

الواحة كابيتال  
WAHA CAPITAL



# Q3 REPORT

Report and condensed consolidated financial information  
for the nine month period ended 30 September 2016

## TABLE OF CONTENTS

**01**

Report on review of  
interim financial  
information

**02**

Condensed consolidated  
statement of financial  
position

**03**

Condensed consolidated  
statement of profit or  
loss

**04**

Condensed consolidated  
statement of profit or  
loss and other  
comprehensive income

**05**

Condensed consolidated  
statement of changes in  
equity

**06**

Condensed consolidated  
statement of cash flows

**07**

Notes to the condensed  
consolidated financial  
statements

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Board of Directors  
Al Waha Capital PJSC  
Abu Dhabi  
United Arab Emirates

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Al Waha Capital PJSC (“the Company”) and its subsidiaries (together referred to as the “Group”) as at 30 September 2016 and the related condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

Deloitte & Touche (M.E.)

  
Georges F. Najem  
Registration No. 809  
Abu Dhabi  
13 November 2016



## Condensed consolidated statement of financial position

	Note	As at 30 September 2016 (Unaudited) AED '000	As at 31 December 2015 (Audited) AED '000
<b>ASSETS</b>			
Furniture and equipment		60,068	40,012
Investment property		703,292	696,010
Goodwill and intangible assets		164,419	174,296
Investments in finance leases		13,040	17,774
Loan investments		232,963	232,963
Investments in equity-accounted associates and joint ventures	5	5,611,477	4,714,977
Financial investments	6	2,649,008	2,220,908
Inventories		9,865	8,661
Trade and other receivables	7	316,100	348,677
Cash and cash equivalents		730,240	1,151,658
<b>Total assets</b>		<b>10,490,472</b>	<b>9,605,936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	1,944,515	1,944,515
Treasury shares	8	(263,597)	(233,168)
Retained earnings		1,731,301	1,713,958
Reserves		678,860	445,289
<b>Equity attributable to the Owners of the Company</b>		<b>4,091,079</b>	<b>3,870,594</b>
Non-controlling interests		203,148	56,720
<b>Total equity</b>		<b>4,294,227</b>	<b>3,927,314</b>
<b>Liabilities</b>			
Borrowings	9	5,872,296	5,322,255
Trade and other liabilities	10	323,949	356,367
<b>Total liabilities</b>		<b>6,196,245</b>	<b>5,678,622</b>
<b>Total equity and liabilities</b>		<b>10,490,472</b>	<b>9,605,936</b>

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 9 November 2016 and signed on their behalf by:



Chairman



CEO & Managing Director



Chief Financial Officer

The notes numbered 1 to 16 are an integral part of these condensed consolidated financial statements.

## Condensed consolidated statement of profit or loss

	Note	Nine month period ended 30 September 2016 (Unaudited) AED `000	Nine month period ended 30 September 2015 (Unaudited) AED `000	Three month period ended 30 September 2016 (Unaudited) AED `000	Three month period ended 30 September 2015 (Unaudited) AED `000
Revenue from sale of goods and services	11	244,243	199,983	69,294	65,151
Cost of sale of goods and services	11	(118,684)	(56,813)	(41,112)	(14,628)
<b>Gross profit</b>		<b>125,559</b>	143,170	<b>28,182</b>	50,523
Income from equity-accounted associates and joint ventures, net	5	393,911	460,970	125,226	160,904
Income from financial investments	12	215,848	175,737	51,696	33,028
Other income, net		18,229	(1,958)	3,839	(5,195)
General and administrative expenses	13	(287,929)	(257,623)	(95,852)	(103,564)
Finance cost, net	14	(89,503)	(55,596)	(39,460)	(20,374)
<b>Profit for the period</b>		<b>376,115</b>	464,700	<b>73,631</b>	115,322
<b>Profit for the period attributable to:</b>					
Owners of the Company		387,684	466,939	81,829	117,909
Non-controlling interests		(11,569)	(2,239)	(8,198)	(2,587)
<b>Profit for the period</b>		<b>376,115</b>	464,700	<b>73,631</b>	115,322
<b>Basic and diluted earnings per share attributable to the owners of the Company during the period (AED)</b>	8	<b>0.21</b>	0.25	<b>0.04</b>	0.06

The notes numbered 1 to 16 are an integral part of these condensed consolidated financial statements.

## Condensed consolidated statement of profit or loss and other comprehensive income

	<b>Nine month period ended 30 September 2016 (Unaudited) AED '000</b>	Nine month period ended 30 September 2015 (Unaudited) AED '000	<b>Three month period ended 30 September 2016 (Unaudited) AED '000</b>	Three month period ended 30 September 2015 (Unaudited) AED '000
<b>Profit for the period</b>	<b>376,115</b>	464,700	<b>73,631</b>	115,322
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Share of effective portion of changes in fair value of cash flow hedges (note 6)	<b>215,348</b>	(34,945)	<b>(377,225)</b>	524,228
Hedge reserve reclassification adjustments for amounts recognised in profit or loss (note 12)	<b>12,872</b>	-	<b>12,872</b>	-
Share of changes in other reserves of equity-accounted associates and joint ventures	<b>(1,839)</b>	838	<b>(1,803)</b>	67
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Net change in fair value of other financial assets at fair value through other comprehensive income (note 6)	<b>7,190</b>	9,328	<b>801</b>	-
<b>Total comprehensive income / (loss) for the period</b>	<b>609,686</b>	439,921	<b>(291,724)</b>	639,617
<b>Total comprehensive income / (loss) attributable to:</b>				
Owners of the Company	<b>621,255</b>	442,160	<b>(283,526)</b>	642,204
Non-controlling interests	<b>(11,569)</b>	(2,239)	<b>(8,198)</b>	(2,587)
<b>Total comprehensive income / (loss) for the period</b>	<b>609,686</b>	439,921	<b>(291,724)</b>	639,617

The notes numbered 1 to 16 are an integral part of these condensed consolidated financial statements.

## Condensed consolidated statement of changes in equity

For the nine month period ended 30 September

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Revaluation reserve AED '000	Hedge reserve AED '000	Other reserves AED '000	Reserves AED '000	Equity attributable to owners AED '000	Non- controlling interests AED '000	Total equity AED '000
At 1 January 2015	1,944,515	(49,087)	1,756,106	330,396	(5,284)	403,573	137	728,822	4,380,356	28,112	4,408,468
Profit for the period	-	-	466,939	-	-	-	-	-	466,939	(2,239)	464,700
Other comprehensive loss	-	-	-	-	9,328	(34,945)	838	(24,779)	(24,779)	-	(24,779)
Total comprehensive income	-	-	466,939	-	9,328	(34,945)	838	(24,779)	442,160	(2,239)	439,921
Cash dividend (note 8)	-	-	(568,136)	-	-	-	-	-	(568,136)	-	(568,136)
Shares bought back	-	(159,076)	-	-	-	-	-	-	(159,076)	-	(159,076)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	23,685	23,685
<b>At 30 September 2015 (Unaudited)</b>	<b>1,944,515</b>	<b>(208,163)</b>	<b>1,654,909</b>	<b>330,396</b>	<b>4,044</b>	<b>368,628</b>	<b>975</b>	<b>704,043</b>	<b>4,095,304</b>	<b>49,558</b>	<b>4,144,862</b>
At 1 January 2016	<b>1,944,515</b>	<b>(233,168)</b>	<b>1,713,958</b>	<b>389,180</b>	<b>5,796</b>	<b>49,315</b>	<b>998</b>	<b>445,289</b>	<b>3,870,594</b>	<b>56,720</b>	<b>3,927,314</b>
Profit for the period	-	-	<b>387,684</b>	-	-	-	-	-	<b>387,684</b>	<b>(11,569)</b>	<b>376,115</b>
Other comprehensive income	-	-	-	-	<b>7,190</b>	<b>228,220</b>	<b>(1,839)</b>	<b>233,571</b>	<b>233,571</b>	-	<b>233,571</b>
Total comprehensive income	-	-	<b>387,684</b>	-	<b>7,190</b>	<b>228,220</b>	<b>(1,839)</b>	<b>233,571</b>	<b>621,255</b>	<b>(11,569)</b>	<b>609,686</b>
Cash dividend (note 8)	-	-	<b>(370,341)</b>	-	-	-	-	-	<b>(370,341)</b>	-	<b>(370,341)</b>
Shares bought back (note 8)	-	<b>(30,429)</b>	-	-	-	-	-	-	<b>(30,429)</b>	-	<b>(30,429)</b>
Movement in non-controlling interests*	-	-	-	-	-	-	-	-	-	<b>157,997</b>	<b>157,997</b>
<b>At 30 September 2016 (Unaudited)</b>	<b>1,944,515</b>	<b>(263,597)</b>	<b>1,731,301</b>	<b>389,180</b>	<b>12,986</b>	<b>277,535</b>	<b>(841)</b>	<b>678,860</b>	<b>4,091,079</b>	<b>203,148</b>	<b>4,294,227</b>

\* Includes investments into the MENA Equity Fund of AED 139,764 thousand, following which the Group's ownership of the MENA Equity Fund reduced from 99% to 74%, and investments into the CEEMEA Fixed Income Fund of AED 11,034 thousand, following which the Group's ownership of the CEEMEA Fixed Income Fund reduced from 100% to 97.36%.

The notes numbered 1 to 16 are an integral part of these condensed consolidated financial statements.

## Condensed consolidated statement of cash flows

For the nine month period ended 30 September

### Cash flows from operating activities

Profit for the period

#### Adjustments for:

Depreciation

Finance cost

Gain on valuation of financial assets at fair value through profit or loss

Interest on bank deposits

Income from equity-accounted associates and joint ventures, net

Interest income from investments in finance leases

Distribution from equity-accounted associates and joint ventures

Amortisation of intangible assets

Provision for slow moving and obsolete inventories

Provision for doubtful debts

#### Changes in working capital:

Change in inventories

Change in trade and other receivables

Change in trade and other liabilities

### Net cash (used in) / from operating activities

### Cash flows from investing activities

Acquisition of subsidiaries (net of cash)

Capital receipt from financial assets at FVTOCI

Purchase of equity-accounted associates

Proceeds from finance leases

Purchase of intangible assets

(Purchase) / disposal of investments at fair value through profit or loss, net

Purchase of investments at FVTOCI, net

Proceeds from sale / settlement of investments at amortised cost

Payments made for development of investment property

Purchase of furniture and equipment

Interest received

### Net cash used in investing activities

### Cash flows from financing activities

Finance cost paid on borrowings

Loans repaid

Loans obtained

Shares bought back

Dividends paid

Net movement in non-controlling interests

### Net cash from / (used in) financing activities

### Net decrease in cash and cash equivalents

Cash and cash equivalents reclassified as assets held for sale

Cash and cash equivalents at 1 January

### Cash and cash equivalents at 30 September

	2016 (Unaudited) AED '000	2015 (Unaudited) AED '000
	376,115	464,700
	6,999	2,821
	93,027	64,002
	(132,563)	(81,235)
	(3,524)	(8,406)
	(393,911)	(460,970)
	(1,083)	(1,499)
	21,850	32,407
	8,970	9,756
	40	-
	32	11,258
	(1,244)	(820)
	32,545	(51,963)
	(30,717)	33,943
	(23,464)	13,994
	-	(73,725)
	76,983	1,186
	(526,278)	-
	5,818	5,818
	(794)	(18,522)
	(92,622)	80,763
	(44,489)	(630,867)
	-	69,904
	(7,282)	(2,766)
	(27,055)	(15,554)
	3,524	10,945
	(612,195)	(572,818)
	(88,288)	(30,842)
	(785,526)	(333,438)
	1,330,828	481,193
	(30,429)	(159,076)
	(370,341)	(568,136)
	157,997	23,685
	214,241	(586,614)
	(421,418)	(1,145,438)
	-	(44,043)
	1,151,658	2,460,411
	730,240	1,270,930

The notes numbered 1 to 16 are an integral part of these condensed consolidated financial statements.

## Notes to the condensed consolidated financial statements

### 1 Legal status and principal activities

Al Waha Capital PJSC (the "Company") is a public joint stock company with limited liability, formed in the Emirate of Abu Dhabi, United Arab Emirates, by Emiri Decree No. 10 dated 20 May 1997 and incorporated on 12 July 1997.

These condensed consolidated financial statements for the nine month period ended 30 September 2016 comprise the results and financial position of the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities ("equity-accounted associates and joint ventures").

The Group invests in a wide range of sectors, including aviation leasing, financial services, capital markets, industrial real estate, infrastructure, healthcare, oil and gas and maritime services.

The Group's consolidated financial statements for the year ended 31 December 2015 are available on its website [www.wahacapital.ae](http://www.wahacapital.ae) and also upon request at the Company's registered office at P.O. Box 28922, Etihad Towers, 42nd floor, Tower 3, Abu Dhabi, UAE.

### 2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

### 3 Significant accounting policies

The significant accounting policies, risk management principles, methods of computation and estimates applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2015.

The Group has also applied, for the first time, several new standards and amendments in 2016, as stated below:

#### **New and revised IFRSs effective in 2016**

- Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.
- Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortisation.
- Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.
- Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.
- Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.
- Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.
- Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.

However, the adoptions of new standards and amendments of 2016 do not impact the condensed consolidated financial statements of the current or prior reporting periods of the Group.

## Notes to the condensed consolidated financial statements (continued)

### 4 Fair values

#### a Fair values of financial assets and liabilities

The fair values of financial assets and liabilities, together with their carrying amount, are as follows:

	<b>30 September 2016</b> <b>(Unaudited)</b> <b>AED '000</b>		31 December 2015 <b>(Audited)</b> <b>AED '000</b>	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Financial assets at FVTOCI</b>				
Unquoted fund	72,487	72,487	142,280	142,280
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>				
Equity price collar	535,092	535,092	275,255	275,255
<b>Financial assets at FVTPL</b>				
Derivative assets	114,509	114,509	106,493	106,493
Listed fixed income securities	1,346,790	1,346,790	1,487,341	1,487,341
Listed equity securities	574,778	574,778	204,163	204,163
Other investment in equity securities	5,352	5,352	5,376	5,376
<b>Financial assets at amortised cost</b>				
Investments in finance leases	13,040	13,040	17,774	17,774
Loan investments	232,963	232,963	232,963	232,963
Trade and other receivables	203,210	203,210	261,245	261,245
Cash and cash equivalents	730,240	730,240	1,151,658	1,151,658
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Borrowings	5,872,296	5,872,296	5,322,255	5,322,255
Trade and other liabilities - others	256,495	256,495	279,171	279,171
<b>Financial liabilities at FVTPL</b>				
Trade and other liabilities - derivative liabilities	36,185	36,185	50,542	50,542

#### b Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities by valuation technique:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable for the asset or liability.

## Notes to the condensed consolidated financial statements (continued)

### 4 Fair values (continued)

#### b Fair value hierarchy (continued)

As at the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

	30 September 2016 (Unaudited) AED '000	31 December 2015 (Audited) AED '000	Fair value hierarchy	Valuation technique
<b>Financial assets at fair value through profit or loss</b>				
a Listed equity securities	574,778	204,163	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	5,352	5,376	Level 2	Discounted cash flow of the underlying investments.
c Listed fixed income securities	1,346,790	1,487,341	Level 1	Quoted bid prices in an active market.
d Derivative assets	114,509	106,493	Level 2	Valuation is based on broker quotes which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.
<b>Financial assets at fair value through other comprehensive income</b>				
a Unquoted fund	72,487	142,280	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>				
a Equity price collar	535,092	275,255	Level 2	Black-Scholes model with market observable inputs, mainly share price and market volatilities of the underlying shares.
<b>Financial liabilities at fair value through profit or loss</b>				
a Derivative liabilities	(36,185)	(50,542)	Level 2	Valuation is based on broker quotes which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

## Notes to the condensed consolidated financial statements (continued)

### 4 Fair values (continued)

#### b Fair value hierarchy (continued)

	30 September 2016 (Unaudited) AED '000				31 December 2015 (Audited) AED '000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Financial assets at FVTPL</b>								
Listed equity securities	574,778	574,778	-	-	204,163	204,163	-	-
Other investment in equity securities	5,352	-	5,352	-	5,376	-	5,376	-
Listed fixed income securities	1,346,790	1,346,790	-	-	1,487,341	1,487,341	-	-
Derivative assets <sup>1</sup>	114,509	-	114,509	-	106,493	-	106,493	-
<b>Financial assets at FVTOCI</b>								
Unquoted fund	72,487	-	-	72,487	142,280	-	-	142,280
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>								
Equity price collar	535,092	-	535,092	-	275,255	-	275,255	-
<b>Total</b>	<b>2,649,008</b>	<b>1,921,568</b>	<b>654,953</b>	<b>72,487</b>	<b>2,220,908</b>	<b>1,691,504</b>	<b>387,124</b>	<b>142,280</b>
<b>Financial liabilities</b>								
<b>Financial liabilities at FVTPL</b>								
Derivative liabilities <sup>2</sup>	(36,185)	-	(36,185)	-	(50,542)	-	(50,542)	-
<b>Total</b>	<b>(36,185)</b>	<b>-</b>	<b>(36,185)</b>	<b>-</b>	<b>(50,542)</b>	<b>-</b>	<b>(50,542)</b>	<b>-</b>

<sup>1</sup> Derivative assets held by the Group have a notional value of AED 976,141 thousand (31 December 2015: AED 1,296,863 thousand).

<sup>2</sup> Derivative liabilities held by the Group have a notional value of AED 957,494 thousand (31 December 2015: AED 1,171,560 thousand).

There were no transfers between Level 1 and Level 2 during the period.

## Notes to the condensed consolidated financial statements (continued)

### 4 Fair values (continued)

#### b Fair value hierarchy (continued)

##### Reconciliation of Level 3 fair value movements

	<b>Nine month period ended 30 September 2016 (Unaudited) AED `000</b>	Year ended 31 December 2015 (Audited) AED `000
At 1 January	142,280	132,387
Capital reduction (note 6)	(76,983)	(1,187)
Total gains in other comprehensive income (note 6)	7,190	11,080
	<b>72,487</b>	<b>142,280</b>

### 5 Investments in equity-accounted associates and joint ventures

The movement of investments in equity-accounted associates and joint ventures is presented below:

	<b>Nine month period ended 30 September 2016 (Unaudited) AED `000</b>	Year ended 31 December 2015 (Audited) AED `000
At 1 January	4,714,977	4,118,227
Acquisitions	526,278	17,980
Share of income, net	393,911	610,316
Share of equity reserves	(1,839)	861
Distributions received	(21,850)	(32,407)
	<b>5,611,477</b>	<b>4,714,977</b>

Investments in equity-accounted associates and joint ventures domiciled outside the UAE amount to AED 5,292,958 thousand (31 December 2015: AED 4,353,779 thousand).

The Group's investments with a carrying amount of AED 5,292,958 thousand (31 December 2015: AED 4,353,779 thousand) are collateralised against the Group's borrowings (note 9).

During the period, the Group concluded its open market program by acquiring an additional stake in AerCap for an amount of AED 519,137 thousand. In addition, AerCap carried out a share buyback program during the period, which the Group did not participate in. Consequently, the Group's beneficial ownership increased from 13.5% to 16.97%.

During the period, the Group made an additional acquisition of National Petroleum Services shares for cash consideration of AED 7,141 thousand. This increased the Group's beneficial ownership from 20.2% to 20.7%.

## Notes to the condensed consolidated financial statements (continued)

### 6 Financial investments

	<b>30 September 2016 (Unaudited) AED '000</b>	31 December 2015 (Audited) AED '000
<b>Financial assets at FVTOCI</b>		
Unquoted fund <sup>1</sup>	72,487	142,280
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>		
Equity price collar <sup>2</sup>	535,092	275,255
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets	114,509	106,493
Listed fixed income securities <sup>3</sup>	1,346,790	1,487,341
Listed equity securities	574,778	204,163
Others investments	5,352	5,376
	<b>2,649,008</b>	<b>2,220,908</b>

Financial investments held outside the UAE amount to AED 2,254,800 thousand (31 December 2015: AED 1,853,511 thousand).

<sup>1</sup> During the period, the unquoted fund disposed of two investments, Alexandria International Container Terminals Company SAE and United Power Company SAOG. The Group's share of the sale consideration amounting to AED 76,983 thousand was accounted for as a capital reduction. Additionally, the Group received a dividend of AED 4,858 thousand (note 12) (30 September 2015: AED 7,566 thousand) and recognised a fair value gain of AED 7,190 thousand (30 September 2015: AED 9,328 thousand). The fund is classified as level 3 in the fair value hierarchy and a 5% increase/decrease in the NAV, impacts the fair value by AED 3,624 thousand (note 4b).

<sup>2</sup> On 24 August 2016, the Group replaced a portion of its collared financing secured over approximately 4 million shares in AerCap, extending the maturity by 2 years (note 9); consequently an amount of AED 12,872 thousand was reclassified from Other Comprehensive Income and expensed (note 12). The Group carries equity price collars on approximately 12.6% stake in AerCap, representing an investment of AED 257,557 thousand, at floor and cap prices in the range of US\$ 34.74 – 42.39 and US\$ 51.54 – 61.23 per share respectively. The equity price collars have been designated as cash flow hedging instruments, hedging the cash proceeds on a highly probable future sale of the shares, and accounted for at fair value through OCI. During the period, the Group recognised a gain of AED 215,348 thousand (30 September 2015: loss of AED 34,945 thousand) on cash flow hedges through other comprehensive income.

<sup>3</sup> Listed fixed income securities totalling AED 1,240,588 thousand (31 December 2015: AED 1,474,730 thousand) are pledged as security against the Group's borrowings under repurchase agreements. The repurchase agreements are subject to a master netting agreement. During the period, an amount of AED 218,608 thousand of listed fixed income securities acquired under repurchase agreements were repaid (note 9).

## Notes to the condensed consolidated financial statements (continued)

### 7 Trade and other receivables

	<b>30 September 2016 (Unaudited) AED `000</b>	31 December 2015 (Audited) AED `000
Trade receivables	128,654	175,292
Allowance for doubtful debts	(22,160)	(21,544)
Prepayments and advances	45,220	24,759
Accrued interest	67,670	62,673
Amounts set aside for prior years' dividends	38,279	39,420
Deposits under lien	35,000	35,000
Other receivables	23,437	33,077
	<b>316,100</b>	<b>348,677</b>

### 8 Share capital and dividend

On 23 March 2016, the Company held its Annual General Meeting which, among other things, approved a 20% cash dividend amounting to AED 370,341 thousand representing AED 0.20 per share (24 March 2015: cash dividend of AED 568,136 thousand representing AED 0.30 per share).

Pursuant to the ongoing share buyback program, as of 30 September 2016, the Company had bought 104,113,900 shares at AED 263,597 thousand (31 December 2015: 89,008,340 shares at AED 233,168 thousand) and carried the same as treasury shares.

The basic and diluted earnings per share for the current period ended 30 September 2016 has been calculated using the weighted average number of shares outstanding during the period after considering the effect of treasury shares.

	<b>Nine month period ended 30 September 2016 (Unaudited)</b>	Nine month period ended 30 September 2015 (Unaudited)	<b>Three month period ended 30 September 2016 (Unaudited)</b>	Three month period ended 30 September 2015 (Unaudited)
Profit for the period attributable to owners of the Company (AED `000s)	<b>387,684</b>	466,939	<b>81,829</b>	117,909
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (thousands)	<b>1,848,800</b>	1,891,309	<b>1,843,686</b>	1,876,994

## Notes to the condensed consolidated financial statements (continued)

### 9 Borrowings

The movement of borrowings is presented below:

	<b>Nine month period ended 30 September 2016 (Unaudited) AED `000</b>	Year ended 31 December 2015 (Audited) AED `000
At 1 January	5,322,255	5,063,599
Loans drawn-down	1,330,828	558,014
Loan arrangement and prepaid interest costs, net of amortisations	4,739	42,931
Loans repaid	(785,526)	(342,289)
	<b>5,872,296</b>	<b>5,322,255</b>

The investments and assets pledged to lenders as security against the Group's secured borrowings are the Group's interests in equity accounted associates and joint ventures (note 5), investment property, and certain financial investments (note 6).

Loans repaid during the period include AED 218,608 thousand relating to repurchase liabilities against the Group's listed fixed income securities (note 6).

On 15 August 2016, the Group completed the refinancing of its existing \$375 million secured revolving loan facility, replacing it with a 5 year \$500 million secured revolving loan facility. The facility is initially secured by a pledge over the Group's shareholding in Waha Land LLC and assignment of the Group's economic interests in National Petroleum Services. As at 30 September 2016, the Group had utilised AED 776,058 thousand (\$211,000 thousand) of the facility.

On 24 August 2016, the Group replaced a portion of its collared financing secured over approximately 4 million shares in Aercap, extending the maturity by 2 years (note 6). Consequently, an existing collared borrowing of AED 542,428 thousand was settled and a new 2 year collared borrowing of AED 507,827 thousand was recognised.

During the period, a Group member secured AED 426 million in a Murabaha-Ijara based financing for further development of its light industrial real estate project. As of 30 September 2016, an amount of AED 15,920 was drawn-down.

In addition, the Group has entered into a contract for the construction of this development with a commitment of AED 158.8 million.

### 10 Trade and other liabilities

	<b>30 September 2016 (Unaudited) AED `000</b>	31 December 2015 (Audited) AED `000
Trade payables	52,256	54,437
Interest accrued on borrowings	56,971	47,380
Derivative liabilities	36,185	50,542
End of service benefit provision	27,367	21,715
Dividends payable	40,993	42,133
Long term employee incentive	3,902	4,939
Other payables and accruals	106,275	135,221
	<b>323,949</b>	<b>356,367</b>

## Notes to the condensed consolidated financial statements (continued)

### 11 Revenue from sale of goods and services

	Nine month period ended 30 September 2016 (Unaudited) AED '000			Three month period ended 30 September 2016 (Unaudited) AED '000		
	Revenue	Cost of sale	Gross profit	Revenue	Cost of Sale	Gross profit
Sales of services	220,210	(116,425)	103,785	61,203	(40,062)	21,141
Rental income	23,987	(2,213)	21,774	8,065	(1,024)	7,041
Sale of inventory	46	(46)	-	26	(26)	-
	<b>244,243</b>	<b>(118,684)</b>	<b>125,559</b>	<b>69,294</b>	<b>(41,112)</b>	<b>28,182</b>

  

	Nine month period ended 30 September 2015 (Unaudited) AED '000			Three month period ended 30 September 2015 (Unaudited) AED '000		
	Revenue	Cost of sale	Gross profit	Revenue	Cost of Sale	Gross profit
Sales of services	178,120	(55,808)	122,312	58,126	(14,219)	43,907
Rental income	21,768	(910)	20,858	6,997	(381)	6,616
Sale of inventory	95	(95)	-	28	(28)	-
	<b>199,983</b>	<b>(56,813)</b>	<b>143,170</b>	<b>65,151</b>	<b>(14,628)</b>	<b>50,523</b>

Revenue and cost of sales of services are mainly attributable to the healthcare operations.  
Rental income and direct cost of sales relate to the Group's investment property.

### 12 Income from financial investments

	Nine month period ended 30 September 2016 (Unaudited) AED '000	Nine month period ended 30 September 2015 (Unaudited) AED '000 Restated*	Three month period ended 30 September 2016 (Unaudited) AED '000	Three month period ended 30 September 2015 (Unaudited) AED '000 Restated*
<b>Financial assets at FVTOCI</b>				
Unquoted fund - dividend income (note 6)	4,858	7,566	-	3,997
<b>Financial assets at amortised cost</b>				
Listed fixed income securities - interest income	-	2,539	-	-
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>				
Equity price collar – Reclassification of hedge reserve on extension	(12,872)	-	(12,872)	-
<b>Financial assets at fair value through profit or loss</b>				
Derivative assets	(13,336)	798	(5,456)	275
Listed fixed income securities	81,326	39,259	19,773	9,006
Listed equity securities	85,622	41,717	20,827	(10,042)
<b>Others <sup>1</sup></b>	<b>70,250</b>	<b>83,858</b>	<b>29,424</b>	<b>29,792</b>
	<b>215,848</b>	<b>175,737</b>	<b>51,696</b>	<b>33,028</b>

<sup>1</sup> Others include income from arranging, advising and administering capital financing on behalf of Waha Capital clients.

\* Income from financial investments line item aligns the profit or loss derived from the Group's financial investments. It includes amounts previously presented under the "Income from capital markets" line item, as well as "Dividend income from investments at FVTOCI" and "Fair value gain on derivatives designated at FVTPL" previously presented under the "other income, net" line item.

## Notes to the condensed consolidated financial statements (continued)

### 13 General and administrative expenses

	Nine month period ended 30 September 2016 (Unaudited) AED '000			Three month period ended 30 September 2016 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	88,507	74,018	162,525	27,974	25,234	53,208
Legal and other professional expenses	5,266	3,813	9,079	715	997	1,712
Depreciation	1,232	5,767	6,999	364	2,112	2,476
Amortisation of intangible assets	881	8,089	8,970	323	2,766	3,089
Other	19,854	80,502	100,356	10,526	24,841	35,367
	<b>115,740</b>	<b>172,189</b>	<b>287,929</b>	<b>39,902</b>	<b>55,950</b>	<b>95,852</b>

  

	Nine month period ended 30 September 2015 (Unaudited) AED '000			Three month period ended 30 September 2015 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	78,670	65,103	143,773	33,939	20,224	54,163
Legal and other professional expenses	6,316	3,727	10,043	1,151	1,507	2,658
Depreciation	2,484	291	2,775	891	65	956
Amortisation of intangible assets	46	9,756	9,802	27	1,411	1,438
Other	17,224	74,006	91,230	7,249	37,100	44,349
	<b>104,740</b>	<b>152,883</b>	<b>257,623</b>	<b>43,257</b>	<b>60,307</b>	<b>103,564</b>

### 14 Finance cost, net

	Nine month period ended 30 September 2016 (Unaudited) AED '000	Nine month period ended 30 September 2015 (Unaudited) AED '000	Three month period ended 30 September 2016 (Unaudited) AED '000	Three month period ended 30 September 2015 (Unaudited) AED '000
Interest on borrowings	48,001	30,842	17,160	10,830
Amortisation of loan arrangement costs	45,026	33,160	23,343	11,800
Interest earned on time deposits	(3,524)	(8,406)	(1,043)	(2,256)
	<b>89,503</b>	<b>55,596</b>	<b>39,460</b>	<b>20,374</b>

## Notes to the condensed consolidated financial statements (continued)

### 15 Related parties

Significant transactions with related parties:

Key management personnel compensation

	<b>Nine month period ended 30 September 2016 (Unaudited) AED '000</b>	Nine month period ended 30 September 2015 (Unaudited) AED '000	<b>Three month period ended 30 September 2016 (Unaudited) AED '000</b>	Three month period ended 30 September 2015 (Unaudited) AED '000
Salary and benefits	5,857	7,022	1,058	2,115
End of service benefits	415	504	74	178
	<b>6,272</b>	<b>7,526</b>	<b>1,132</b>	<b>2,293</b>

The Group has appointed an entity associated with one of the Company's independent Directors, on arm's length terms, as contractor for the construction of Stage 2a of the Group's Al Markaz industrial development. The construction contract amounts to AED 158.8 million, for which the Group has secured a Murabaha-Ijara based financing (note 9).

One of the Company's independent Directors has invested an amount of AED 11,034 thousand into the CEEMEA Fixed Income Fund on arms length basis, accounted for as a non-controlling interest.

Significant balances with related parties:

Loan investments provided to an associate amounted to AED 12,283 thousand as at 30 September 2016 (31 December 2015: AED 12,283 thousand).

## Notes to the condensed consolidated financial statements (continued)

### 16 Operating segments

During the first quarter of the current period, the Group realigned its operating segments following developments in key responsibilities of management and internal reporting. Following the realignment, the Principal Investments segment holds the Group's industrial real estate division and National Petroleum Services in addition to the Group's proprietary investments. The Asset Management – Private Equity segment holds the Group's healthcare investment, Anglo Arabian Healthcare. Comparative periods were restated accordingly.

The following table presents revenue and profit information for the Group's operating segments for the nine month period ended 30 September 2016 and 2015, respectively:

AED '000	Asset Management				
	Principal Investments	Private Equity	Capital Markets	Corporate	Consolidated
<b>Nine month period ended 30 September 2016</b>					
Revenue from sale of goods and services	24,032	220,211	-	-	244,243
Income from investment in equity-accounted investees, <i>net</i>	393,911	-	-	-	393,911
Income from financial investments	(7,596)	-	223,444	-	215,848
<b>Profit / (loss) for the period</b>	<b>406,113</b>	<b>(62,824)</b>	<b>185,570</b>	<b>(152,744)</b>	<b>376,115</b>
<b>Other comprehensive income</b>	<b>233,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,571</b>
Nine month period ended 30 September 2015 (Restated)					
Revenue from sale of goods and services	21,863	178,120	-	-	199,983
Income from investment in equity-accounted investees, <i>net</i>	460,970	-	-	-	460,970
Income from financial investments	8,104	-	167,633	-	175,737
Profit / (loss) for the period	459,535	(18,139)	141,581	(118,277)	464,700
Other comprehensive loss	(24,779)	-	-	-	(24,779)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (2015: nil).

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2016 and 31 December 2015, respectively:

AED '000	Asset Management				
	Principal Investments	Private Equity	Capital Markets	Corporate	Consolidated
<b>As at 30 September 2016</b>					
<b>Segment assets</b>	<b>7,029,235</b>	<b>362,761</b>	<b>2,629,295</b>	<b>469,181</b>	<b>10,490,472</b>
<b>Segment liabilities</b>	<b>38,874</b>	<b>97,179</b>	<b>1,309,973</b>	<b>4,750,219</b>	<b>6,196,245</b>
As at 31 December 2015 (Restated)					
Segment assets	5,907,658	352,848	2,452,318	893,112	9,605,936
Segment liabilities	43,511	98,928	1,542,513	3,993,670	5,678,622