private-label products in conjunction with Carrefour and increasing the proportion of such products in its sales mix. Finally, management believes that MAF Retail's growth, coupled with its strong relationship with Carrefour, will allow it to take advantage of Carrefour's reputation internationally and further improve its purchasing power from international suppliers.

Agreements with Carrefour

In 1995, the Group entered into a joint venture agreement with Promodes, now part of the Carrefour group, creating MAF Hypermarkets which was 75 per cent. owned by MAF Retail. Pursuant to a separate franchise agreement, MAF Hypermarkets is the exclusive franchisee of Carrefour for 12 countries in the MENA region — Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia, UAE and Yemen. Under the terms of the franchise agreement, Carrefour provides trade signs, operating procedures and know-how (particularly in relation to hypermarket design, quality, health and safety standards and administration), assistance in supply chain management as well as access to product sourcing networks and training. In addition Carrefour is responsible for the sourcing of its private-label products, "Carrefour'' and "N1''.

On 31 May 2011, the management of each of MAF Retail and Carrefour agreed to the extension of the franchise agreement between MAF Hypermarkets and Carrefour to four countries in the Commonwealth of Independent States: Armenia, Azerbaijan, Georgia and Kazakhstan. An amended franchise agreement reflecting these arrangements was entered into on 6 July 2011. The franchise agreement with Carrefour has recently been extended as part of the Acquisition (see *"Group Financial Review—Recent Developments"*) until 2025. MAF Hypermarkets also has the opportunity to expand its use of the Carrefour brand into new jurisdictions and in new formats across the regions in which the Group currently operates under this extended franchise agreement.

MAF Retail has agreed not to utilise any know-how gained in the operation of independent hypermarkets or supermarkets and is not permitted to sell the products of any of Carrefour's competitors.

Carrefour charges MAF Retail a franchise fee based on sales made. MAF Retail is responsible for the day-to-day operation of each store, seeking approval from Carrefour for new store openings.

Current operations

UAE, Qatar, Oman, Kuwait and Bahrain

MAF Retail opened its first Carrefour hypermarket in 1995 in the Deira City Centre shopping mall in the UAE. Subsequently, it opened its first hypermarket in Qatar in 2000, in Oman in 2001, in Kuwait in

2007 and in Bahrain in 2008. The Carrefour hypermarket in the Mall of the Emirates, which opened in 2005, is MAF Retail's largest hypermarket. As at 31 December 2012, MAF Retail had 18 hypermarkets in the UAE, three in Qatar, four in Oman, one in Kuwait and one in Bahrain and a total of 25 Carrefour supermarkets in the five countries.

Egypt

MAF Retail opened its first Carrefour hypermarket in Egypt in 2002. The hypermarket is located in the Maadi City Centre shopping mall in Cairo, the most populous city in the Arab world. As at 31 December 2012, MAF Retail had six Carrefour hypermarkets and nine Carrefour supermarkets in Egypt.

Saudi Arabia

MAF Retail entered Saudi Arabia in 2004 with its first Carrefour hypermarket on Khurais Road in Riyadh. As at 31 December 2012, MAF Retail had ten Carrefour hypermarkets and two Carrefour supermarkets in Saudi Arabia.

Other countries

MAF Retail was the first hypermarket chain entrant into Jordan when it opened a Carrefour hypermarket within the Amman City Centre shopping mall in December 2006. In 2009, MAF Retail opened a hypermarket in Pakistan followed by Iraq and Georgia in 2012. As at 31 December 2012, MAF Retail has a total of five hypermarkets and seven supermarkets in these four countries

Development pipeline

MAF Retail plans to open 11 Carrefour hypermarkets (two stores each in Egypt, Jordan and Armenia, one store each in UAE, Oman, Saudi Arabia, Lebanon and Kazakhstan) and 27 Carrefour supermarkets in 2013.

Operational leases

MAF Retail currently leases the properties on which it operates Carrefour stores. Properties are leased from both MAF Properties and, to gain quicker access to a target market, third-parties, including third-party shopping mall developers. As at 31 December 2012, 11 hypermarkets were leased from MAF Properties, with the remaining 37 hypermarkets and all 43 supermarkets leased from third parties.

It takes approximately six months for MAF Retail to open a new hypermarket from the point at which the store is handed over and, in the case of hypermarkets located in shopping malls, it can take up to two and a half years to develop the mall in which the hypermarket is to be located from the point at which MAF Retail commits to lease the store. In the case of supermarkets, it takes around four months to carry out refurbishment works and around two months to obtain necessary licenses and approvals. MAF Retail prefers to lease sites for its Carrefour stores to ensure a faster time to market and to expedite the return on its investment. However, MAF Retail will consider other options, such as owning a limited number of properties or leasing land and constructing a store, where it determines that it is more commercially viable to do so.

MAF Retail aims to maintain long-term lease agreements (typically with terms of approximately 20 years for hypermarkets and approximately 10 years for supermarkets). As of 31 December 2012, the average lease period for its hypermarkets was approximately 19 years and for its supermarkets was approximately 10 years. Under most of the lease agreements, MAF Retail has a conditional right to renew the lease subject to agreement on lease terms and retains termination rights at certain points during the lease.

MAF Retail undertakes refurbishment of its hypermarkets approximately every seven to ten years. In addition, store managers are responsible for reviewing and analysing inventory turnover and consumer trends, in order to plan potential changes to the store layout.

Store rollout and development strategy

MAF Retail has created a development team to oversee the rollout of its Carrefour store network. The development team has representatives covering the countries in which MAF Retail traditionally operates. Development within the new countries is managed by the head office development team with local management support. These development teams identify store location opportunities and negotiate with local suppliers and are supported by MAF Retail country managers who are present in all countries of the region.

When rolling out a new store, the local development teams (under the supervision and with the support of the head office development team) are responsible for sourcing suitable real estate, negotiating lease or purchase agreements, conducting tenders for construction and installation services, store design and store launch. They also co-ordinate contacts with the external parties involved in the rollout process such as real estate agents, licensing authorities, lawyers and construction companies. There is a close dialogue between the regional teams and the MAF Retail head office, although significant responsibility is given to the regional teams to facilitate efficient decision making. However, all important decisions require the involvement of the head office development team and MAF Retail's legal and finance departments and significant financial commitments require approval by the MAF Retail CEO or Board, depending on the size of the commitment.

MAF Retail Board approval is required prior to entering into a new store project and a new geographical market. When considering a new geography, the head office development team first seeks to identify appropriate locations and conducts all necessary diligence, including commissioning a third party consultant approved by Carrefour in its capacity as franchisor, to estimate future sales for each proposed site. Based on the results of the diligence, the development team prepares a feasibility study which, among other matters, considers the financial criteria which are required to be met (including (i) a positive net present value of the expected cash flows from the investment for the period of the lease and (ii) an internal rate of return and return on capital employed in excess of the country return objective set by MAF Retail). MAF Retail evaluates potential store feasibility based on projected cash flows for the proposed lease period, which depend on factors such as current population, catchment areas, customer access to the hypermarket, potential rate of urbanisation and existing and planned competing properties. The feasibility study is reviewed by the CEO of MAF Retail and, if approved by him, is submitted to the MAF Retail Board for final approval. Projects for supermarkets involving capital expenditure of less than AED 10 million are approved by the MAF Retail CEO, otherwise such projects are approved by the MAF Retail Board.

Following completion of a development, an annual review process for each store is conducted. Among other matters, results to date, the latest five-year plan and a conservative projection to cover the full lease period are considered. The return and profitability key performance indicators are compared with those identified at the initial project approval stage and the results of each review are presented to the MAF Retail Board.

Typically, MAF Retail's Carrefour hypermarkets are the anchor tenants of choice for MAF Properties' shopping mall developments. However, Carrefour hypermarkets and supermarkets are also located outside MAF Properties shopping malls.

Product range and quality control

Product range

MAF Retail's Carrefour hypermarkets stock five categories of products: consumer, market, light household, textile and heavy household goods. Consumer goods are all food products excluding fresh produce; market goods are fresh produce; light household goods are non-food household products falling outside the heavy household category; textile goods are principally clothing and linen merchandise; and heavy household goods consist of large appliances and electronic goods. For the year ended 31 December 2012, food products and non-food products accounted for 58.7 per cent. and 41.3 per cent., respectively, of MAF Retail's total sales.

Depending on the size of the individual store, MAF Retail's Carrefour hypermarkets stock between 35,000 and 45,000 stock keeping units (**SKUs**) per store. The SKUs stocked in a particular store include mandatory items selected centrally by the relevant country head office sourcing team and products chosen locally by the store's management to ensure the range of products offered is adapted to suit local tastes. As a result, the range of products varies from store-to-store, depending on preferences within a local catchment area.

MAF Retail's merchandise strategy is aimed at standardising its range of products and optimising its ability to satisfy customer preferences. Based on monthly analyses of results and other relevant data (including competition data and periodic customer feedback), it sets objectives and modifies parameters, including store layout, range and price. Individual stores are then charged with adjusting accordingly the mix of products, prices, products on promotion and the location of products within the store.

A portion of Carrefour hypermarkets' SKUs are private label brands. The private label brands developed by Carrefour include "N1'' and "Carrefour''. MAF Retail intends to increase the proportion of the private label items in its sale mix.

MAF Retail develops private label brand products in partnership with Carrefour, identifying product specifications based on consumer preferences. All of the private label products must adhere to the Carrefour group's strict quality standards, and MAF Retail and Carrefour work together to ensure quality control.

Quality control

MAF Retail has implemented an audit control system for its market goods and private label items. The audit control system covers staff training, UAE audits of suppliers, stores and products. MAF Retail has appointed several companies to perform audits according to targets set by its management team. Approximately 60 per cent. of MAF Retail's stores have received Hazard Analysis and Critical Control Points (**HACCP**) certification or an equivalent ISO certification. The stores without HACCP certification are new and are in the process of gaining such certification, which is a time-consuming process. HACCP is a systematic preventive approach to food safety that addresses physical, chemical and biological hazards as a means of prevention rather than finished product inspection. HACCP is used in the food industry to identify potential food safety hazards, so that key actions can be taken to reduce or eliminate the risk of the hazards being realised. The system is used at all stages of food production and preparation processes.

Supply chain, procurement, inventory and distribution

Supply chain and procurement

MAF Retail uses Carrefour's logistics network in East Asia to source products for its N1 and Carrefour private label brands and for limited non-food items, allowing MAF Retail to leverage Carrefour's market size.

For all other products, MAF Retail's central procurement team is responsible for producing an annual list of preferred suppliers by product category. These suppliers are ranked based on performance using benchmarking reports. In order to keep the supplier list relevant and manageable, the central procurement team consider the range required for each product type, as well as the target selling price. If a certain product line has not been selling well, the number of suppliers listed will be reduced to reflect the reduced demand or only those suppliers that offer goods at a price the market is willing to pay will be listed. Individual store managers can suggest potential new suppliers to the central sourcing and procurement department. However, the final decision on whether to add a proposed supplier to the list is taken centrally.

The majority of supplier contracts are negotiated and entered into at the local level based on the supplier list. Negotiations and execution of supplier contracts with certain key suppliers are carried out by the central sourcing team. These suppliers tend to provide key imported branded products which are sold in large quantities across all regions allowing MAF Retail to secure favourable terms due to its purchasing power. See *"—Rebates and supplier benefits"*.

With increasing volumes of imports, MAF Retail has decided to further improve the trade conditions and purchase prices through direct import rather than through intermediaries in some markets. In 2012, MAF Retail opened a representative office in Bangkok, Thailand in order to enter into trade arrangements and better coordinate a procurement process with local suppliers in Asia. In 2013, MAF Retail set up a trading company in Hong Kong, China with the intention of targeting the private label product of the non-food departments. First deliveries to MAF Retail stores through these new channels are planned for the second half of 2013.

Inventory

Inventory management is a store-managed process. Store requirements are assessed at each individual store and orders are placed directly with suppliers. Order quantities are based on a minimum order level set for each SKU and an order is raised automatically once this minimum quantity has been triggered in-store. All purchase orders require authorisation from an appropriate level before being sent to suppliers.

Physical inventory counts are performed for all stores every three to six months (depending on the country in which the store is located), with sections counted on a rotational basis in between as well. Certain high value items at greater risk of theft are counted weekly or monthly. MAF Retail uses the same inventory system used by Carrefour in its hypermarkets for managing store inventory. When goods arrive, the inventory system is automatically updated and MAF Retail's accounting system captures invoices upon receipt. Inventory days in MAF Retail's Carrefour hypermarkets have remained relatively constant over the three years to 31 December 2012. In addition, more than 75 per cent. of MAF Retail's Carrefour hypermarkets had a shrinkage level (being the percentage of loss of products between acquisition and point of sale) below 0.3 per cent. for the year ended 31 December 2012.

Distribution

Deliveries are predominantly made directly to stores and the logistical costs of transport are usually borne by the distributor, but included within the purchase cost price. A small proportion of purchases are delivered to distribution centres managed by third party distributors before distribution to stores. These goods tend to be centrally purchased imported goods and private label Carrefour products. The third-party central warehouse facilities also provides storage space for Carrefour supermarkets due to the limited storage capacity available at each supermarket.

Rebates and supplier benefits

Due to its increased buying power across each region as its store portfolio expands, MAF Retail is able to secure rebates and other supplier benefits from both its local distributors and its brand suppliers. MAF Retail negotiates a number of different types of rebates and other benefits with its suppliers, generally on an annual basis at a regional level, although negotiations with some of the larger branded importers are conducted centrally. Fixed rebates are obtained on a yearly basis based on an agreed fixed percentage of supplier turnover. Volume discounts are obtained on yearly purchase values by brand or supplier. Other types of benefits include fees charged to suppliers for promotional activities, displays, advertising space and additional shelf space. Rebates and supplier benefits represent a significant driver of MAF Retail's revenue. A portion of the rebate gains are reinvested in the business to allow MAF Retail to maintain its prices at competitive levels.

Pricing policy

In line with Carrefour's pricing policy, MAF Retail's business philosophy is to offer its customers the products they want at a competitive price. Management aims to keep prices below those of its competitors by leveraging its market share to achieve volume-based rebates on its supply orders.

Typically, with the exception of promotional items, selling prices for non private-label SKUs are managed at the store level. The MAF Retail head office sourcing team is responsible for setting prices for all private label SKUs and national promotion items. At the supermarkets level, a more centralised pricing approach has been introduced.

To ensure its Carrefour hypermarket SKUs are priced competitively, MAF Retail regularly monitors prices through third party service providers. Additional price surveys are carried out as needed, for example in connection with entering a new market or the introduction of a new competitor to one of its existing markets.

Advertising and marketing

For MAF Retail, customer growth is the most important aspect of sales growth and its marketing effort is, accordingly, focused towards this end. In addition to traditional newspaper, magazine, radio and internet advertising, MAF Retail delivers three to four leaflets per month door-to-door to local households. MAF Retail also conducts co-branded advertising whereby a supplier pays to promote new items or a range of products in conjunction with MAF Retail. In addition, MAF Venture's Najm Visa credit card, which MAF Retail actively promotes in its Carrefour hypermarkets, features a loyalty programme that offers its customers up to 50 per cent. off selected items at all Carrefour stores. All advertising promotions focus on Carrefour's low prices and wide range of products, and are managed centrally. MAF Retail head office is responsible for determining which SKUs are discounted with the Najm Visa credit card and this decision is implemented across all stores nationally.

Competition

MAF Retail faces competition from international, regional and local retailers. The competition from international retailers is limited as the only major grocery retailer which has a multi-country and multi-store presence in the region where MAF Retail operates is Carrefour, and the Group's contractual arrangements with Carrefour mean that it does not compete with MAF Retail in the countries in which MAF Retail operates.

MAF Retail's main regional competitors (being those with a presence in a number of countries in which MAF Retail operates) are Lulu (Emke Group), Spinneys, Panda (Savola Group) and The Sultan Center. The Group believes that MAF Retail faces moderate competition from these entities on a regional basis. MAF Retail's local competitors vary depending on the country concerned and the level of competition from these competitors also varies in each country. Certain of the regional competitors are also local competitors in individual countries, for example MAF Retail's main competitors in the UAE are Union Cooperative, Lulu and Spinneys, its main competitor in Saudi Arabia is Panda and its main competitor in both Kuwait and Jordan is The Sultan Center.

MAF VENTURES

Overview

MAF Ventures operates the Group's:

- Leisure and Entertainment services, including Magic Planet, Wahoo Aqua Play, Ski Dubai and Yalla Bowling through Majid Al Futtaim Leisure and Entertainment LLC (**MAF Leisure and Entertainment**);
- Cinemas, through MAF Cinemas;
- Financial Services, including the Najm Visa credit card and Pre-paid cards, through MAF Finance;
- Commercial premises facilities management, through Majid Al Futtaim Dalkia Middle East LLC (**MAF Dalkia**);
- Fashion retailing, through Majid Al Futtaim Fashion LLC (**MAF Fashion**);
- Leasing services to SMEs, through MAF Orix; and
- Healthcare service, through MAF Healthcare.

In addition, MAF Ventures serves as the business division through which the Group will seek to develop, in partnership with other international and regional businesses where appropriate, new retail and financial products and services that are designed to complement and leverage the success of the existing businesses of the Group. Presently, MAF Ventures is close to finalising the acquisition of a food and beverage company, through MAF Food and Beverages LLC. The impact of this acquisition is likely to be immaterial to the business or financial position of the Group.

The following table sets out details of the businesses operated by MAF Ventures as at the date of this Base Prospectus:

Business	**Date Established**	**% Contribution to MAF Ventures' 2012 Revenue**	**Partner Name**	**MAF Ventures Ownership Share**
MAF Leisure and Entertainment	1995	19	—	100%
MAF Cinemas	1999	34	—	100%
MAF Finance	2008	10	—	100%
MAF Dalkia	2002	—[1]	Dalkia (49%)	51%
MAF Fashion	2005	32	—	100%
MAF Orix	2002	5	Orix (37%) and Orix Leasing Pakistan (3%)	60%

Note:
(1) Accounted for as an associate in 2012.

MAF Ventures had revenue of AED 810 million and EBITDA of AED 174 million in 2012 as well as assets of AED 1,257 million at 31 December 2012, equal to 3.8 per cent., 5.8 per cent. and 3.3 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2012. By comparison, MAF Ventures had revenue of AED 724 million and EBITDA of AED 159 million in 2011 as well as assets of AED 982 million at 31 December 2011, equal to 3.7 per cent., 5.7 per cent. and 2.7 per cent., respectively, of the Group's revenue, EBITDA and assets as of and for the year ended 31 December 2011.

Strategic businesses

MAF Ventures categorises its portfolio companies as either strategic or investment. Strategic companies comprise those which are both financially attractive and provide a strategic fit to the Group's business. MAF Ventures' strategic businesses are:

MAF Leisure and Entertainment

Through its wholly-owned subsidiary, MAF Leisure and Entertainment, MAF Ventures offers leisure and entertainment facilities throughout the Middle East. These facilities are typically located in Group shopping malls to capitalise on existing high footfalls as well as to act as an attraction designed to increase the number of visitors to the shopping mall. MAF Leisure and Entertainment's facilities comprises of Magic Planet Entertainment Centres which serves as a Group shopping mall anchor tenant. MAF Ventures' strategy in relation to MAF Leisure and Entertainment is to continue to use it to strengthen its shopping malls and at the same time to focus on improving efficiency and reducing costs.

Magic Planet entertainment centres

Magic Planet is a mall-based family entertainment destination. Magic Planet's 13 entertainment centres, which range from 100 to 9,000 square metres, offer thrill rides, family rides, soft-play areas for children and video games for all ages. There are currently Magic Planet centres in the Mall of the Emirates, Deira City Centre, Ajman City Centre, Sharjah City Centre, Mirdif City Centre, Fujairah City Centre, Mirghab (Sharjah) and Juraina (Sharjah) in the UAE, (Mirghab and Juraina are located in a mall which is not a Group-owned shopping mall) in Maadi City Centre and Alexandria City Centre in Egypt, in Muscat City Centre in Oman, in Bahrain City Centre in Bahrain and in The Avenues Mall in

Kuwait, which is not a Group-owned shopping mall. MAF Ventures plans to open 4 more entertainment centres in the year 2013 in Taj, Jordan, Beirut City Centre, Cairo Festival City and Qurum City Centre. The entertainment centre in Jordan and Cairo will be located in a mall, which is not a Group-owned shopping mall.

MAF Cinemas

MAF Cinemas was originally established in 1999 as a joint venture between Greater Union Holdings, a leading Australian international cinema, entertainment and leisure group, and MAF Ventures. In 2010, MAF Ventures acquired the 49 per cent. shareholding of its joint venture partner and became the sole owner of the company. MAF Ventures currently operates five cinemas with a total of 50 screens in the UAE. Each of the 50 auditoria features state-of-the-art sight and sound technology, digital projectors and stadium-style seating arrangements. Each cinema also has a candy bar offering a range of drinks and snacks and extended dining offerings. Each of the cinemas is located in a shopping mall, four of which are owned by MAF Properties.

MAF Cinemas typically serves as a Group shopping mall anchor tenant in the super-regional malls where the cinema complex is generally located in close proximity to the unique leisure offering. MAF Ventures' strategy in relation to MAF Cinemas is to target growth through expansion outside Dubai in the medium term as well as upgrading the services offered, particularly in relation to seating and food and beverage.

MAF Cinemas plans to add four more cinema sites with 42 screens in Fujairah City Centre, Mercato Mall, Beirut City Centre and Al Hamra in 2013.

MAF Finance

MAF Ventures established MAF Finance as a joint venture company with JCB and Orix in 2008. In April 2010, MAF Ventures acquired the shares held by its joint venture partners and became the sole owner of the company. At the same time, MAF Finance entered into an arrangement with Visa International Service Association to issue Najm Visa credit cards. The MAF Ventures Najm Visa credit cards feature a loyalty programme that leverages the Group's retail, shopping, hotel and leisure and entertainment products and services.

MAF Finance and the Group's Carrefour stores benefit from the fact that the Carrefour shoppers are a captive market to which the credit cards can be marketed and the credit cards are a vehicle through which shoppers can be encouraged to make purchases at the Carrefour stores through targeted offers. MAF Ventures' strategy in relation to MAF Finance is to increase the range and value of promotions offered to existing card holders as well as to identify a bank partner to provide additional funding to enable the Group to expand the number of card holders. As at 31 December 2012, 66,987 active Najm Visa credit cards (representing approximately 39,532 accounts) were in issue and the Group has controlled the expansion of its credit card business by imposing stringent credit profile requirements.

In 2012, MAF Finance launched Visa Platinum cards and expanded the portfolio of prepaid cards by launching two new products 'Load and Shop' and 'My Net Cards'. In 2013, MAF Finance plans to build on superior loyalty programs to issue new cards, increase spend and generate higher billings.

Investments

MAF Ventures' investments comprise:

MAF Dalkia

MAF Dalkia is a joint venture established in 2002 between MAF Ventures and Dalkia, a subsidiary of Veolia Environment, in which MAF Ventures owns 51 per cent. of the shares. MAF Dalkia provides solutions designed to optimise the costs involved in managing the energy infrastructure in shopping centres, offices, leisure complexes, hotels, hospitals, universities, airports and any other commercial, industrial, residential or public buildings.

MAF Dalkia was originally created to service Group facilities at prices in line with market rates. Since its inception, however, the company has grown such that approximately 57 per cent. of its revenue for the year ended 31 December 2012 and approximately 59 per cent. of its revenue for 2011 came from charges to non-Group companies. In December 2009, the joint venture agreement with Dalkia was amended to reflect the contribution by Dalkia to the joint venture of related businesses in Bahrain and Saudi Arabia. In return, MAF Ventures ceded management control of the joint venture to Dalkia and, whilst retaining its 51 per cent. shareholding, now accounts for the joint venture as an associate.

MAF Fashion

MAF Fashion is a wholly-owned subsidiary of MAF Ventures which was established in late 2005. It operates primarily as a licensee of Liz Claiborne brands (such as Juicy Couture and Mexx) and other brands such as Jane Norman and Hoss Intropia with exclusive licensing rights for these brands in different MENA region countries, depending on the brand. Currently, MAF Fashion operates nearly 38 stores in six countries: the UAE, Bahrain, Kuwait, Qatar, Lebanon and Saudi Arabia.

In February 2013, MAF Fashion entered a joint venture agreement with the leading American retailer and casual wear clothing brand, Abercrombie & Fitch Co. (A&F), with respect to its Hollister brand. The company plans to open the first Hollister store in Dubai in 2013.

MAF Orix

MAF Orix is a joint venture established in 2002 between MAF Ventures, Orix and Orix Leasing Pakistan, in which MAF Ventures owns 60 per cent. of the shares. MAF Orix provides lease financing of moveable assets, principally to SMEs. It is based in Dubai, with branches in Sharjah and Abu Dhabi, to meet the growing demand of leasing and other financial products of companies situated in the northern Emirates.

In addition, MAF Ventures also has a 15 per cent. interest in Orix Leasing Egypt, a joint venture with National Bank of Egypt (24 per cent.), Orix (23 per cent.), Orix Leasing Pakistan (23 per cent.), International Finance Corporation (7.5 per cent.) and Egypt's Commercial International Investment Company (7.5 per cent.).

DISCONTINUED OPERATIONS IN SYRIA AND IRAN

During 2012, the Group sold its investment and operations in Syria and Iran to Majid Al Futtaim Capital LLC (**MAF Capital**), the Group's parent company.

In August 2012, MAF Properties sold its investment and operations in MAF Investment Syria LLC (previously a subsidiary of MAF Properties, incorporated in Syria) and MAF Syria for Investment and Development LLC (previously a subsidiary of MAF Properties, incorporated in the UAE) to MAF Capital. The total consideration for the sale of the interest in both entities was AED 346.9 million which was equivalent to MAF Properties' share of net assets in the two subsidiaries at 31 July 2012. The obligation to pay the sale proceeds payable to MAF Properties was novated to MAF Holdings and was set off against a dividend declared by MAF Properties in favour of MAF Holdings on 1 August 2012.

In December 2012, MAF Retail sold its investment and operations in MAF Hypermarkets PARS PJSC (previously a subsidiary of MAF Retail, incorporated in Iran) to MAF Capital. The total consideration for the sale was AED 72.8 million which was equivalent to the Group's net assets in MAF Hypermarkets PARS PJSC at 31 December 2012. The Group's share of the consideration (AED 54.6 million) due from MAF Capital to MAF Retail was offset by a dividend of an equivalent amount declared by MAF Retail in favour of MAF Holdings and by MAF Holdings in favour of MAF Capital on 5 March 2012 which was settled on 1 May 2013.

TREASURY AND INTERNAL AUDIT

The Group operates centralised treasury and internal audit functions with a view to benefitting from both internal and external economies of scale and core expertise as well as leveraging the Group's different business profiles.

The treasury function is principally responsible for the overall co-ordination of cash management (payments and operational cash management are managed at an individual business unit level), financing and financial risk management, with all Group borrowings being arranged by the treasury and approved by the MAF Holding Board. The treasury function has a clear demarcation of responsibility between front, middle and back office functions and its performance is measured by reference to a number of defined benchmarks in terms of capital structure and allocation, liquidity management, funding and investment, financial risk management and other areas.

The internal audit function operates under an audit charter approved by the MAF Holding Board and applies a risk-based methodology in audit planning and execution, based on enterprise-wide risk assessment and management surveys. The annual internal audit plan is established on the basis of a formal planning methodology which considers factors such as the control risks associated with specific processes and functional and geographic business segments, the quality of the control environment, past internal audit history and results, materiality, the complexity and maturity of the operations and systems, the quality of management and the degree of employee turnover and management concerns.

INFORMATION TECHNOLOGY

The Group utilises IT solutions for a variety of business functions, including financial reporting, supply chain management, project development and human resources. Each of the Group's operating subsidiaries uses software that is tailored to its particular business needs.

The Group does not currently have a separate disaster recovery site although disaster recovery procedures are in place at its data centre and designed to recover data and applications in a disaster scenario. The Group also implements anti-virus and other data security procedures.

HEALTH AND SAFETY AND SECURITY

The Group's operating subsidiaries follow comprehensive fire and health and safety policies and procedures appropriate to their respective businesses. In particular, the Group's shopping malls are constructed to international standards, most of MAF Retail's stores have received HACCP certification (as further described under *"—MAF Retail—Product range and quality control—Quality control*") and all applicable health and safety regulations applicable to the Group's business are complied with.

The Group is also bolstering contingency plans and implementing other security procedures following the civil unrest in Egypt and Bahrain which affected its properties in those countries.

LITIGATION

During 2010, a joint venture company that is 50 per cent. owned by the Group and 50 per cent. owned by a major UAE-based property development company became involved in arbitration proceedings under which the amount of AED 2,614 million is being claimed from the joint venture for non-payment of instalments of the purchase price of land which the joint venture company had agreed to purchase. This arbitration has been put on hold since the end of 2011. The Group has no indication if, and when, the arbitration would resume. If resumed, the Group does not believe that any arbitration ruling against the joint venture will result in financial liability for any other Group company. In addition to the above, MAF Holding and its subsidiaries are involved from time to time in legal actions, often as the claimant, and most of which arise in the ordinary course of business.

INSURANCE

The Group has in place insurance coverage for all material aspects of its operations up to a level which management considers to be reasonable and comparable to or in excess of that of other companies operating in the sectors and markets in which the Group operates. The Group's major insurable risks are covered by insurance policies for property all risks (including business interruption), terrorism cover and public liability. The Group will continue to seek to secure appropriate insurance coverage for these risks at commercially reasonable rates. See "*Risk Factors—Risks Relating to the Group—The Group may not be able to secure full insurance coverage for the risks associated with the operation of its businesses*".

Following the civil unrest in Egypt in the first quarter of 2011 during which certain of the Group's properties were damaged, insurance claims have been made by the Group in respect of which two interim payments were received in 2012.

MANAGEMENT AND EMPLOYEES

MANAGEMENT

Overview

The Group places considerable emphasis on governance and transparency within its operational framework and has voluntarily adopted the principles of the Combined Code on Corporate Governance for listed companies in the United Kingdom (the **UK**).

The MAF Holding Board is responsible for (i) determining overall strategic objectives and ensuring there are appropriate human and financial resources available to meet these objectives, (ii) monitoring the performance of management against the strategic objectives and key performance indicators, (iii) ensuring the establishment and operation of prudent and effective controls to assess and manage the risks associated with the operations of the business and (iv) setting and upholding the values and standards necessary to ensure that obligations to shareholders and other stakeholders including employees and, in appropriate cases, creditors are met.

Each of MAF Properties, MAF Retail and MAF Ventures has its own Board responsible for setting strategic goals and measuring the success of the business in achieving objectives and maintaining corporate accountability.

Independent non-executive chairmen have been appointed to the MAF Properties and MAF Retail Boards to define and allow for the implementation of separate and distinct roles for MAF Holding's Chairman and CEO. This Board structure allows the MAF Holding CEO to focus on his overriding responsibility of leading the executive management of the Group, while allowing the individual Boards and their management to focus on the increasingly complex and specialised demands of their respective businesses.

Each of the Group's Boards work closely together to review, recommend and approve projects, combining the expertise of the various businesses. To further this goal, the MAF Holding CEO and Deputy CEO sit on the Boards of each of MAF Properties, MAF Retail and MAF Ventures to ensure that the Group's strategy is implemented consistently. A Group Executive Committee, chaired by the MAF Holding CEO and comprising the CEOs of each operating company, meets once a month to exchange information and discuss strategy, operational issues, synergies and new projects.

Each Board undertakes a formal review process with a view to seeking continuous improvement in the Board's performance. Each review analyses the Board and any associated committee processes and their effectiveness, the relationships between non-executive and executive directors, information flows and other relevant information.

MAF Holding Board

The MAF Holding Board meets a minimum of four times annually and principally reviews the business performance of the operating companies as well as reports from both the internal and external audit functions. The table below provides certain information in relation to the MAF Holding's Board:

Name	Position	Year of Appointment
Sir Michael Rake	Chairman	2009
Mr Khalifa Sulaiman	Deputy Chairman	2011
Mr Iyad Malas	CEO	2009
Mr Ahmed Bin Brek	Deputy CEO	2008
Mr Tariq Al Futtaim.	Director	2005
Viswanathan Shankar	Director	2012
Ian Davis	Director	2012

The business address of each director is Majid Al Futtaim Holding LLC, P.O. Box 91100, Dubai, United Arab Emirates.

Sir Michael Rake - Chairman

Sir Michael Rake was appointed as Chairman of MAF Holding on 1 July 2009. He is currently the chairman of British Telecom Group plc, the UK's largest telecom operator. He was previously the chairman of KPMG International and a senior partner of KMPG in the UK. Prior to his appointment as chairman of KPMG International, he was the chairman of KPMG in Europe. He is Chairman of Easy Jet plc and holds directorships, amongst others, at Barclays PLC and McGraw Hill Inc.

Khalifa Sulaiman - Deputy Chairman

Mr Khalifa Sulaiman joined the MAF Holding Board in October 2011. Mr Sulaiman is a UAE National and has spent a career in government, representing the UAE both locally, regionally and internationally. During his career, Mr Sulaiman was Ambassador to the Court of St. James in the UK and Chairman of H.H. The Ruler's Court, Dubai.

Iyad Malas - CEO

Mr Iyad Malas was appointed as CEO of MAF Holding on 26 March 2009. He was formerly the CEO of Majid Al Futtaim Trust from April 2007. Prior to that he was the regional director, South Asia for International Finance Corporation/World Bank, New Delhi, India, where he was directly responsible for all new investments in the region and for portfolio supervision. He was formerly chief operating officer and head of asset management for EFG - Hermes, Cairo, Egypt. Mr Malas has spent twenty two years in finance, investment and asset management.

Ahmed Bin Brek - Deputy CEO

Mr Ahmed Bin Brek was appointed as MAF Holding Vice President and CEO of MAF Ventures in 2004. He stepped down from his role of CEO of MAF Ventures on 1 December 2008 and was appointed Deputy CEO of MAF Holding. He was also appointed as acting CEO of MAF Properties on 1 June 2009. Prior to this, he spent most of his working life in the financial services industry, becoming the CEO of Citibank's UAE and Oman businesses.

Tariq Al Futtaim

Mr Tariq Al Futtaim joined the MAF Holding Board in May 2005. He was appointed as Vice President when MAF Holding was formed.

Viswanathan Shankar

Mr Viswanathan Shankar joined the MAF Holding Board with effect from 1 January 2012. Mr Shankar is currently Group Executive Director and a member of the Board of Directors of Standard Chartered PLC. He is also currently Standard Chartered's Chief Executive Officer - Europe, Middle East, Africa and the Americas as well as Executive Chairman of Principal Finance and Chairman of Standard Chartered's private bank. Prior to joining Standard Chartered in 2001, Mr Shankar spent 19 years with Bank of America in both Asia and the United States of America. In addition to his responsibilities at Standard Chartered, Mr Shankar is a member of the Board of the Inland Revenue Authority of Singapore and the Board of Trustees of the Singapore Indian Development Association as well as being a member of the Singapore Government's National Integration Council.

Ian Davis

Mr Ian Davis joined the MAF Holding Board with effect from 1 June 2012. Mr Davis is an independent non-executive director of BP and Johnson & Johnson, Inc. and a senior adviser to Apax Partners LLP. He is also a non-executive member of the UK's Cabinet. Mr Davis spent his early career at Bowater, moving to McKinsey & Company in 1979. He was managing partner of McKinsey's practice in the UK and Ireland from 1996 to 2003. In 2003, he was appointed as chairman and worldwide managing director of McKinsey, serving in this capacity until 2009. During his career with McKinsey, Mr Davis served as a consultant to a range of organisations across the private, public and not-for-profit sectors. He retired as senior partner of McKinsey & Company on 30 July 2010.

There are no conflicts of interest between the duties of the members of the MAF Holding Board listed above to MAF Holding and their private interests or other duties.

MAF Properties Board

The MAF Properties Board meets a minimum of four times annually and is responsible for setting strategic goals, measuring the success of the business in achieving its objectives and maintaining corporate accountability.

The MAF Properties Board is assisted by two committees, the Audit and Risk Committee and the HR and Remuneration Committee. The Audit and Risk Committee meets at least four times annually and represents and assists the MAF Properties Board with the oversight of the integrity of the company's financial statements and internal controls, the company's compliance with legal and regulatory requirements, the findings of the internal audit department and independence, and the performance of the company's internal audit and its independent auditor. The HR and Remuneration Committee meets at least twice annually and represents and assists the Board with the oversight of annual and long term performance rewards, annual pay and benefits and strategic human resource issues.

The table below provides certain information in relation to the MAF Properties Board:

Name	**Position**	**Year of Appointment**
Mr Alvaro Portela	Chairman & Remuneration Committee Chairman	2010
Mr Ahmed Bin Brek	Deputy Chairman	2008
Mr George Kostas	CEO	2013
Mr Richard North	Audit Committee Chairman	2009
Mr Abdulla Majed Ahmad Al Ghurair	Director	2009
Mr Iyad Malas	Director	2009
Mr Jaap Gillis	Director	2012
Mr Neil Jones	Director	2012

The business address of each director is Majid Al Futtaim Properties LLC, P.O. Box 60811, Dubai, United Arab Emirates.

Alvaro Portela - Board Chairman & Remuneration Committee Chairman

Mr Alvaro Portela joined the MAF Properties Board as a Non-Executive Director on 1 April 2010 and was subsequently appointed as Chairman of the Board on 23 September 2010. Mr Portela was president of Sonae Imobiliária SGPS, SA, Maia and the CEO of Sonae Sierra SGPS S.A. He has been an executive vice president of Sonae SGPS SA since 1999. He was previously a director with Laboratorios BIAL and executive director of Finance, Planning and Exports with COPAM. Mr Portela sits on the International Advisory Board for Eurohypo and is a fellow of the Royal Institute of Chartered Surveyors (FRICS).

George Kostas - CEO

Mr George Kostas joined the MAF Properties Board as CEO on 2 June 2013. Mr Kostas was formerly the Managing Director of Brookfield Multiplex Australasia. He also sat on the board and was the deputy chairman of Urban Taskforce Australia as well as National Director of the Property Council of Australia.

Richard North - Audit Committee Chairman

Mr Richard North joined the Group Board in February 2006 and subsequently transferred to the MAF Properties Board in July 2009. A Partner with Coopers & Lybrand from 1983, he joined The Burton Group in 1991 as group CFO, moving to Bass PLC (later Six Continents) in 1994 and becoming CEO of Intercontinental Hotels Group in 2003 following the demerger of Six Continents. He has held a number of non-executive positions on various boards including Asda, Britannia Soft

Drinks (as chairman), Felcor Lodgings Trust Inc. and Mecom. He was formerly chairman of Woolworths Group.

Abdulla Al Ghurair

Mr Abdulla Majed Ahmad Al Ghurair joined the MAF Properties Board in July 2009. He is currently the chairman of Abdulla & Hamad Al Ghurair Investment LLC (A&H Investment), a holding company established in Dubai under his and his brother Mr. Hamad Majed Al Ghurair's leadership. A&H Investment manages Mr Al Ghurair's and his brother's interests in a number of companies, including companies that are either partially or fully owned by the Group. Mr Al Ghurair also holds a number of directorships and is a member of the board of the Dubai Financial Markets. He is currently Chairman of the Majid Al Futtaim Charity Foundation, a prominent charitable initiative.

Jaap Gillis

Mr Jaap Gillis joined the MAF Properties Board in May 2012. Currently he is CEO of Bouwfonds Real Estate Investment Management and member of the board of Rabo Real Estate Group. Previously he has held various board positions at Redevco, Amstelland/Multi Development Corporation and ING Real Estate.

Neil Jones

Mr Neil Jones joined the MAF Properties Board in June 2012. He is an experienced general manager and real estate capital markets specialist. Since 2009 he has focused on strategic advisory and venture capital in the real estate industry. Previously he was chief executive of Grosvenor Continental Europe for 12 years until 2009 and a director of Grosvenor Group Limited. He has held numerous directorships with both listed and private companies. Current appointments include director of Sonae Sierra SGPS and consultant to Grosvenor Group Limited as well as advising a number of privately held, family controlled groups. He has spent most of his career in Asia and Continental Europe.

There are no conflicts of interest between the duties of the members of the MAF Properties' Board listed above to MAF Properties and their private interests or other duties.

In the five years preceding the date of this Base Prospectus, no member of the MAF Holding Board or MAF Properties Board has been convicted of any fraudulent offence, served as director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer of securities or from acting in the management or conduct of affairs of any issuer of securities.

EMPLOYEES

As at 31 December 2012, the Group had 24,598 employees. The following table shows the number of employees in each of the major Group companies:

Business Division	**Number of Employees**
MAF Holding	69
MAF Properties[(1)]	2,617
MAF Retail	18,735
MAF Ventures	3,177
Total	**24,598**

(1) Includes employees of managed hotels.

As is common in jurisdictions in which the Group operates, employee benefit packages include housing allowances for employees of a certain grade and the provision of housing for employees below that grade.

Presently, most GCC countries do not permit unions, and the Group does not presently have any direct dealings with unions in its countries of operation.

The Group fulfils its statutory pension obligations in all countries in which it operates.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions).

Purchase Agreement

The amended and restated Master Purchase Agreement was entered into on 17 July 2013 (the **Master Purchase Agreement**) between MAF Sukuk Ltd. (in its capacities as Trustee and as Purchaser) and MAF Properties (in its capacity as Seller) and will be governed by the laws of the Emirate of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Purchase Contract between the same parties will be entered into on the Issue Date of each Series and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Pursuant to the Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will buy from the Seller, the Initial Wakala Portfolio. The Initial Wakala Portfolio will also be identified in the applicable Final Terms.

Lease Agreement

The amended and restated Master Lease Agreement was entered into on 17 July 2013 (the **Master Lease Agreement**) between MAF Properties (in its capacity as Lessee) and MAF Sukuk Ltd. (in its capacities as Trustee and as Lessor) and will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Where the relevant Initial Wakala Portfolio is to comprise a Self-Use Asset, a Supplemental Lease Contract between the same parties will be entered into on the Issue Date of each Series and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Where the relevant Initial Wakala Portfolio will not comprise a Self-Use Asset, but a Self-Use Asset is to form part of the relevant Wakala Portfolio at any time thereafter, the Lessor and the Lessee will enter into a Supplemental Lease Contract.

Under the terms of each Lease Agreement, the Lessor will lease to the Lessee, and the Lessee will lease from the Lessor, the Self-Use Assets identified in the schedule of leased assets (the **Schedule of Leased Assets**) relating to each Supplemental Lease Contract (the **Leased Assets**) during renewable Rental Periods commencing on the relevant Lease Commencement Date (each as defined in the relevant Supplemental Lease Contract) and extending to the relevant Scheduled Dissolution Date. If a Self-Use Asset is to form part of the relevant Wakala Portfolio at any time after a Supplemental Lease Contract has been entered into for the relevant Series, the Lessor and the Lessee will enter into an addendum (each an **Addendum**) in order to constitute such asset as a Leased Asset. For this purpose, the Lessor will in the Management Agreement grant the Managing Agent the power to execute Addenda from time to time on the Lessor's behalf. Each reference in this Base Prospectus to a Lease Agreement shall be construed to include each Addendum to the relevant Supplemental Lease Contract.

If a Supplemental Lease Contract is not entered into on the relevant Issue Date but at any time thereafter:

(a) MAF Properties delivers a Substitution Notice under the Sale Undertaking in respect of a New Wakala Asset (as defined in the Sale Undertaking) which is a Self-Use Asset; or

(b) the Managing Agent places any Wakala Portfolio Principal Revenues (in accordance with the Management Agreement) in any Tangible Asset which is a Self-Use Asset,

then, upon the first occurrence of the matters specified in paragraph (a) or (b) above, the Lessee and Lessor will agree in the Master Lease Agreement that they will execute a Supplemental Lease Contract with respect to that Self-Use Asset immediately after (in the case of paragraph (a)) the relevant Transfer Agreement has been executed on the relevant Substitution Date in accordance with the terms of the Sale Undertaking or (in the case of paragraph (b)) the relevant sale and purchase agreement has been entered into in relation to that Self-Use Asset in each case for the purpose of constituting that Self-Use Asset as a Leased Asset. For the avoidance of doubt, only one Supplemental Lease Contract will be required for each Series.

Under the Master Lease Agreement, the Lessee has agreed to be responsible, at its own cost and expense, for the performance of all Ordinary Maintenance and Repair required for the Leased Assets. The Lessor shall be responsible for (i) the performance of all Major Maintenance and Structural Repair, (ii) the payment of any proprietorship or other relevant taxes and (iii) insuring the Leased Assets in accordance with the terms of the Management Agreement, and the Lessee has acknowledged that the Lessor may procure that the Managing Agent, in accordance with the terms and conditions set out in the Management Agreement, shall perform, or shall procure the performance of, the Major Maintenance and Structural Repair on behalf of the Lessor, the payment of such taxes and the insurance of the Leased Assets.

The rental (Rental) payable under each Lease Agreement will be payable on the business day prior to the date on which the Periodic Distribution Amounts for the Series are payable or any earlier date on which the lease of the relevant Lease Assets is terminated in accordance with the terms of the Lease Agreement. The Rental for each rental period will be an amount equal to the aggregate of the product of (i) the Rental Rate for such Rental Period (which will be equivalent to the Rate specified in the applicable Final Terms for the relevant Series), (ii) the Face Amount and (iii) the day count fraction specified in the applicable Final Terms for the relevant Series. The Face Amount will be the aggregate Value (as defined in the Management Agreement) of the Leased Assets specified in the relevant Schedule of Leased Assets on the first day of the relevant Rental Period. Rental will be payable by the Lessee to the Managing Agent.

Management Agreement

The amended and restated Management Agreement was entered into on 17 July 2013 (the **Management Agreement**) between MAF Sukuk Ltd. (in its capacity as Trustee) and MAF Properties (as Managing Agent of each Wakala Portfolio) and will be governed by English law.

Services

Pursuant to the Management Agreement, the Trustee will appoint the Managing Agent to manage the Wakala Portfolio applicable to each Series. In particular, the Managing Agent will, in relation to each Series perform, amongst other things, the following services (the **Services**):

(a) it will manage the Wakala Portfolio in accordance with the Wakala Investment Plan set out in the Schedule to the Management Agreement (a copy of which will be scheduled to the relevant Supplemental Purchase Contract, which includes the annual amount of expected Wakala Portfolio Income Revenues (as defined below) of the relevant Wakala Portfolio (the **Expected Wakala Portfolio Income Revenues Amount**), which shall be completed at the time of issue of the relevant Series);

(b) it will ensure that, on the Issue Date of a Series (but not necessarily thereafter) the Wakala Portfolio is entirely comprised of Tangible Assets;

(c) it will use all reasonable endeavours to procure that, at all times following each Issue Date, at least 70 per cent. of the **Wakala Portfolio Value** (being the sum of (i) the Value of each Wakala Asset comprised in the Wakala Portfolio at the relevant time and (ii) any Wakala Portfolio Principal Revenues (as defined below) held by the Managing Agent at the relevant time (but without double-counting any cash representing Wakala Portfolio Principal Revenues at the relevant time)) is derived from Tangible Assets and in the event that, at any time, the aggregate Value of the Tangible Assets comprised within the Wakala Portfolio should fall below 70 per cent. of the Wakala Portfolio Value, the Managing Agent shall use all reasonable endeavours to acquire as soon as reasonably practicable thereafter sufficient Tangible Assets to raise such percentage to a level that is equal to or greater than 70 per cent. of the Wakala Portfolio Value at such time. A breach of this requirement will not, however, constitute a MAF Properties Event;

(d) it will at no time acquire any further Wakala Assets for any consideration greater than the Value of such Wakala Assets or substitute any Wakala Asset(s) for any Wakala Asset(s) of a Value less than the Value of the Wakala Asset(s) so substituted, and thereby use its best endeavours to manage the Wakala Portfolio such that the Wakala Portfolio Value is at all times at least equal to the Purchase Price paid by MAF Sukuk Ltd. under the relevant Supplemental Purchase Contract less (i) any relevant Surrender Amount and (ii) any Wakala Portfolio Principal Revenues held by the Managing Agent;

(e) it will use its best endeavours promptly to place (for and on behalf of the Trustee) all Wakala Portfolio Principal Revenues in acquiring, for and on behalf of the Trustee, further Tangible Assets and, to the extent insufficient Tangible Assets are available, to hold the cash sums representing such Wakala Portfolio Principal Revenues until it can, using its best endeavours, place those sums in further Tangible Assets and such sums shall form part of the Wakala Assets until they can be so placed. The Managing Agent will agree that Wakala Portfolio Principal Revenues will not be placed in any non-Sharia compliant assets or in any businesses that generate non-Sharia compliant cash flows and, if it places Wakala Portfolio Principal Revenues in any Self-Use Asset, it will enter into a sale and purchase agreement with MAF Properties (for and on behalf of the Trustee), immediately inform the Trustee of the same and (i) if a Supplemental Lease Contract has been executed in respect of the relevant Series, execute an Addendum to the relevant Supplemental Lease Contract for and on behalf of the Trustee and update the relevant Schedule of Leased Assets or (ii) if a Supplemental Lease Contract has not yet been executed in respect of the relevant Series, execute a Supplemental Lease Contract for and on behalf of the Trustee;

(f) it will carry out all Major Maintenance and Structural Repair in respect of the Tangible Assets on account and on behalf of the Trustee and in so doing the Managing Agent shall:

(i) ensure that accurate and current records are kept of all Major Maintenance and Structural Repair activities;

(ii) conduct regular and proper inspection of the Tangible Assets and ensure that Major Maintenance and Structural Repair is carried out with the proper quality of materials and workmanship; and

(iii) ensure that Major Maintenance and Structural Repair is carried out by qualified persons and in accordance with all applicable regulations and law;

in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Managing Agent on an arm's length basis and in order to fully maintain the value of the Tangible Assets;

(g) it will, acting as agent for the Trustee, have and is hereby granted complete discretion, authority, power and right in the name of the Trustee:

(i) to enter into contractual arrangements with approved sub-contractors and consultants in order to assist it in performing the Services and its other obligations under this Agreement;

(ii) to enter into, make and perform all agreements and other undertakings as may in the opinion of the Managing Agent be necessary or advisable or incidental to the carrying out of the Services pursuant to this Agreement; and

(iii) to the extent necessary to enable it properly to exercise its rights and carry out its duties under this Agreement, to act for the Trustee and on the Trustee's behalf in the same manner and with the same force and effect as the Trustee might or could do;

(h) (for so long as the Trustee remains the owner of the Tangible Assets in its name and on behalf of Certificateholders) it will pay, on behalf of the Trustee, all Proprietorship Taxes (if any) charged, levied or claimed in respect of the Tangible Assets by any relevant taxing authority;

(i) it will promptly notify the Trustee if any claim, levy or charge for Proprietorship Taxes is delivered directly to the Managing Agent;

(j) it will promptly pay all Proprietorship Taxes after receipt of notification and, in any event, prior to the same becoming overdue and promptly provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all Proprietorship Taxes paid by it;

(k) it will do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers reasonably necessary to ensure the assumption of, and compliance by each Wakala Asset obligor with its covenants, undertakings or other obligations under the Wakala Asset contract to which it is a party in accordance with applicable law and the terms of the Wakala Asset contract, in each case in respect of the Wakala Assets;

(l) it will discharge or procure the discharge of all obligations to be discharged by MAF Properties (in whatever capacity) in respect of any of the Wakala Assets under all Wakala Asset contracts, it being acknowledged that the Managing Agent may appoint one or more agents to discharge these obligations on its behalf;

(m) it will pay on behalf of the Trustee any actual costs, expenses and losses which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio and, such actual costs, expenses and losses shall be reimbursed in accordance with the terms of the Management Agreement;

(n) it will use all reasonable endeavours to ensure the timely receipt of all Wakala Portfolio Revenues (as defined below), investigate non-payment of Wakala Portfolio Revenues and generally make all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues under all Wakala Asset contracts as and when the same shall become due;

(o) it will ensure that all Wakala Portfolio Income Revenues are received free and clear of, and without withholding and deduction for, Taxes (as defined therein);

(p) it will use all reasonable endeavours to ensure that the Wakala Portfolio Income Revenues are at least equal to the Expected Wakala Portfolio Income Revenues Amount;

(q) it will maintain the Collection Accounts in accordance with the terms of the Management Agreement and as summarised below;

(r) it will obtain all necessary authorisations in connection with any of the Wakala Assets and its obligations under or in connection with the Management Agreement;

(s) it will renew existing leases relating to Externally Leased Assets, or where such leases are not to be renewed, source new tenants or obligors, as the case may be;

(t) it will (i) promptly and accurately amend each Schedule of Leased Assets upon any Leased Asset forming part of the relevant Wakala Portfolio or any Leased Asset no longer forming part of the relevant Wakala Portfolio (in each case pursuant to the Purchase Undertaking, the Sale Undertaking or paragraph (e) above, as the case may be) and (ii) enter into any relevant Supplemental Lease Contract if not already entered into;

(u) it will (on behalf of the Trustee acting its capacity as Lessor) (i) determine and/or notify the Lessee of all Rentals and, if relevant, Rental Rates; and (ii) despatch all lease renewal notices required to be sent to the Lessee, in each case, under and in accordance with the terms of the relevant Lease Agreement; and

(v) it will carry out any incidental matters relating to any of the above.

For these purposes:

Surrender Amount means the aggregate face amount of any Certificates of the relevant Series cancelled pursuant to Condition 13 and/or redeemed and cancelled pursuant to Condition 10.4; and

Value means, in respect of any Wakala Asset, the amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the applicable Exchange Rate) determined by MAF Properties as being equal to the value of that Wakala Asset on the day on which it formed part of the relevant Wakala Portfolio which (a) (in the case of a Tangible Asset) will be determined on the basis of the market value, or where the relevant Tangible Asset is plant, equipment, machinery or other inventory, the book or replacement value, of each Tangible Asset and (b) (in the case of cash) its face amount.

Insurances and Total Loss Shortfall Amount

The Managing Agent will also irrevocably undertake with the Trustee, in relation to each Wakala Portfolio, that the Managing Agent, on behalf of the Trustee, will:

(a) be responsible for ensuring that the Tangible Assets are properly insured to the extent consistent with general industry practice by prudent owners of similar assets, and, accordingly, will effect such insurances in respect of the Tangible Assets (the Insurances), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event. The Managing Agent will undertake to ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the Full Reinstatement Value (being, in relation to each Series, the aggregate outstanding face amount of the Certificates less a sum equal to the Value of the Wakala Assets comprised in the relevant Wakala Portfolio from time to time which are not Tangible Assets);

(b) promptly make a claim in respect of each loss relating to the Tangible Assets in accordance with the terms of the Insurances; and

(c) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly.

If the Managing Agent fails to comply with the above provisions and as a result the amount (if any) credited to the relevant Transaction Account pursuant to the Management Agreement is less than the relevant Full Reinstatement Value (the difference between such Full Reinstatement Value and the amount credited to the relevant Transaction Account being the Total Loss Shortfall Amount), then the Managing Agent (unless it proves beyond any doubt that any shortfall in the insurance proceeds is not attributable to its negligence or its failing to comply with the terms of this Agreement relating to insurance) will irrevocably and unconditionally undertake to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly to the relevant Transaction Account by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Thereafter, and subject to the Managing Agent's strict compliance with this paragraph, any insurance proceeds received from such insurer will be for the Managing Agent's sole account.

Wherever the Managing Agent is to procure Insurances in accordance with the terms of the Management Agreement (including the renewal of any Insurances in existence on the relevant Issue Date) it will use its reasonable endeavours to obtain such Insurances on a takaful basis if such takaful insurance is available or is available on commercially viable terms. A breach of this requirement will not, however, constitute a MAF Properties Event.

Records and documents

The Managing Agent will undertake, in relation to each Series, that it will keep and maintain all documents (including, without limitation, each Schedule of Leased Assets), books, records and other information reasonably necessary or advisable for the collection of all amounts due in respect of the Wakala Assets.

The Managing Agent will agree in the Management Agreement to:

(a) provide the Services in accordance with all applicable laws and regulations;

(b) provide the Services with the degree of skill and care that it would exercise in respect of its own assets; and

(c) manage the Wakala Assets in accordance with generally accepted Sharia principles.

Management Liabilities Amounts and Fees

The Trustee and the Managing Agent will agree that any Management Liabilities Amounts incurred by the Managing Agent in providing the Services in relation to a Series shall be paid by the Trustee by way of the application of amounts standing to the credit of the Wakala Income Collection Account by the Managing Agent on the Trustee's behalf in payment of such amounts (as described below) or otherwise on the Dissolution Date. For these purposes, Management Liabilities Amounts means, in relation to each Series, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Managing Agent or other payments made by the Managing Agent on behalf of the Trustee, in each case in providing the Services during a Wakala Distribution Period (being a period that corresponds with the relevant Return Accumulation Period under the Certificates), but does not include amounts in respect of Liquidity Facilities.

MAF Properties shall be entitled to receive a fixed fee of U.S.$100 for acting as Managing Agent under the Management Agreement. In addition, following payment of all amounts due and payable under the Certificates of each Series on the final Dissolution Date, the Managing Agent shall be entitled to retain any amounts that remain standing to the credit of the Wakala Income Reserve Collection Account for its own account as an incentive payment for acting as Managing Agent.

Asset Substitutions

In the Management Agreement the Trustee and the Managing Agent will agree that, in relation to each Series and provided no Dissolution Event has occurred and is continuing, the Managing Agent may at any time exercise its rights under the Sale Undertaking to substitute (and, upon any default in respect of any Wakala Asset, shall use all reasonable endeavours to so substitute) any one or more of the Wakala Assets as the Managing Agent may select (subject to any Wakala Asset(s) to be substituted being the defaulting Wakala Asset(s), if applicable) in accordance with the Sale Undertaking. If a New Wakala Asset is a Self-Use Asset and if, immediately prior to such substitution, (i) a Supplemental Lease Contract is in force for the relevant Series, the Managing Agent will (for and on behalf of the Trustee) execute an Addendum to the relevant Supplemental Lease Contract (in order to constitute such asset as a Leased Asset) and update the relevant Schedule of Leased Assets (as appropriate) or (ii) a Supplemental Lease Contract is not in force for the relevant Series, the Managing Agent will (for and on behalf of the Trustee) execute a Supplemental Lease Contract in order for such New Wakala Asset to become a Leased Asset, in each case promptly after the Trustee and MAF Properties have executed a Transfer Agreement pursuant to the Sale Undertaking.

Collection Accounts

In relation to each Series, the Managing Agent will maintain three ledger accounts (such accounts being the **Wakala Principal Collection Account**, the **Wakala Income Collection Account** and the **Wakala Income Reserve Collection Account**) in its books each of which shall be denominated in the Specified Currency in which all revenues from the Wakala Assets (the **Wakala Portfolio Revenues**) will be recorded. The Wakala Portfolio Revenues include all Rental, all rental and other amounts paid by the relevant lessee or obligor and all sale proceeds or consideration, damages, insurance proceeds, compensation or other sums received by the Managing Agent in respect of Wakala Assets. All Wakala Portfolio Revenues in relation to each Series will be recorded:

(a) to the extent that any such amounts comprise amounts in the nature of sale, capital or principal payments (**Wakala Portfolio Principal Revenues**), in the Wakala Principal Collection Account; and

(b) to the extent that any such amounts comprise any other amounts (**Wakala Portfolio Income Revenues**), in the Wakala Income Collection Account.

In addition, certain amounts may be debited from the Wakala Income Collection Account and credited to the Wakala Income Reserve Collection Account.

Amounts standing to the credit of the Wakala Income Collection Account relating to each Series will be applied by the Managing Agent on each Wakala Distribution Determination Date (being the Business Day immediately prior to the relevant Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

(a) first, in repayment of any amounts advanced by way of a Liquidity Facility;

(b) second, in payment of any Management Liabilities Amounts for the Wakala Distribution Period ending immediately before the immediately following Wakala Distribution Date (being the date which corresponds with the relevant Periodic Distribution Date under the Certificates of the relevant Series);

(c) third, the Managing Agent shall pay into the Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Wakala Income Collection Account; and

(d) any amounts still standing to the credit of the Wakala Income Collection Account immediately following payment of all of the above amounts shall be debited from the Income Collection Account and credited to the Wakala Income Reserve Collection Account.

The Managing Agent will be entitled under the Management Agreement to deduct amounts standing to the credit of the Wakala Income Reserve Collection Account at any time and use such amounts for its own account, provided that such amounts shall be repaid by it if so required to fund a shortfall (as described in the next paragraph) or as required following a Total Loss Event (as described below).

Shortfalls and Liquidity Facilities

If on a Wakala Distribution Determination Date (after (i) payment of the relevant amounts standing to the credit of the Wakala Income Collection Account into the relevant Transaction Account in accordance with paragraph (c) above and (ii) taking into account any other payments made or to be made into the relevant Transaction Account pursuant to any other Transaction Document) there is a shortfall (a Shortfall) between:

(a) the amounts standing to the credit of the relevant Transaction Account; and

(b) the Required Amount payable on the immediately following Periodic Distribution Date,

the Managing Agent will pay into the relevant Transaction Account on that Wakala Distribution Determination Date from the amounts standing to the credit of the Wakala Income Reserve Collection Account (if any) an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Wakala Income Reserve Collection Account). If any Shortfall still remains after payment to the relevant Transaction Account of the amounts credited to the Wakala Income Reserve Collection Account (as described in this paragraph) and after payment to the relevant Transaction Account of all other amounts payable pursuant to any other Transaction Document, the Managing Agent may either (A) provide Sharia compliant funding itself or (B) procure Sharia compliant funding from a third party, in each case, to the extent necessary, by payment of the same into the relevant Transaction Account, on terms that such funding is repayable (i) from Wakala Portfolio Income Revenues in accordance with the Management Agreement or (ii) on the Scheduled Dissolution Date, to ensure that the Trustee receives on each Wakala Distribution Date the Required Amount payable by it in accordance with the Conditions of the relevant Series on the immediately following Periodic Distribution Date (such funding in relation to a Series, a Liquidity Facility).

Upon the occurrence of a Total Loss Event, all of the Wakala Portfolio Revenues credited to the Collection Accounts (including all Wakala Portfolio Income Revenues, Wakala Portfolio Principal Revenues and amounts standing to the credit of the Wakala Income Reserve Collection Account) will be paid by the Managing Agent immediately into the Transaction Account.

Payments under the Management Agreement

The payment obligations of the Managing Agent under the Management Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed) unsecured obligations of the Managing Agent which rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Managing Agent.

Purchase Undertaking

The amended and restated Purchase Undertaking was executed as a deed on 17 July 2013 (the **Purchase Undertaking**) by MAF Properties in favour of MAF Sukuk Ltd. (in its capacity as Trustee) and the Delegate and will be governed by English law. MAF Properties will agree that, subject to the right of the Trustee to bring proceedings in any other court(s) of competent jurisdiction, the DIFC Courts shall have exclusive jurisdiction to settle any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Purchase Undertaking.

MAF Properties will, in relation to each Series, irrevocably undertake in favour of the Trustee and the Delegate to purchase all of the Trustee's rights, benefits and entitlements in and to the relevant Wakala Portfolio on the relevant Scheduled Dissolution Date or any earlier Dissolution Date for the relevant Series at the Wakala Portfolio Exercise Price, which shall be an amount in the Specified Currency equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates of the relevant Series on the relevant Dissolution Date;

(b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates of the relevant Series; and

(c) the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts.

If the Delegate exercises its option prior to the Scheduled Dissolution Date, an exercise notice will be required to be delivered by the Delegate under the Purchase Undertaking.

The Trustee will also be entitled to exercise the Purchase Undertaking following any exercise by the Certificateholders of any relevant Series of their right to require the Trustee to redeem their Certificates on a Change of Control Put Option Date or, as the case may be, on a Certificateholder Put Option Date, in which case MAF Properties will be required to purchase a portion of the relevant Wakala Portfolio (such portion to comprise the Change of Control Wakala Assets and the Certificateholder Put Option Wakala Assets, respectively) with an aggregate Value no greater than the aggregate face amount of the Certificates to be redeemed. The exercise price (the Change of Control Exercise Price and the Certificateholder Put Option Exercise Price, respectively, and, together with the Wakala Portfolio Exercise Price, each an Exercise Price) payable for the Change of Control Wakala Assets and Certificateholder Put Option Wakala Assets will be calculated on a similar basis to the Wakala Portfolio Exercise Price save that the amounts described in sub-paragraph (c) of that definition shall not apply.

MAF Properties will undertake in the Purchase Undertaking that, to the extent that the sale and purchase or transfer and assignment of any interest in MAF Properties' rights, title, interests, benefits and entitlements in, to and under of the Wakala Portfolio, the Change of Control Wakala Assets or the Certificateholder Put Option Wakala Assets, as the case may be, is not effective in any jurisdiction for any reason, it will in consideration for the payment to it by the Trustee of the purchase price for its interest in the relevant assets, (i) make payment of an amount equal to the purchase price by way of restitution to the Trustee immediately upon request and (ii) indemnify fully the Trustee for any shortfall between the amount in (i) and the amount required for the purpose of redemption in full of the outstanding Certificates of the relevant Series and, accordingly, the amount payable under any such indemnity will equal the relevant Exercise Price.

In addition, if MAF Properties fails to pay all or part of any Exercise Price that is due in accordance with the Purchase Undertaking and provided that no Sale Agreement has been entered into, then MAF Properties will agree in the Purchase Undertaking that it will irrevocably, unconditionally and automatically (without the necessity for any notice or any other action) continue to act as Managing Agent for the provision of the Services in respect of the relevant Wakala Portfolio on the terms and conditions, mutatis mutandis, of the Management Agreement.

MAF Properties will expressly declare in the Purchase Undertaking that:

(a) the relevant Exercise Price represents a fair price for the purchase of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Portfolio, the Change of Control Wakala Assets or the Certificateholder Put Option Wakala Assets, as the case may be;

(b) it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in the Wakala Portfolio, the Change of Control Wakala Assets or the Certificateholder Put Option Wakala Assets, as the case may be, and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in any way; and

(c) if it breaches any declaration or undertaking set out above or if it or any administrator, liquidator or receiver of it disputes or challenges the rights, benefits and entitlements of the Trustee in, to and under the Wakala Portfolio, the Change of Control Wakala Assets or the Certificateholder Put Option Wakala Assets, as the case may be, MAF Properties shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the relevant Certificates and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price.

MAF Properties will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made without any deduction or withholding for or on account of tax unless required by law and (save as set out therein) without set-off or counterclaim of any kind and, in the event that there is any deduction or withholding, MAF Properties shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made. The payment obligations of MAF Properties under the Purchase Undertaking will be direct, unconditional, unsubordinated and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed) unsecured obligations of MAF Properties which rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of MAF Properties.

Sale Undertaking

The amended and restated Sale Undertaking was executed as a deed on 17 July 2013 (the **Sale Undertaking**) by MAF Sukuk Ltd. (in its capacity as Trustee) in favour of MAF Properties and will be governed by English law.

Pursuant to the Sale Undertaking and subject to the Trustee being entitled to redeem the Certificates of the relevant Series for tax reasons in accordance with Condition 10.2, MAF Properties will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee no later than 45 days prior to the Tax Redemption Date, be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the relevant Wakala Portfolio at the Exercise Price. In addition, if:

(a) the Optional Dissolution Right (Call) is specified in the applicable Final Terms as being applicable; or

(b) in respect of any Series where the Change of Control Put Option is specified in the applicable Final Terms as being applicable and, following the occurrence of a Change of Control Event, 75 per cent. or more in face amount of the Certificates are redeemed pursuant to Condition 10.4(b),

MAF Properties will, by exercising its right under the Sale Undertaking and serving an exercise notice on the Trustee no later than 45 days prior to the relevant Optional Dissolution Date (in the case of (a)) or the relevant Dissolution Date (in the case of (b), which exercise notice must be delivered within 20 days of the Change of Control Put Option Date), be able to oblige the Trustee to sell all of its rights, title, interests, benefits and entitlements in, to and under the relevant Wakala Portfolio at the Exercise Price.

For these purposes, the **Exercise Price** will be an amount equal to the aggregate of:

(a) the aggregate outstanding face amount of the Certificates of the relevant Series on the relevant Dissolution Date;

(b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; and

(c) the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility and (ii) any Management Liabilities Amounts.

MAF Properties will be able to exercise its rights under the Sale Undertaking to effect the in kind substitution of Tangible Assets, subject to any substitute Tangible Assets being of a Value not less than the Value of the Tangible Assets to be substituted. MAF Properties will also be able to exercise its rights under the Sale Undertaking (following any purchase of Certificates by MAF Properties, the Guarantor or any Subsidiary of MAF Properties or the Guarantor pursuant to Condition 13) to provide for the transfer of the Cancellation Wakala Assets (as defined in the Sale Undertaking), together with all of the Trustee's rights, title, interests, benefits and entitlements in, to and under a portion of the relevant Wakala Portfolio with an aggregate Value not greater than the aggregate face amount of the Certificates of the relevant Series so purchased, against cancellation of such Certificates by the Principal Paying Agent pursuant to the Conditions.

Trust Deed

The amended and restated Master Trust Deed was entered into on 17 July 2013 (the **Master Trust Deed**) between MAF Properties, the Guarantor, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties will be entered into on the Issue Date of each Series and will also be governed by English law.

Upon issue of the Global Certificate initially representing any Series, the Master Trust Deed and the relevant Supplemental Trust Deed shall together constitute the Trust declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series comprise (unless otherwise specified in the relevant Supplemental Trust Deed), inter alia, the Trustee's rights, title, interest and benefit, present and future, in, to and under the relevant Wakala Portfolio, its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than (i) in relation to any representations given to the Trustee by MAF Properties or the Guarantor pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee pursuant to Clause 14.1 of the Master Trust Deed) and any amounts standing to the credit of the relevant Transaction Account.

Each Trust Deed will specify that, on or after the relevant Scheduled Dissolution Date or, as the case may be, Dissolution Date of a Series, the rights of recourse in respect of the relevant Certificates shall be limited to the amounts from time to time available and comprising the Trust Assets of that Series, subject to the priority of payments set out in the Trust Deed, the relevant Certificates and the Conditions. The Certificateholders have no claim or recourse against MAF Sukuk Ltd. in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Trust Deed, the Trustee will, in relation to each Series, inter alia:

(a) hold the relevant Trust Assets on trust absolutely for the relative Certificateholders pro rata according to the face amount of Certificates held by each Certificateholder; and

(b) act as trustee in respect of the relevant Trust Assets, distribute the income from the relevant Trust Assets and perform its duties in accordance with the provisions of the Trust Deed.

In the Master Trust Deed, the Trustee by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders will irrevocably and unconditionally appoint the Delegate to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to exercise all the present and future duties, powers, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to make any determinations to be made under each Trust Deed) vested in the Trustee by each Trust Deed that the Delegate may consider to be necessary or desirable in order upon the occurrence of a Dissolution Event or a Potential Dissolution Event and, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, to perform the present and future duties, powers, authorities and discretions vested in the Trustee by the relevant provisions of each Trust Deed and any of the other Transaction Documents (provided that no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Trust Deed or any other Transaction Document will be imposed on the Delegate by virtue of such delegation). The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and will not affect the Trustee's continuing role and obligations as trustee.

The Delegate will undertake in the Master Trust Deed that, following it becoming aware of the occurrence of a Dissolution Event in respect of any Series and subject to Condition 14 it shall (a) promptly notify the relevant Certificateholders of the occurrence of such Dissolution Event. Subject to the Delegate being 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, the Delegate may take all such steps as are necessary to enforce the obligations of MAF Properties (in whatever capacity it is acting) and the Guarantor under the relevant Trust Deed and any other Transaction Document to which MAF Properties (in whatever capacity) and the Guarantor is a party.

The Master Trust Deed specifies, inter alia, that in relation to each Series:

(i) following the distribution of the net proceeds of the Trust Assets in respect of the relevant Series to the Certificateholders in accordance with the Conditions and the relevant Trust Deed the obligations of the Trustee in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished and neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the relevant 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 relevant Trust Assets;

(ii) no Certificateholder shall be entitled to proceed directly against the Trustee and/or MAF Properties and/or the Guarantor, or provide instructions (not otherwise permitted by the Master Trust Deed) to proceed against the Trustee and/or the Guarantor and/or MAF Properties under any Transaction Document unless (i) the Delegate having become bound so to proceed, 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 of the relevant Series who propose to proceed directly against the Trustee, MAF Properties or the Guarantor, as the case may be) holds at least one-fifth of the then aggregate outstanding face amount of the Certificates of the relevant Series. Under no circumstances shall the Delegate or any Certificateholders have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than pursuant to the Transaction Documents), and the sole right of the Delegate and the Certificateholders against the Trustee, MAF Properties and the Guarantor shall be to enforce their respective obligations under the Transaction Documents;

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

(iv) after enforcing or realising the relevant Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with the terms of the relevant Trust Deed, the obligations of the Trustee and the Delegate in respect of the Series shall be satisfied and no Certificateholder may take any further steps against the Trustee and the Delegate to recover any further sums in respect of the relevant Series and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Certificates of the relevant Series shall be entitled in respect thereof to petition or to take any other steps for the winding-up of MAF Sukuk Ltd.

Subject to the terms and conditions of the Guarantee set out in the Master Trust Deed, the Guarantor shall unconditionally and irrevocably guarantee to the Trustee, the due and punctual payment of all of the Guaranteed Amounts as and when the same shall become due.

Negative Pledge

Each of MAF Properties and the Guarantor will covenant in Clause 4.14(a) of the Master Trust Deed that it will not, and the Guarantor will ensure that no Principal Subsidiary will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a Security Interest), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, given by it without at the same time or prior thereto securing all amounts payable by it to MAF Sukuk Ltd. under the Transaction Documents to which it is a party equally and rateably therewith or providing such other security for the payment of such amounts by it under the Transaction Documents to which it is a party as either (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (ii) as shall be approved by an Extraordinary Resolution of the Certificateholders.

Financial Covenants

The Guarantor will undertake in Clause 4.14(b) of the Master Trust Deed that, if specified as being applicable in the relevant Supplemental Trust Deed, so long as any Certificate remains outstanding and unless otherwise specified in the relevant Supplemental Trust Deed:

(i) it will not, and will not permit any of its Subsidiaries to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to Incur or, as appropriate, an Incurrence) any Financial Indebtedness (other than Permitted Financial Indebtedness); provided that the Guarantor and its Subsidiaries will be permitted to Incur additional Financial Indebtedness if:

    (A) no Potential Dissolution Event or Dissolution Event would occur and be continuing; and

    (B) the ratio of Consolidated Total Net Indebtedness to Total Equity (the **Total Net Indebtedness to Total Equity Ratio**) does not exceed a ratio of 1:1; and

    (C) on the date of such Incurrence the ratio of Consolidated EBITDA to Consolidated Net Finance Costs (the **EBITDA to Net Finance Costs Ratio**) is not less than 1.5:1; and

(ii) it will not, and will not permit any of its Subsidiaries to, grant any Security Interest over assets the value (calculated in the manner set out in the definition of Total Assets below) of which (when aggregated with the value of any other asset that is subject to a Security Interest which is not a Permitted Lien) exceeds an amount equal to 49 per cent. of the Total Assets of the Group at the time (the **Secured Assets to Total Assets Percentage**).

For these purposes:

Borrowings means, at any time, the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of Financial Indebtedness determined by reference to the most recent consolidated audited financial statements of the Group and, for the purposes of the definition of "Consolidated Total Net Indebtedness" only, taking account of the Incurrence or repayment of any Borrowings since that date;

Consolidated Cash and Cash Equivalents means, at any time:

(a) cash in hand or on deposit with any acceptable bank;

(b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an acceptable bank;

(c) any investment in marketable obligations issued or guaranteed by the government of the United States of America or the United Kingdom or any other government of a state having an equivalent credit rating (an Acceptable Government) or by an instrumentality or agency of an Acceptable Government having an equivalent credit rating;

(d) open market commercial paper:

(i) for which a recognised trading market exists;

(ii) issued in the United States of America or the United Kingdom;

(iii) which matures within one (1) year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 by Standard & Poor's or Fitch or P-1 by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating; or

(e) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an acceptable bank or any dematerialised equivalent, in each case, to which any member of the Group is beneficially entitled at that time. An acceptable bank for this purpose is a commercial bank or trust company which has a rating of BBB minus or higher by Standard & Poor's or Fitch or Baa3 or higher by Moody's or a comparable rating from a nationally recognised credit rating agency for its long-term obligations;

Consolidated EBIT means, in relation to any period, the consolidated operating profit of the Group before taxation:

(a) before deducting any Consolidated Finance Costs;

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

(c) before taking into account any Exceptional Items;

(d) after deducting the amount of any profit of any Non-Group Entity to the extent that the amount of the profit included in the most recently available audited consolidated financial statements of the Guarantor exceeds the amount actually received in cash by members of the Group through distributions by the Non-Group Entity; and

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

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

Consolidated EBITDA means, in relation to any period, Consolidated EBIT for the immediately preceding Measurement Period after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that period);

Consolidated Finance Costs means, for any period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Borrowings whether such amounts were paid or payable (but excluding any such amounts which were capitalised) by any member of the Group (calculated on a consolidated basis) during the immediately preceding Measurement Period:

(a) including any amortised upfront management or arrangement fees or costs;

(b) including the interest (but not the capital) element of payments in respect of Finance Leases;

(c) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging arrangement (other than an amount payable on the termination of any interest rate hedging agreement); and

(d) excluding any dividends on preference shares, so that no amount shall be added (or deducted or excluded) more than once;

Consolidated Interest Receivable means, in respect of any period, all interest and other financing charges received or receivable by the Group during the immediately preceding Measurement Period calculated on a consolidated basis;

Consolidated Net Finance Costs means, in respect of any period, Consolidated Finance Costs for the immediately preceding Measurement Period less Consolidated Interest Receivable for the immediately preceding Measurement Period calculated on a consolidated basis;

Consolidated Total Net Indebtedness means at any time the aggregate amount of all obligations of the Group for or in respect of Borrowings but deducting the aggregate amount of Consolidated Cash and Cash Equivalents held by the Group at such time, and so that no amount shall be included or excluded more than once;

EBIT shall have the same meaning as Consolidated EBIT save that (i) all references in the definition of Consolidated EBIT to: (a) "consolidated" (and similar expressions) shall be deemed to be deleted; and (b) "Group" shall be construed as a reference to the "relevant Subsidiary"; and (ii) the definition of "Consolidated Finance Costs" used therein shall be construed to refer only to the relevant Subsidiary;

EBITDA shall have the same meaning as Consolidated EBITDA save that references in the definition of Consolidated EBITDA to "Consolidated EBIT" and "member of the Group" (and similar expressions) shall be deemed to be references to "EBIT" and the "relevant Subsidiary", respectively;

Exceptional Items means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations or impairments of non-current assets (other than disposals of Investment Properties, to the extent they are classified as non-current assets); and

(c) disposals of assets associated with discontinued operations; Finance Lease means any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed;

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

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

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

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

(f) any amount raised under any other transaction (including any Non-Recourse Project Financing, Securitisation and any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

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

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) (inclusive) above but without double counting where Financial Indebtedness is both borrowed and guaranteed (or indemnified against) by different Group companies);

Fitch means Fitch Ratings Ltd;

GMTN Programme Issuer means MAF Global Securities Limited or any other company substituted as principal debtor of any Notes issued under and constituted by an amended and restated trust deed dated 17 July 2013 between, *inter alios*, MAF Global Securities, MAF Properties and the Guarantor relating to a U.S.$2,000,000,000 Global Medium Term Note Programme;

Group means the Guarantor and its Subsidiaries taken as a whole; IFRS means International Financial Reporting Standards;

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

Investment Properties means those assets designated as “Investment Properties” in the most recently available audited consolidated financial statements of the Guarantor;

Measurement Period means a period of 12 months ending on the last day of a financial year of the Guarantor for which consolidated audited financial statements are prepared;

Moody’s means Moody’s Investor Service, Inc.;

Non-Group Entity means any investment or entity (which is not itself a member of the Group (including associates and joint ventures)) in which any member of the Group has an ownership interest;

Non-Recourse Indebtedness means any present or future Indebtedness or Sukuk Obligation, as the case may be, of any Subsidiary with respect to which there is no contractual recourse against the Guarantor or any other Subsidiary of the Guarantor other than (i) recourse resulting from a pledge of shares of such Subsidiary held by the Guarantor or any of its Subsidiaries in order to secure such Indebtedness or Sukuk Obligation, (ii) recourse resulting from commitments entered into by the

Guarantor prior to 31 December 2012 or (iii) recourse against any Subsidiary of such Subsidiary to secure such Indebtedness or Sukuk Obligation, as the case may be;

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

Non-Recourse Subsidiary means any Subsidiary whose Non-Recourse Indebtedness represents at any relevant time more than 50 per cent. of its aggregate Indebtedness or Sukuk Obligations, as the case may be;

Permitted Financial Indebtedness means:

(a) any Financial Indebtedness outstanding on the Issue Date of the Certificates;

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

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

(d) Refinancing Financial Indebtedness Incurred by the Guarantor or a Subsidiary of the Guarantor in respect of Financial Indebtedness Incurred by the Guarantor or a Subsidiary of the Guarantor pursuant to Clause 4.14(b)(i) of the Master Trust Deed or pursuant to paragraph (a), (b) or (c) above;

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

(f) any amounts owed in respect of transactions entered into (including, without limitation, letters of credit) to facilitate trade finance in the ordinary course of business;

Permitted Lien means:

(a) any Security Interest comprising a netting or set-off arrangement entered into by a member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; and

(b) any lien arising by operation of law and in the ordinary course of business;

Permitted Reorganisation means:

(a) any winding-up or dissolution of a Principal Subsidiary, MAF Properties or the Guarantor whereby the undertaking or assets of that Principal Subsidiary are transferred to or otherwise vested in MAF Properties and/or the Guarantor and/or any of MAF Properties' or the Guarantor's, as the case may be, other Subsidiaries provided that, in the case of MAF Properties and the Guarantor and such transfer to or vesting in another Subsidiary, at the same time or prior to any such transfer or vesting (i) all amounts payable by MAF Properties under each Transaction Document to which it is a party have been assumed by such other Subsidiary and (ii) the payment of all amounts payable by the Guarantor under or pursuant to the Master Trust Deed has been guaranteed by such other Subsidiary by its assumption of the Guarantor's obligations under the guarantee given in Clause 4.1 of the Master Trust Deed; or

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

Permitted Security Interest means:

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

(b) any Security Interest securing the Relevant Indebtedness or Relevant Sukuk Obligation of a person existing at the time that such person is merged into, or consolidated with, MAF Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of MAF Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be;

(c) any Security Interest existing on any property or assets prior to the acquisition thereof by MAF Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, and not created in contemplation of such acquisition; or

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

Principal Subsidiary means at any time the GMTN Programme Issuer and a Subsidiary, other than a NonRecourse Subsidiary, of the Guarantor:

(a) whose EBITDA (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, are equal to) not less than 10 per cent. of Consolidated EBITDA or, as the case may be, consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Guarantor and its Subsidiaries, provided that in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Guarantor;

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

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, generate EBITDA equal to) not less than 10 per cent. of Consolidated EBITDA, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate EBITDA equal to) not less than 10 per cent. of Consolidated EBITDA, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Master Trust Deed.

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

Refinancing means, in respect of any Financial Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Financial Indebtedness in exchange or replacement for, such Financial Indebtedness;

Relevant Indebtedness means any Indebtedness, other than Indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, certificates or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

Relevant Sukuk Obligation means any Sukuk Obligation, other than a Sukuk Obligation incurred in connection with a Non-recourse Project Financing or a Securitisation, where the trust certificates or instruments, as the case may be, concerned for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

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

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

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

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

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

For the second person to be controlled by the first person means that the first person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that second person or otherwise controls, or has the power to control, the affairs and policies of the second person;

Sukuk Obligation means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates or other instruments intended to be issued in compliance with the principles of Sharia, whether or not in return for consideration of any kind;

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

Total Equity means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Group including minority interests (on a consolidated basis) and the aggregate of the amounts standing to the credit of the reserves of each member of the Group, including any amount credited to the share premium account and revaluation reserves, determined by reference to the most recent consolidated audited financial statements of the Group, but adding or deducting (as the case may be):

(a) (to the extent included) any amount shown in respect of goodwill or other intangible assets of each ember of the Group;

(b) (to the extent included) any provision or credit for deferred taxation which relates to the revaluation of any item which is excluded from the calculation of Total Equity;

(c) any amount in respect of any dividend or distribution declared, recommended or made by any member of the Group and to the extent such distribution is not provided for in the most recently available audited consolidated financial statements of the Guarantor; and

(d) the amount raised in respect of any issue of ordinary share capital, including amounts credited to share premium account, and so that no amount shall be included or excluded more than once.

MAF Properties Events and Guarantor Events

Each of MAF Properties and the Guarantor will agree in the Master Trust Deed that each of the following events which are expressed to apply to MAF Properties will constitute a **MAF Properties Event** and the Guarantor agrees that each of the following events which are expressed to apply to the Guarantor and/or a Principal Subsidiary (other than, for the purposes of this definition, MAF Properties) will constitute a **Guarantor Event**, in each case, for the purposes of Condition 14 (but in the case of the happening of any of the events described in paragraph (b) or (d) (other than the winding up or dissolution of MAF Properties or the Guarantor) or paragraph (e) to (h) inclusive below (other than the happening of any such event in relation to MAF Properties or the Guarantor), only if the Delegate shall have certified in writing to the Trustee, MAF Properties and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Certificateholders):

(a) if default is made (i) (in the case of MAF Properties) in the payment of (A) any Wakala Portfolio Income Revenues (as defined in the Management Agreement) to be paid into the Transaction Account by the Managing Agent in accordance with the terms of the Management Agreement and the default continues for a period of 14 Business Days; or (B) the Wakala Portfolio Exercise Price, the

(b) Certificateholder Put Option Exercise Price, the Change of Control Exercise Price, any Wakala Portfolio Principal Revenues payable to the Trustee in accordance with clause 6.5 of the Management Agreement or any Total Loss Shortfall Amount and the default continues for a period of seven Business Days, or (ii) (in the case of the Guarantor), any amounts payable by it pursuant to the Guarantee, and the default continues for a period of seven Business Days; or

(c) if MAF Properties or the Guarantor fails to perform or observe any of its other obligations under the Transaction Documents to which it is a party and (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Delegate on the Trustee or MAF Properties or the Guarantor (as the case may be) of notice requiring the same to be remedied, except that a failure by MAF Properties (acting in its capacity as Managing Agent) to comply with its obligations set out in any of Clauses 3.1(c), 3.4 and 3.6(c) of the Management Agreement will not constitute a MAF Properties Event; or

(d) if (i) the holders of any Indebtedness or Sukuk Obligation of MAF Properties, the Guarantor or any Principal Subsidiary accelerate such Indebtedness or Sukuk Obligation or declare such Indebtedness or Sukuk Obligation to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or pursuant to an option granted to the holders by the terms of such Indebtedness or Sukuk Obligation), prior to the stated maturity thereof or (ii) MAF Properties, the Guarantor or any Principal Subsidiary fails to pay in full any principal of, or interest or profit, as the case may be, on, any of its Indebtedness or Sukuk Obligations when due (after expiration of any applicable grace period) or any guarantee of any Indebtedness or Sukuk Obligation of others given by MAF Properties, the Guarantor or any Principal Subsidiary shall not be honoured when due and called upon; provided that the aggregate amount of the relevant Indebtedness, Sukuk Obligation or guarantee in respect of which one or more of the events mentioned above in this paragraph (c) shall have occurred equals or exceeds U.S.$40,000,000 (or its equivalent in any other currency or currencies); or

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

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

(g) if (i) proceedings are initiated against MAF Properties, the Guarantor or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official (and such proceedings are not being actively contested in good faith by MAF Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be), or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to MAF Properties, the Guarantor or any Principal Subsidiary or, as the case may be, in relation to all or substantially all of the undertaking, assets or revenues of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 30 days; or

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

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

(j) if any Security Interest, present or future, created or assumed by MAF Properties, the Guarantor or any Principal Subsidiary and securing an amount which equals or exceeds U.S.$40,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce the Security Interest (including the taking of possession or the appointment of a receiver, manager or other similar person, but excluding the issue of any notification to MAF Properties, the Guarantor or any Principal Subsidiary, as the case may be, that such Security Interest has become enforceable) unless the full amount of the debt which is secured by the relevant Security Interest is discharged within 60 days of the later of the first date on which: (a) a step is taken to enforce the relevant Security Interest; or (b) MAF Properties, the Guarantor or the relevant Principal Subsidiary, as the case may be, is notified that a step has been taken to enforce the relevant Security Interest; or

(k) if the Guarantee ceases to be, or is claimed by MAF Properties or the Guarantor not to be, in full force and effect.

The Guarantor will agree in the Master Trust Deed that all payments by the Guarantor under its guarantee will 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 such set off, counterclaim, deduction or withholding, the Guarantor shall pay all additional amounts as will result in the receipt by each of the Trustee or the Delegate, as the case may be, of such net amounts as would have been received by it if no such set off, counterclaim, deduction or withholding had been made.

The payment obligations of the Guarantor under its guarantee will be direct, unconditional and (subject to the provisions of Clause 4.14(a) of the Master Trust Deed (as described above)) unsecured obligations of the Guarantor and shall rank pari passu and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Pursuant to the Master Trust Deed, MAF Properties (failing which the Guarantor) will pay certain fees and reimburse certain expenses of, and indemnify against certain liabilities incurred by, among others, the Delegate and the Agents.

TAXATION

The following is a general description of certain tax considerations relating to Certificates issued under the Programme. It does not purport to be a complete analysis of all tax considerations relating to the Certificates. Prospective purchasers of any Certificates should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes of acquiring, holding and disposing of the relevant Certificates and receiving payments under those Certificates. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

United Arab Emirates

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Certificates is based on the taxation law in force as at the date of this Base Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

There is currently in force in the emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, Abu Dhabi or Dubai taxation in respect of payments made under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by MAF Properties under any Transaction Document to which it is party, MAF Properties (failing which, the Guarantor) has undertaken to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Trustee under the Certificates, (i) the Trustee has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions) and (ii) MAF Properties (failing which, the Guarantor) has undertaken to pay such additional amounts to the Trustee to enable it to discharge such obligation.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences of an investment in Certificates to be issued under the Programme. 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.

Under existing Cayman Islands laws payments on Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of Certificates nor will gains derived from the disposal of 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 or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. An instrument transferring title to any Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.$854. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

EU Savings Directive

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

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

The proposed financial transactions tax

The European Commission has published a proposal for a directive for a common financial transactions tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Certificates (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Certificates are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to: (i) any non-U.S. financial institution (a **foreign financial institution**, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA; and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Trustee (a **Recalcitrant Holder**). The Trustee may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of: (i) any Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date; and (ii) any Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**), with further IGAs in respect of other jurisdictions under negotiation. The United Kingdom has entered into a Model 1 IGA with the United States.

Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country, registered in accordance with the relevant IGA, could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction, registered in accordance with the relevant IGA, would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary", "withholding foreign partnership", or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

If the Trustee becomes a Participating FFI under FATCA, the Trustee and financial institutions through which payments on the Certificates are made may be required to withhold FATCA Withholding if: (i) any FFI through or to which payment on such Certificates is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA; or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from profit, principal or other payments made in respect of the Certificates, neither the Trustee nor the Delegate nor any paying agent nor any other person would, pursuant to the conditions of the Certificates, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less profit or principal than expected.

The Cayman Islands Government has committed that the Cayman Islands will enter into a Model 1 IGA with the U.S. The terms of such IGA are yet to be agreed, but are expected to be broadly similar to those agreed with the United Kingdom and Ireland, taking into account the nature of the Cayman Islands' financial services. When such IGA is entered into, the Trustee will not be required to enter into an agreement with the IRS, but would instead be required to register with the IRS to obtain a Global Intermediary Identification Number and then comply with Cayman Islands legislation that would be implemented to give effect to such IGA. The terms of such legislation are at this stage still uncertain but, when implemented are expected to require the Trustee to report to the Cayman Islands Tax Information Authority who will exchange such information with the IRS under the terms of the IGA. It is also anticipated that, under the terms of the IGA, withholding will not be imposed on payments made to the Trustee, or on payments made by the Trustee to an account holder, unless the IRS has specifically listed the Trustee as a non-participating financial institution, or the Trustee has otherwise assumed responsibility for withholding under U.S. tax law.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Trustee and to payments they may receive in connection with the Certificates.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 17 July 2013, agreed with the Trustee, MAF Properties and the Guarantor 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 "*Terms and Conditions of the Certificates*". In the Programme Agreement, each of the Trustee, MAF Properties and the Guarantor 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, offer and sale of Certificates under the Programme.

SELLING RESTRICTIONS

United States

Neither the Certificates nor the Guarantee have been nor will be registered under the U.S. Securities Act of 1933 as amended (the **Securities Act**), and the Certificates may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from the registration requirement of the Securities Act. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Certificates (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Certificates on a syndicated basis, the relevant lead manager, of all Certificates of the Series of which such Certificates are a part, only in accordance with Rule 903 of Regulation S. Each Dealer who purchases Certificates (or in the case of a sale of Certificates issued to or through more than one Dealer, each of such Dealers as to the Certificates to be purchased by or through it or, in the syndicated issue, the relevant lead manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of such Certificates. 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 Certificates.

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that at or prior to confirmation of sale of Certificates, it 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 and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered, sold or delivered 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 use above have the meanings given to them by Regulation S."

Terms used in this paragraph have the meaning given to them by Regulation S.

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to any Certificate, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Public Offer Selling Restriction 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 Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Certificates to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and/or the Guarantor (if applicable) for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Certificates referred to in (a) to (c) above shall require the Trustee, MAF Properties, the Guarantor 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 Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Certificates which have a maturity of less than one year, (i) 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 (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee, MAF Properties or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

Cayman Islands

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 made and will not make any offer or invitation to the public in the Cayman Islands to subscribe for any Certificates.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Certificates, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

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 United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the information contained in this Base Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and the information contained in this Base Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

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:

(a) an “Exempt Offer” in accordance with the Markets Rules 2012; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the Dubai Financial Services Authority Conduct of Business Module.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of any Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Certificates pursuant to an offering should note that the offer of Capital Securities is a private placement under Article 10 or 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**). The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates to a Saudi Investor will comply with the KSA Regulations.

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 private placement 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” (as defined in Article 10 of the KSA Regulations); (b) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Kingdom of Bahrain

This Base Prospectus does not constitute an offer to: (i) the Public (as defined in Articles 142- 146 of the Commercial Companies Law (Decree Law No. 21/2001 of Bahrain)) in the Kingdom of Bahrain; or (ii) any person in the Kingdom of Bahrain who is not an accredited investor.

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, and will not offer, Certificates: (i) to the Public in the Kingdom of Bahrain except pursuant to the provisions of Articles 80-85 of the Central Bank of Bahrain and Financial Institutions Law; and (ii) except on a private placement basis to persons in the Kingdom of Bahrain who are accredited investors.

State of Qatar (excluding the Qatar Financial Centre)

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, delivered or sold, and will not offer, deliver or sell, directly or indirectly, any Certificates in the State of Qatar (**Qatar**), except (i) in compliance with all applicable laws and regulations of Qatar; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar.

Qatar Financial Centre

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that this Base Prospectus: (i) has not been, and will not be, registered with or approved by the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the Qatar Financial Centre; (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the Qatar Financial Centre and may not be reproduced or used for any other purpose.

Singapore

This Base 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 Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Certificates, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the SFA, or (b) to a relevant person pursuant to Section 275(1), 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.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates except for Certificates which are a "structured product" as defined in the SFO (as defined below) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) 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 (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including Hong Kong, Macau Special Administrative Region or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia (the **CMSA**); and

(b) accordingly, the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons or in categories falling within Schedule 6 (or Section 229(1)(b)), Schedule 7 (or Section 230(1)(b)), and Schedule 8 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers any Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, MAF Properties, the Guarantor, the Delegate and any other Dealer shall have any responsibility therefor.

None of the Trustee, MAF Properties, the Guarantor, the Delegate and 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 any such sale. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about and observe any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of any Certificates.

With regard to each Series, the relevant Dealer will be required to comply with any additional restrictions agreed between the Trustee, MAF Properties, the Guarantor and the relevant Dealer and set out in the relevant subscription agreement.

GENERAL INFORMATION

Authorisation

The establishment and the current update of the Programme and the issue of Certificates have been duly authorised by resolutions of the Board of Directors of the Trustee dated 4 January 2012 and 4 July 2013. The Trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of Certificates to be issued under the Programme and the execution and performance of the Transaction Documents. The entry into of the Transaction Documents to which it is a party has been duly authorised by a resolution of the shareholders of MAF Properties dated 18 December 2011 and a resolution of the shareholders of the Guarantor dated 18 December 2011.

Listing

Application has been made to the Central Bank for Certificates issued under the Programme to be admitted to the Irish Official List and to the Irish Stock Exchange for such Certificates to be admitted to trading on the Main Securities Market. The listing of the Programme in respect of Certificates is expected to be granted on or before 17 July 2013. It is expected that each Series of Certificates which is to be admitted to the Irish Official List and to trading on the Main Securities Market will be admitted separately, as and when issued, subject only to the issue of the Global Certificate initially representing the Certificates of the relevant Series.

Application has also been made to the DFSA for Certificates issued under the Programme to be admitted to the DFSA's Official List of securities. The Programme is expected to be admitted to the DFSA's Official List on or before 17 July 2013. An application may be made for any Series to be admitted to trading on NASDAQ Dubai.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available in physical form, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the offices of the Trustee and the Paying Agent for the time being in London:

(a) the Transaction Documents (including the Master Trust Deed which incorporates the Guarantee) including each Supplemental Trust Deed, each Supplemental Purchase Contract and each Supplemental Lease Contract (if relevant) in relation to each Series (save that any such documents relating to a Series 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 Principal Paying Agent as to its holding of the relevant Certificates and identity);

(b) the Articles of Association of the Trustee and the Articles of Association (with an English translation thereof) of each of MAF Properties and the Guarantor. The English translation of each of MAF Properties' and the Guarantor's Articles of Association is direct and accurate. However, in case of conflict or discrepancy between the Arabic version of the Articles of Association of MAF Properties and/or the Guarantor and their respective English translation, the Arabic version of the Articles of Association shall prevail;

(c) the consolidated audited financial statements of each of MAF Properties and the Guarantor in respect of the two financial years ended 31 December 2011 and 31 December 2012, in each case together with the audit reports prepared in connection therewith. Each of MAF Properties and the Guarantor currently prepares audited consolidated accounts on an annual basis. The Trustee is not required to, publish any annual financial statements under Cayman Islands law;

(d) the most recently published unaudited condensed consolidated interim financial statements of each of MAF Properties and the Guarantor, in each case together with any audit or review reports prepared in connection therewith. Each of MAF Properties and the Guarantor currently prepares unaudited consolidated interim accounts for the first six months of each year. The Trustee is not required to, and does not intend to, publish any interim financial statements;

(e) this Base Prospectus;

(f) the opinions of the Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the HSBC Saudi Arabia Sharia Executive Committee and the Sharia Supervisory Committee of Standard Chartered Bank approving the transaction structure relating to the Certificates (as described in this Base Prospectus); and

(g) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a 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 Principal Paying Agent as to its holding of the relevant Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

The Base Prospectus will be available for viewing on the website of the Central Bank (*http://www.centralbank.ie*).

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 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.

Significant or Material Change

With the exception of its issuance of U.S.$400 million trust certificates under the Programme on 7 February 2012, there has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

With the exception of a reduction in Shareholders' equity of AED 2.1 billion on a Group consolidated basis due to the Acquisition (see *"Group Financial Review—Recent Developments"*), there has been no significant change in the financial or trading position of each of MAF Properties and the Guarantor and their respective subsidiaries, taken as a whole since 31 December 2012 and there has been no material adverse change in the financial position or prospects of each of MAF Properties and the Guarantor and their respective subsidiaries, taken as a whole since 31 December 2012.

Litigation

None of the Trustee, the Guarantor, MAF Properties or 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, the Guarantor or MAF Properties are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Trustee, the Guarantor, MAF Properties or the Group.

Auditors

The Trustee is not required under Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

The auditors of each of MAF Properties and the Guarantor are KPMG Lower Gulf Limited, chartered accountants, who have audited each of MAF Properties' and the Guarantor's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 31 December 2011 and 31 December 2012. The auditors of each of MAF Properties and the Guarantor have no material interest in either MAF Properties or the Guarantor.

KPMG Lower Gulf Limited is an institution authorised by the Ministry of Economy of the UAE to conduct independent audits of corporations in the United Arab Emirates. KPMG Lower Gulf Limited is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative (as Swiss entity).

Sharia Boards

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC, the Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia, the HSBC Saudi Arabia Shariah Executive Committee and the Sharia Supervisory Committee of Standard Chartered Bank. The composition of such Sharia supervisory boards are disclosed below.

Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC

- Mufti Muhammad Taqi Usami (Chairman)

  Mufti Muhammad Taqi Usmani is the son of the late Maulana Mufti Muhammad Shafi, the former Grand Mufti of Pakistan. He obtained his Takhassus degree (an advanced degree equivalent to PhD) in Islamic Education from Darul Uloom Karachi, the largest and most renowned Islamic education institution in Pakistan. He also obtained a Master's degree in Arabic literature from the Punjab University, and a law degree (LLB) from the Karachi University. He is regarded as an expert in the fields of Hadith (sacred traditions of the Holy Prophet, may Allah's peace and blessings be upon him), Fiqh (Islamic jurisprudence) and Tasawwuf (Islamic spirituality). He has been teaching these and other branches of Islamic education since 1959.

- Dr. Abdul Sattar Abu Ghudda (Vice Chairman, Chairman of Executive Committee)

  Dr. Abdul Sattar Abu Ghudda holds a PhD in Islamic law and comparative Fiqh from the Al Azhar University Cairo, Egypt. He has taught at various institutes, including at the Imam Al Da'awa Institute (Riyadh), the Religious Institute (Kuwait), and at the Sharia College of the Law Faculty in the Kuwait University. He is a Sharia Advisor to several international and local financial institutions world-wide and holds the positions of Sharia Advisor and Director of Department of Financial Instruments at Al-Baraka Investment Co., Saudi Arabia. He is an active member of Islamic Fiqh Academy and the Accounting & Auditing Organisation of Islamic Financial Institutions (**AAOIFI**) and is also the Secretary General of the Unified Sharia Supervisory Board of Dallah Albaraka Group, Jeddah. He has also served in the Ministry of Awqaf, Kuwait and has written several books on Islamic finance.

- Dr. Jassim Ali Al Shamsi (Board and Executive Committee Member)

  Dr. Jassim holds a PhD in Civil Law as well as a Sharia diploma from the College of Law, Ain Shams University. He also holds a Licentiate in Sharia & Law from the UAE University. He is currently the Dean of Faculty of Sharia & Law in the UAE University. In addition to his extensive knowledge of Sharia law, he is a member of the board of AAOIFI, and Ajman Islamic bank and other regional Islamic Banks. He has been instructing in UAE University for more than 20 years and has extensive knowledge of structuring Islamic finance transactions and development of products that adhere to Sharia.

- Dr. Nizam Yaguby (Board and Executive Committee Member)

  Sheikh Nizam studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in economics and comparative religions and MSc in finance from the McGill University, Canada. He is a PhD candidate in Islamic law from the University of Wales. In addition to advising Citi and other Islamic finance institutions and funds, Sheikh Nizam Yaquby is a member of the Islamic Fiqh Academy and AAOIFI. Since 1976, Sheikh Yaqubi has taught Tafsir, Hadith and Fiqh in Bahrain and is a Sharia Advisor to several international and local financial institutions world-wide. He has also published several articles and books on various Islamic subjects including on banking and finance.

- Dr. Mohamed Ali ElGari (Board Member)

  Dr. Mohamed holds a PhD in Economics from the University of California. He is a professor of Islamic Economics at King Abdul Aziz University. He is an expert at the Islamic Jurisprudence Academies of the Organisation of Islamic Countries and has published several articles and books on Islamic Finance. Dr. Elgari is a member of Sharia Boards of many Islamic banks and Takaful companies including that of Dow Jones International Islamic Fund Market. He also sits in Sharia Boards of AAOIFI and is a member of the Advisory Board of Harvard Series on Islamic Law.

- Sheikh Osaid Al-Kilani (Executive Vice President - Global Head of Shari'a)

  Sheikh Osaid holds a PhD in Comparative Islamic Jurisprudence (Islamic Law). He has 11 years of experience in the Islamic banking sector, particularly dealing with Sharia issues. He manages the Sharia Division at ADIB and is the last word on all activities related to Sharia issues. Prior to ADIB, he served as a faculty of Sharia and Law at the UAE University. Sheikh Osaid has deep knowledge of structuring Islamic finance mechanisms, developing Islamic products and tools of investment.

The Executive Committee of the Sharia Board of Dubai Islamic Bank and Dar Al Sharia

- Dr Hussain Hamed Hassan (Chairman)

  Dr Hussain holds a PhD and is the head of the Sharia Board of Dubai Islamic Bank and a member of Fatwa and Sharia boards of numerous other leading global Islamic finance institutions including Islamic Development Bank (IDB), Jeddah. For over 50 years, he has advised various central banks and regulators, has supervised the establishment and conversion of various Islamic financial institutions and advised Presidents of various Islamic Republics. He has established Islamic universities/faculties worldwide, including in Makkah, Islamabad, Kazakhstan and Libya. He is member of AAOIFI and the Islamic Financial Services Board, the International Fiqh Academy of the Organisation of the Islamic Conference, the Fiqh Academy of Muslim World League, Saudi Arabia and is also a President of American Muslim Jurists Association. Dr Hussain has authored 21 books and over 400 articles, has supervised translation of the Holy Quran into Russian and of 200 Islamic books into various languages.

- Dr. Mohamed Zoeir

  Dr. Zoeir holds a PhD in Islamic Economy and is a member of many Islamic Banks across the Middle East and Africa. He has authored numerous researches and studies in Islamic Finance and banking. Dr. Zoeir is also Sharia inspector, Secretary General of Board of Sharia at Dubai Islamic Bank, Chief Editor of Islamic Economics magazine.

- Dr. Muhammad Qaseem

Dr. Muhammad Qaseem holds a PhD (Islamic Studies) from the Faculty of Usul ud Din, is the country head of Sharia of Dubai Islamic Bank Pakistan Limited (DIBPL) and has served as Sharia Board member of many other institutions. He also has written various articles on Islamic Banking. He has also been teaching various courses in various BA and MA programmes at the International Islamic University, Islamabad (IIUI). Dr. Muhammad Qaseem has many academic contributions, articles and literary and translation work.

- Dr. Muhammad Abdulrahim Sultan Al- Ulama

  Dr. Muhammad Sultan Al-Ulama holds a PhD in Islamic jurisprudence, is an assistant professor in various universities and a member of numerous academic committees. In addition to his contribution to worldwide seminars and conferences in the area of Islamic finance, he has published numerous articles and reports.

- Dr. Youssif Abdullah bin Saleh Al Shibly

  Dr. Youssif Al Shibly holds a PhD and is a comparative Fiqh professor in Saudi Arabia. He has contributed and presented many courses and training sessions to judges in Saudi Arabia. Dr. Al Shilby has also worked in Islamic institution in Washington, served as Sharia Board member of many other institutions and has published more than 17 reports and researches.

HSBC Saudi Arabia Shariah Executive Committee

- Dr. Nizam Yaguby

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

- Dr. Mohamed Ali ElGari

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

Sharia Supervisory Committee of Standard Chartered Bank

- Dr. Abdul Sattar Abu Ghudda

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

- Dr. Nizam Yaguby

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

- Dr. Mohamed Ali ElGari

  See biography above under *"—Sharia Supervisory Board of Abu Dhabi Islamic Bank PJSC"*.

Certain Additional Information relating to MAF Holding

MAF Holding is registered as a limited liability company in Dubai (with register number 534314) under UAE Federal Law No. 8 of 1984 (as amended) as applicable to commercial companies and was incorporated on 20 May 2002.

MAF Holding has been incorporated for a term of 50 years expiring in May 2052, which term shall be lengthened or shortened by resolution of the general assembly of MAF Holding in accordance with its Articles of Association (the MAF Holding Articles). The MAF Holding Articles provide that MAF Holding shall be dissolved:

- unless renewed upon the expiry of its 50-year term;
- upon fulfilment of the objectives for which it was created;

- upon merger of MAF Holding into another company;
- if shareholders holding 75 per cent. of MAF Holding's capital decide in the general assembly to terminate the term of MAF Holding;
- if all or most of MAF Holding's assets have been damaged in such a manner that the remaining assets cannot be invested productively; or
- if MAF Holding is dissolved pursuant to a court decision.

MAF Holding changed its name from Majid Al Futtaim Group LLC to Majid Al Futtaim Holding LLC on 18 January 2011.

MAF Holding's address and telephone number are PO Box 91100, Dubai, UAE and +971 (0)4 209 4657, respectively. This is also the address of each member of the MAF Holding Board and senior executive management.

Certain Additional Information relating to MAF Properties

MAF Properties is registered as a limited liability company in Dubai (with register number 41429) under UAE Federal Law No. 8 of 1984 (as amended) as applicable to commercial companies and was incorporated on 5 February 1994.

MAF Properties has been incorporated for a term of 50 years expiring in February 2044, which term shall be lengthened or shortened by resolution of the general assembly of MAF Properties in accordance with its Articles of Association (the MAF Properties Articles). The MAF Properties Articles provide that MAF Properties shall be dissolved:

- unless renewed upon the expiry of its 50-year term;
- upon fulfilment of the purposes for which it was created;
- upon merger of MAF Properties into another company;
- if shareholders holding 75 per cent. of MAF Properties' capital decide in the general assembly to terminate the term of MAF Properties;
- if all or most of MAF Properties' assets have been damaged in such a manner that the remaining assets cannot be invested productively; or
- if MAF Properties is dissolved pursuant to a court decision.

MAF Properties' address and telephone number are PO Box 60811, Dubai, UAE and +971 (0)4 294 2444, respectively. This is also the address of each member of MAF Properties' Board and senior executive management.

Dealers transacting with MAF Properties and the Guarantor

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 for, MAF Properties (and its affiliates) and/or the Guarantor (and its affiliates) in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

TRUSTEE

MAF Sukuk Ltd.
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

MAF PROPERTIES

Majid Al Futtaim Properties LLC
P.O. Box 60811
Dubai
United Arab Emirates

GUARANTOR

Majid Al Futtaim Holding LLC
P.O. Box 91100
Dubai
United Arab Emirates

DELEGATE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

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AUDITORS TO MAF PROPERTIES AND THE GUARANTOR

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United Arab Emirates

IRISH LISTING AGENT

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LEGAL ADVISERS

To the Trustee as to Cayman Islands law

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To MAF Properties and the Guarantor as to English and UAE law

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United Arab Emirates

To the Arrangers and Dealers as to English and UAE law

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Dubai
United Arab Emirates

To the Delegate as to English law

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DEALERS

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United Arab Emirates

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United Kingdom

Standard Chartered Bank
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Dubai
United Arab Emirates