

AL WAHA CAPITAL P.J.S.C.



الواحة كابيتال
Waha Capital

**Reports and interim financial information
for the nine-month period ended 30 September 2012**

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AL WAHA CAPITAL P.J.S.C.

Company Information

Board of Directors

Chairman	H.E. Hussain Jasim Al Nowais
Vice chairman	Mr. Abubaker Seddiq Al Khoori H.E. Saif Al Hajeri (resigned on 15 April 2012)
Directors	Mr. Ahmed Bin Ali Al Dhaheri (appointed on 15 April 2012) Mr. Carlos Obeld Mr. Fahad Saeed Al Raqbani Mr. Mansour Mohamed Al Mulla Mr. Salem Rashid Al Noalmi (appointed on 15 April 2012) Mr. Khaled Al Mass (resigned on 15 April 2012)

Managing Director Mr. Salem Rashid Al Noaimi

Head office P O Box 28922
4th Floor, Aseel Building
Six Towers, Al Bateen
Abu Dhabi
UAE

Auditors Deloitte & Touche (M.E.)
P O Box 990
11th Floor, Al Sila Tower
Al Sowwah Square
Abu Dhabi
UAE

Management discussion and analysis report

Waha Capital recorded a net profit attributable to owners of the Company of AED 27.5 million and AED 31.0 million during the three and nine-month periods ended 30 September 2012, respectively. Waha Capital's portfolio investments, such as New York-listed aircraft leasing company AerCap Holdings N.V., oil and gas services firm Stanford Marine Group, as well as the Company's financial advisory business continued to perform well against a backdrop of global macroeconomic uncertainty.

New York-listed AerCap Holdings is well positioned for growth, having arranged debt financing of USD 210 million in the third quarter, bringing total fund raising this year to USD 860 million. The Company, continued to grow its portfolio in the third quarter, taking delivery of eight aircraft and acquired three new Boeing 737-800 aircraft and a new Airbus A330-300, while selling five older aircraft. Its portfolio now totals 337 aircraft, either owned, on order or managed.

Waha Capital has chosen not to participate in any of AerCap's share buyback programmes and as a consequence, its stake in the company has increased to 24.6 percent, from 21.3 percent at the end of 2011.

Stanford Marine Group continues to see strong leasing demand for its vessels, recording a leasing rate of over 90% over the period. During the period, the company inaugurated its new state-of-the-art shipbuilding facility in Dubai Maritime City, which should allow significant additional capacity.

UAE-based consumer finance company, Dunia Finance, in which Waha Capital owns a 25% stake, continued its strong growth trajectory, recording a six-fold rise in net income in the first nine months of this year. In this period, Dunia's loan portfolio grew by 28 percent, funded mostly by a 60 percent increase in deposits.

Waha Land continues to see strong interest in its light industrial and warehousing development ALMARKAZ. Phase 1 of the project is due to complete in the final quarter of this year and is seeing strong leasing activity with tenants occupying and fitting out, ready for the commencement of operations.

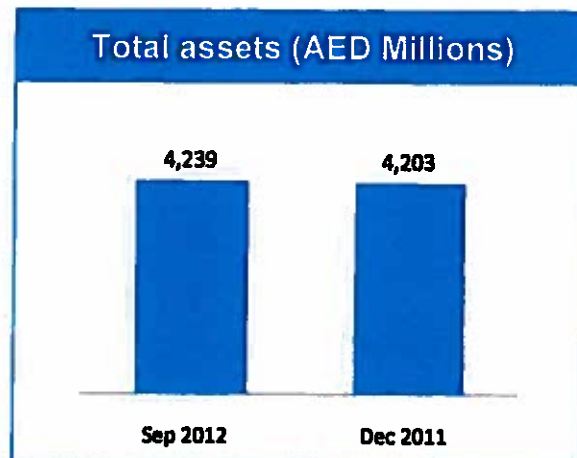
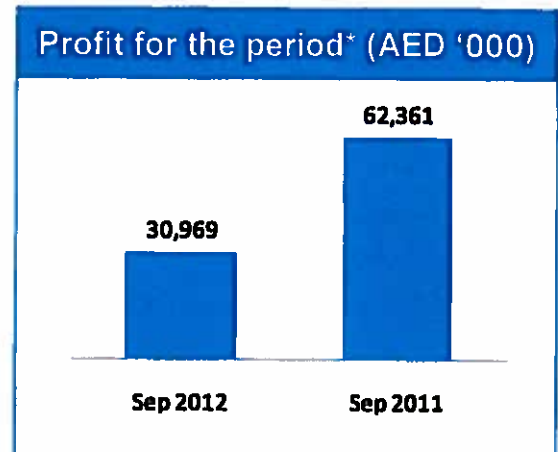
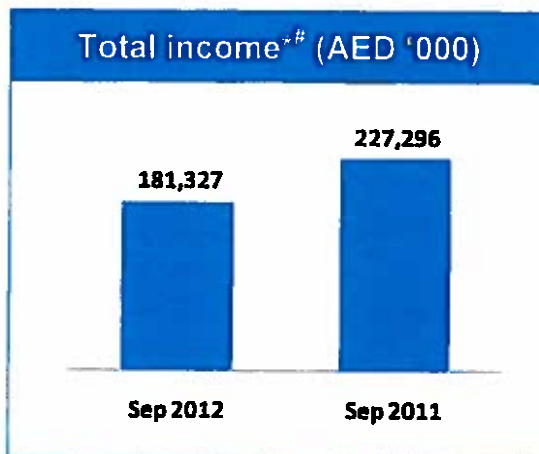
Operating and financial review

- The Group recorded net profit attributable to owners of the Company of AED 27.5 million during the three-month period ended 30 September 2012 compared to AED 26.6 million in the corresponding period of 2011.
- During the nine-month period ended 30 September 2012, the Group recorded net profit of AED 31.0 million compared to AED 62.4 million in the corresponding period of 2011, as a result of prudent provisioning in the first half of the year.
- The Group's total operating income, including income from operations and income from investments in associates, for the nine-month period ended 30 September 2012 was AED 181.3 million, compared to AED 227.3 million in the corresponding period in 2011.
- The Group's total operating and administrative expenses were AED 155.0 million compared to AED 163.7 million in the corresponding period of the previous year, a decline of AED 8.7 million.

Management discussion and analysis report (continued)

Operating and financial review (continued)

- The Group's total assets stood at AED 4.24 billion as at 30 September 2012, compared to AED 4.20 billion on 31 December 2011.
- As at 30 September 2012, the Group had investment and capital commitments of AED 123.2 million.
- Earnings per share were AED 0.016 during the nine-month period ended 30 September 2012, compared to AED 0.033 achieved during the corresponding period in 2011.



* Total income includes operating income, share of profit from equity-accounted investees and other income

* For the nine-month period ended 30 September 2012


Salem Rashid Al Noaimi
Managing Director

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, 2012 and the related condensed consolidated statements of income, 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 fair 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, "Interim Financial Reporting".

Other Matters

The Group's interim financial information as at 30 September 2011 and consolidated financial statements as at 31 December 2011 were reviewed and audited respectively by another auditor whose reports dated 27 October 2011 and 21 March 2012, respectively expressed an unqualified conclusion and unqualified audit opinion.

Deloitte & Touche (M.E.)



Mutasem M. Dajani
Registration Number 726
Abu Dhabi
11 November 2012



AL WAHA CAPITAL P.J.S.C.


Condensed consolidated statement of financial position

(All amounts in thousands of AED, unless otherwise stated)

	Note	As at 30 September 2012 (Reviewed)	As at 31 December 2011 (Audited)
Assets			
Investment property	6	755,249	551,942
Vessels		84,500	86,408
investments in finance leases		34,678	37,959
Loan investments	7	307,454	363,548
investments in equity-accounted investees	8	2,401,401	2,345,082
Investments available-for-sale	9	105,894	100,524
Furniture and equipment		6,048	4,981
Inventories		13,036	22,481
Financial assets at fair value through profit or loss	10	193,742	194,475
Cash-encumbered		25,001	17,952
Trade and other receivables	11	169,317	193,503
Cash and cash equivalents		142,909	284,029
Total assets		4,239,229	4,202,862
EQUITY AND LIABILITIES			
Equity			
Share capital		1,897,088	1,897,088
Statutory reserve		105,050	105,050
Available-for-sale reserve		(8,882)	(863)
Hedge reserve		(3,624)	-
Other reserves		(6,797)	1,061
Retained earnings		161,008	229,393
Equity attributable to the owners of the Company		2,143,843	2,231,929
Non-controlling interests		15,019	-
Total Equity		2,158,862	2,231,929
Liabilities			
Borrowings		1,786,313	1,623,562
Trade and other payables	12	294,054	347,371
Total Liabilities		2,080,367	1,970,933
Total equity and liabilities		4,239,229	4,202,862

The notes numbered 1 to 19 are an integral part of these condensed consolidated financial statements

These condensed consolidated financial statements were authorised for issue by the board of directors on 11 November 2012 and signed on their behalf by:



Chairman



Managing Director

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of income

For the nine-month period ended 30 September

(All amounts in thousands of AED, unless otherwise stated)

	Note	Nine-month period ended 30 September 2012 <i>(Reviewed)</i>	Nine-month period ended 30 September 2011 <i>(Reviewed)</i>	Three-month period ended 30 September 2012 <i>(Reviewed)</i>	Three-month period ended 30 September 2011 <i>(Reviewed)</i>
Operating Income	13	63,343	60,077	16,365	35,100
Share of profit from equity- accounted investees	8	117,984	147,219	52,815	44,385
Operating expenses	14	(92,793)	(93,907)	(23,279)	(32,624)
Administrative and other expenses		<u>(62,201)</u>	<u>(69,771)</u>	<u>(20,369)</u>	<u>(19,696)</u>
Operating profit		26,333	63,618	25,532	27,163
Other Income / (expense)		<u>3,989</u>	<u>(1,257)</u>	<u>1,771</u>	<u>(584)</u>
Profit for the period		<u>30,322</u>	<u>62,361</u>	<u>27,303</u>	<u>26,579</u>
Profit attributable to:					
Owners of the Company		30,969	62,361	27,491	26,579
Non-controlling interest		<u>(647)</u>	<u>-</u>	<u>(188)</u>	<u>-</u>
Profit for the period		<u>30,322</u>	<u>62,361</u>	<u>27,303</u>	<u>26,579</u>
Basic and diluted earnings per share (AED)	5	<u>0.016</u>	<u>0.033</u>	<u>0.015</u>	<u>0.014</u>

The notes numbered 1 to 19 are an integral part of these condensed consolidated financial statements

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of comprehensive income

For the nine-month period ended 30 September

(All amounts in thousands of AED, unless otherwise stated)

	Nine-month period ended 30 September 2012 <i>(Reviewed)</i>	Nine-month period ended 30 September 2011 <i>(Reviewed)</i>	Three-month period ended 30 September 2012 <i>(Reviewed)</i>	Three-month period ended 30 September 2011 <i>(Reviewed)</i>
Profit for the period	30,322	62,361	27,303	26,579
Other comprehensive (loss) / income				
Net change in fair value of available-for-sale financial assets	(8,219)	(3,020)	(3,811)	(6,324)
Share of effective portion of changes in fair value of cash flow hedges of equity-accounted investees	(3,624)	(3,027)	(1,632)	-
Share of change in other reserves of equity-accounted investees	(7,859)	463	(910)	(83)
Directors' fees	(4,500)	(9,000)	-	-
Total comprehensive income for the period	6,121	47,777	20,950	20,172
Total comprehensive income attributable to:				
Owners of the Company	6,768	47,777	21,138	20,172
Non-controlling interest	(647)	-	(188)	-
Total comprehensive income for the period	6,121	47,777	20,950	20,172

The notes numbered 1 to 19 are an integral part of these condensed consolidated financial statements

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of changes in equity

For the nine-month period ended 30 September

(All amounts in thousands of AED, unless otherwise stated)

	Share capital	Statutory reserve	Available-for-sale reserve	Hedge reserve	Other reserves	Retained earnings	Equity attributable to owners	Non-controlling interest	Total equity
At 1 January 2011	1,732,500	89,519	(29)	3,027	1,120	315,174	2,141,311	-	2,141,311
Profit for the period	-	-	-	-	-	62,361	62,361	-	62,361
Other comprehensive income	-	-	(3,020)	(3,027)	463	(9,000)	(14,584)	-	(14,584)
Total comprehensive income	-	-	(3,020)	(3,027)	463	53,361	47,777	-	47,777
Transactions with the owners of the Company, recognized directly in equity									
Dividend	164,588	-	-	-	-	(216,563)	(51,975)	-	(51,975)
At 30 September 2011	1,897,088	89,519	(3,049)	-	1,583	151,972	2,137,113	-	2,137,113
At 1 January 2012	1,897,088	105,050	(663)	-	1,061	229,393	2,231,929	-	2,231,929
Profit for the period	-	-	-	-	-	30,969	30,969	(647)	30,322
Other comprehensive income	-	-	(8,219)	(3,624)	(7,858)	(4,500)	(24,201)	-	(24,201)
Total comprehensive income	-	-	(8,219)	(3,624)	(7,858)	26,469	6,768	(647)	6,121
Transactions with the owners of the Company, recognized directly in equity									
Dividend	-	-	-	-	-	(94,854)	(94,854)	-	(94,854)
Non-controlling interest arising on acquisition of controlling interest in a subsidiary	-	-	-	-	-	-	-	15,666	15,666
At 30 September 2012	1,897,088	105,050	(8,882)	(3,624)	(6,797)	161,008	2,143,843	15,019	2,158,862

The notes numbered 1 to 19 are an integral part of these condensed consolidated financial statements.

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of cash flows

For the nine-month period ended 30 September

(All amounts in thousands of AED, unless otherwise stated)

	Nine-month period ended 30 September 2012 <i>(Reviewed)</i>	Nine-month period ended 30 September 2011 <i>(Reviewed)</i>
Cash flows from operating activities		
Profit for the period	30,322	62,361
Adjustments for:		
Depreciation	6,954	6,377
Interest on borrowings	46,114	44,810
(Gain) / loss on derivatives	(841)	(1,562)
(Gain) / loss on valuation of other financial assets at fair value through profit or loss	(2,436)	1,467
Interest on bank deposits	(1,552)	(81)
Interest income from loan investments	(9,826)	(19,484)
Interest income from investments in finance leases	(2,537)	(2,825)
Share of profit from equity-accounted investees	(117,984)	(147,219)
Gain on acquisition of a subsidiary	(476)	-
Provision for doubtful loans and receivables	15,978	-
Provision for slow moving and obsolete inventories	7,356	-
Directors' fees	(4,500)	(9,000)
Amortisation of loans and borrowings origination costs	9,069	13,859
Distribution from equity-accounted investees	15,010	4,940
Changes in working capital:		
Change in loan investments	27,380	55,366
Change in investments in finance leases	5,818	5,818
Change in inventories	2,089	44,480
Change in trade and other receivables	9,255	2,869
Change in trade and other payables	(36,230)	(34,745)
Net cash (used in) / generated from operating activities	(1,037)	27,431

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of cash flows (continued)

For the nine-month period ended 30 September

(All amounts in thousands of AED, unless otherwise stated)

	Nine-month period ended 30 September 2012 <i>(Reviewed)</i>	Nine-month period ended 30 September 2011 <i>(Reviewed)</i>
Cash flows from investing activities		
Consideration for acquisition of a subsidiary (net of cash)	46,260	-
Investment in equity accounted investees	(75)	(27,775)
Dry docking costs on vessels	(1,714)	(1,950)
Advance payment on acquisition of an investment	-	(6,500)
Proceeds from sale / settlement / dividend received on financial assets at fair value through profit or loss	3,169	4,837
Purchase of investments available-for-sale	(13,589)	(2,587)
Payments made for development of investment property	(210,503)	(129,212)
Acquisition of furniture and equipment	(158)	(428)
Movement in cash-encumbered	(7,049)	(3,222)
Interest received	1,552	81
Net cash used in investing activities	(182,107)	(166,756)
Cash flows from financing activities		
Loan origination costs paid	(220)	(38,067)
Dividend paid	(94,854)	(51,975)
Interest paid on borrowings	(39,146)	(42,634)
Loans obtained	183,900	1,323,344
Loans repaid	(7,856)	(1,113,844)
Net cash generated from financing activities	42,024	76,824
Net decrease in cash and cash equivalents	(141,120)	(62,501)
Cash and cash equivalents at 1 January	284,029	268,654
Cash and cash equivalents at 30 September	142,909	206,153

The notes numbered 1 to 19 form an integral part of the condensed consolidated financial statements

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements

(All amounts in thousands of AED, unless otherwise stated)

1 Reporting entity

Al Waha Capital P.J.S.C. (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.

The condensed consolidated financial statements for the nine-month period ended 30 September 2012 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities ("equity-accounted Investees").

The Group invests in the aerospace leasing and maritime sectors and is engaged in real estate development and financial services.

The Group's consolidated financial statements for the year ended 31 December 2011 are available on its website www.wahacapital.ae and also upon request at the Company's registered office at P.O. Box 28922, fourth floor, Aseel building, Six Towers, Al Bateen, Abu Dhabi, UAE.

2 Statement of compliance

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 2011.

3 Significant accounting policies and estimates

The significant accounting policies, risk management principles and methods of computation 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 2011.

The preparation of these condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates or assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant judgments, estimates and assumptions used in the preparation of these condensed consolidated financial statements are the same as those used for the year ended 31 December 2011.

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

3 Significant accounting policies and estimates (continued)

(a) New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to grouping items recognised in other comprehensive income	1 July 2012
IAS 19 <i>Employee Benefits</i> (as revised in 2011)	1 January 2013
IAS 27 <i>Separate Financial Statements</i> (as revised in 2011)	1 January 2013
IAS 28 <i>Investments in Associates and Joint Ventures</i> (as revised in 2011)	1 January 2013
Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> relating to accounting for government loans at below market interest rate	1 January 2013
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> relating to offsetting financial assets and liabilities	1 January 2013
IFRS 9 <i>Financial Instruments</i> (as amended in 2010)	1 January 2015
IFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
IFRS 11 <i>Joint Arrangements</i>	1 January 2013
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
IFRS 13 <i>Fair Value Measurement</i>	1 January 2013
Annual Improvements 2009 – 2011 Cycle covering amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34	1 January 2013
IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 11 <i>Joint Arrangements</i> , and IFRS 12 <i>Disclosure of interests in Other Entities</i> relating to requirements to provide comparative information	1 January 2013
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 12 <i>Disclosure of Interests in Other Entities</i> and IAS 27 <i>Separate Financial Statements</i> relating to investment entities and exemption of consolidation of particular subsidiaries	1 January 2014

Management anticipates that these amendments will be adopted in the consolidated financial statements for the initial period when they become effective. Management has not yet had the opportunity to consider the potential impact of the adoption of these amendments.

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

4 Consolidation

(a) Subsidiaries

The financial statements of the following companies (the "Subsidiaries") have been consolidated in these condensed consolidated financial statements.

Subsidiaries	Country of incorporation	Group's shareholding	
		30 Sep 2012	31 Dec 2011
Waha Leasing PJSC	UAE	100 %	100 %
Al Waha Land LLC	UAE	100 %	100 %
Al Waha Maritime LLC	UAE	100 %	100 %
Al Waha Marine Agency LLC ⁽¹⁾⁽²⁾	UAE	100 %	100 %
Al Waha Financial Investments LLC	UAE	100 %	100 %
Second Waha Lease Limited	Isle of Man	-	100 %
Third Waha Lease Limited	Isle of Man	-	100 %
Fourth Waha Lease Limited	Isle of Man	-	100 %
Fifth Waha Lease Limited	Isle of Man	100 %	100 %
Sixth Waha Lease Limited	Isle of Man	-	100 %
Seventh Waha Lease Limited	Isle of Man	-	100 %
Eighth Waha Lease Limited	Isle of Man	100 %	100 %
Ninth Waha Lease Limited	Isle of Man	100 %	100 %
Tenth Waha Lease Limited	Isle of Man	100 %	100 %
Eleventh Waha Lease Limited	Isle of Man	-	100 %
Twelfth Waha Lease Limited	Isle of Man	100 %	100 %
Fifteenth Waha Lease Limited	Isle of Man	100 %	100 %
Sixteenth Waha Lease Limited	Isle of Man	-	100 %
Oasis International Leasing (USA) Inc.	United States of America	-	100 %
Overstone Limited ¹	Republic of Ireland	-	100 %
Prunalla Trading Limited ¹	Republic of Cyprus	100 %	100 %
Charlie Fifteenth Lease Limited ¹	Cayman Islands	-	100 %
November RJ Lease Limited	Cayman Islands	100 %	100 %
Oscar RJ Lease Limited	Cayman Islands	100 %	100 %
Victor Lease Limited	Cayman Islands	-	100 %
Clearjet Lease Limited ¹	Republic of Ireland	-	100 %
Fastjet Lease Limited ¹	France	100 %	100 %

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

4 Consolidation (continued)

(a) Subsidiaries (continued)

Subsidiaries	Country of Incorporation	Group's shareholding	
		30 Sep 2012	31 Dec 2011
Henrik Lease Limited	Cayman Islands	-	100 %
Tamarind Lease Limited	Cayman Islands	100 %	100 %
Al Waha Lease (Ireland No 2) Limited	Republic of Ireland	100 %	100 %
Oasis investment No 1 Limited	Cayman Islands	100 %	100 %
Oasis investment No 2 Limited	Cayman Islands	100 %	100 %
Al Waha (Cayman 1) Lease Limited	Cayman Islands	-	100 %
Peninsula Investments Limited	Cayman Islands	100 %	100 %
OL SPV Limited ⁽¹⁾	Cayman Islands	100 %	100 %
Wahafiot Leasing 2 Limited	Republic of Cyprus	100 %	100 %
Waha Offshore Marine Services ⁽¹⁾	Cayman Islands	100 %	100 %
Waha AV Coöperatief U.A.	Netherlands	-	100 %
Waha AV Holdings B.V. ⁽¹⁾	Netherlands	-	100 %
Waha AV Participations BV ⁽¹⁾	Netherlands	-	100 %
Alpha Waha Mauritius 1 Limited	Mauritius	100 %	100 %
Alpha Waha Mauritius 2 Limited	Mauritius	100 %	100 %
Waha Aerospace Transaction Manager Limited	Cayman Islands	100 %	100 %
Waha Financial Services (Abu Dhabi) Limited ⁽³⁾	Cayman Islands	100 %	100 %
WFS Investment Management Company Limited ⁽¹⁾⁽⁴⁾	Cayman Islands	100 %	100 %
Waha I Limited ⁽¹⁾	Cayman Islands	100 %	100 %
Waha II Limited ⁽¹⁾	Cayman Islands	100 %	100 %
Waha Mermald Limited ⁽¹⁾	Cayman Islands	100 %	100 %
Al Waha Ship Investment LLC ⁽¹⁾	UAE	100 %	100 %
Waha AC Coöperatief U.A.	Netherlands	100 %	100 %
Siraj Finance Pr.JSC	UAE	83.3%	-

(1) Indirectly held through subsidiaries.

(2) Formerly known as Al Waha Special Maritime Units LLC

(3) Formerly known as WFS Derivatives Limited

(4) Formerly known as Waha Financial Services Derivatives Limited

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

4 Consolidation (continued)

(b) Investments in equity-accounted investees

Entities	Country of incorporation	Group's shareholding	
		30 September 2012	31 December 2011
<i>(i) Jointly controlled entities</i>			
Industrial City Cooling Company ("ICCC")	UAE	27.5%	27.5%
WOLF A340 LLC	United States of America	50 %	50 %
MENA Infrastructure Fund GP (Limited)	UAE	33.3 %	33.3 %
Dunia Finance LLC	UAE	25 %	25 %
Dunia Services FZ-LLC	UAE	25 %	-
Mena Holdings Limited	Cayman Islands	33.3%	33.3%
Aerlift Leasing Limited	Isle of Man	60.4%	60.4%
<i>(ii) Associates</i>			
Addax Bank BSC(c)	Bahrain	46.9%	46.9%
Abraaj Aqua SPV limited (indirectly held through OL SPV limited)	Cayman Islands	49%	49%
AerCap Holdings NV	Netherlands	24.6%	21.3%
Siraj Finance PrJSC	UAE	-	37.5%

During the period, the Group increased its stake in Siraj Finance PrJSC from 37.5% to 83.3% and paid a consideration of AED 42,447 in cash for the acquisition. As a result, the Group has obtained control over Siraj Finance PrJSC and consequently has consolidated its results in the current period financial statements as opposed to equity accounting method followed in the prior year. Based on management's internal assessment, the amount of consideration paid approximates the fair value of the net identifiable assets, liabilities and contingencies acquired. The net movement in cash flows on acquisition of Siraj Finance PrJSC is as stated below.

Cash consideration paid	(42,447)
Cash acquired from Siraj Finance PrJSC as at the acquisition date	88,707
Net cash flow on acquisition in Siraj Finance PrJSC	46,260

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

5 Basic and diluted earnings per share

Earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding (including stock dividend) during the period.

	Nine-month period ended 30 September 2012 (Reviewed)	Nine-month period ended 30 September 2011 (Reviewed)	Three-month period ended 30 September 2012 (Reviewed)	Three-month period ended 30 September 2011 (Reviewed)
Profit attributable to ordinary shareholders	<u>30,969</u>	<u>62,361</u>	<u>27,491</u>	<u>26,579</u>
Number of ordinary shares issued	<u>1,897,087,500</u>	<u>1,897,087,500</u>	<u>1,897,087,500</u>	<u>1,897,087,500</u>
Basic and diluted earnings per share (AED)	<u>0.016</u>	<u>0.033</u>	<u>0.015</u>	<u>0.014</u>

6 Investment property

	Nine-month period ended 30 September 2012 (Reviewed)	Year ended 31 December 2011 (Audited)
At 1 January	551,942	274,260
Additions during the period/year*	<u>203,307</u>	<u>277,682</u>
	<u>755,249</u>	<u>551,942</u>

*includes borrowing cost of AED 12,816 (31 December 2011: AED 4,598).

7 Loan investments

Loan investments represent the Group's interest in loan portfolios and loans provided to an equity-accounted investee. A loan provided to an equity accounted investee amounting to AED 58,848 which was due to be repaid on 7 October 2012 was rescheduled to be repaid on 7 January 2013. The decrease in loan investments during the year is mainly due to repayments.

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Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

8 Investments in equity-accounted investees

The movement of investment in equity-accounted investees is presented below:

	Nine-month period ended 30 September 2012 <i>(Reviewed)</i>	Year ended 31 December 2011 <i>(Audited)</i>
As at 1 January	2,345,062	2,202,662
Additions during the period/year	75	37,774
Transfers (note 4(b))	(35,228)	-
Share of profit for the period/year	117,984	113,517
Share of equity reserves for the period/year	(11,482)	(3,086)
Distributions received during the period/year	(15,010)	(5,805)
	<u>2,401,401</u>	<u>2,345,062</u>

9 Investments available-for-sale

Investments available-for-sale represent investment in a fund registered in the UAE and managed by the Group. The carrying amount represents the net asset value of the investment as at the reporting date. Movement during the current period represents further investment of AED 13,589 (2011: AED 2,587) and fair value loss of AED 8,219 (2011: AED 6,324).

10 Financial assets at fair value through profit or loss

	30 September 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
Derivative assets	180,779	183,389
Others investments	12,963	11,086
	<u>193,742</u>	<u>194,475</u>

11 Trade and other receivables

	30 September 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
Trade receivables	85,450	98,594
Prepayments and advances	14,025	28,052
Accrued interest	32,280	27,787
Other receivables	37,562	39,070
	<u>169,317</u>	<u>193,503</u>

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

12 Trade and other payables

	30 September 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
Trade payables	828	1,033
Interest accrued on borrowings	23,525	16,557
Derivative liabilities*	149,424	144,267
Other payables and accruals**	120,277	185,514
	<u>294,054</u>	<u>347,371</u>

*Trade and other payables are stated at amortised cost except for derivative liabilities which are stated at fair value.

** The Group's accrual has reduced significantly due to payments to contractors for development of investment properties. These capital expenditures were incurred and accrued for in the previous year and were paid during the current period.

13 Operating income

	Nine- month period ended 30 September 2012 <i>(Reviewed)</i>	Nine- month period ended 30 September 2011 <i>(Reviewed)</i>
Operating lease income	-	1,171
Interest income from finance leases	2,537	2,825
Charter income	19,218	19,446
Sales of inventory	2,146	17,173
Interest income from loan investments	9,826	19,484
Fair value gain on derivatives	841	1,958
Transaction service fees*	19,309	10,442
Other operating income	9,466	7,578
	<u>63,343</u>	<u>80,077</u>

*Transaction service fees represent fees generated from the arrangement and management of financing on behalf of clients. Such fees do not accrue over time but are recognized in the income statement entirely as and when they become due to the Group.

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Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

14 Operating costs

	Nine- month period ended 30 September 2012 (Reviewed)	Nine- month period ended 30 September 2011 (Reviewed)
Interest on borrowings	46,114	44,811
Depreciation on vessels and operating lease assets	3,620	3,496
Amortisation of loans and borrowings origination costs	9,069	13,837
Impairment of operating lease assets	-	1,402
Provision for slow moving and obsolete inventories	7,356	-
Provision for doubtful loans and receivables	15,978	-
Asset management expenses	10,656	30,361
	<u>92,793</u>	<u>93,907</u>

15 Related Parties

Significant transactions with related parties during the period include:

Key management personnel compensation

	Nine- month period ended 30 September 2012 (Reviewed)	Nine-month period ended 30 September 2011 (Reviewed)	Three-month period ended 30 September 2012 (Reviewed)	Three-month period ended 30 September 2011 (Reviewed)
Salary and benefits	6,875	6,730	2,209	2,112
End of service benefits	394	422	131	141
	<u>7,269</u>	<u>7,152</u>	<u>2,340</u>	<u>2,253</u>

Other transactions with related parties

Interest income from loan investments	-	3,399	-	146
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Significant balances with related parties

	30 September 2012 (Reviewed)	31 December 2011 (Audited)
Loan investments provided to an associate	72,778	73,281
Trade and other receivables from an associate	12,719	12,719

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

16 Operating segment reporting

The Group has 4 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Managing Director reviews internal management reports on, at least, a monthly basis.

Leasing

The leasing segment represents the Group's investments primarily in the aviation sector.

Maritime

The maritime segment represents the Group's operations and investments in the maritime sector.

Financial services

Financial services represent the Group's operations in financial services and investments in various financial institutions.

Real estate

The real estate segment represents the Group's operations in a real estate development project.

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

16 Segment reporting (continued)

	Leasing		Real estate		Financial services		Maritime		Corporate		Eliminations		Consolidated	
	30 September		30 September		30 September		30 September		30 September		30 September		30 September	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Operating income	7,838	33,170	-	-	35,942	27,107	19,563	19,800	-	-	-	-	63,343	80,077
Share of (loss) / profits from equity-accounted investees	121,260	113,278	-	-	7,639	38	(10,915)	33,903	-	-	-	-	117,984	147,219
Segment result	101,462	110,060	(4,304)	(4,851)	11,605	9,146	(10,494)	27,837	(67,967)	(78,831)	-	-	30,322	62,361

All amounts for the nine-month period ended 30 September 2012 and 2011 are reviewed.

	Leasing		Real estate		Financial services		Maritime		Corporate		Consolidated	
	30 September		31 Dec		30 September		31 Dec		30 September		31 Dec	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Segment assets	2,151,727	2,126,737	763,790	577,408	912,661	854,043	326,757	341,167	84,294	303,507	4,239,229	4,202,862
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

(All amounts in thousands of AED, unless otherwise stated)

17 Capital commitments and Contingencies

At the reporting date, the Group has investment commitments to a fund of AED 58,217 (31 December 2011: AED 48,469) and capital commitments of AED 65,010 (31 December 2011: AED 233,062) with respect to the development of Phase 1 of Al Markaz project.

The group has entered into a five-year operating lease arrangement for new office space effective 9 September 2012. Annual lease payments are paid in advance. Following is the future lease payment schedule:

	30 September 2012 (Reviewed)	31 December 2011 (Audited)
Due within 1 year	3,139	-
Due between 2 to 5 years	8,417	-
	12,556	-

18 Comparative information

Certain comparative figures have been reclassified, where necessary, to conform to the presentation adopted in these condensed consolidated financial statements. Transaction costs previously presented as Project Costs separately in the 2011 annual consolidated financial statements, were reclassified and presented net of borrowings or as loan investments as applicable so as to align the current presentation of financial statements with the requirements of the applicable International Financial Reporting Standards. The reclassified items from Statement of financial position pre and post reclassification as at 31 December 2011 are stated below:

	Pre- reclassification	Post- reclassification
Loan investments	362,825	363,548
Project Costs	30,274	-
Borrowings	1,653,113	1,623,562

