

**AL WAHA CAPITAL P.J.S.C.**



الواحة كابيتال  
Waha Capital

**Reports and condensed consolidated  
interim financial statements  
for the three-month period ended 31 March 2012**

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# AL WAHA CAPITAL P.J.S.C.

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## Company Information

### Board of Directors

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

**Chief executive officer** 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  
11<sup>th</sup> Floor, Al Sila Tower  
Al Sowwah Square  
Abu Dhabi  
UAE

## Management discussion and analysis report

Waha Capital continued building on its solid 2011 performance during the three month period ended 31 March 2012 through its continued efforts to expand its strong investment base in Abu Dhabi, the UAE and globally. Waha Capital firmly believes it has developed a diversified business group equipped to deliver sustained growth and long term value to its stakeholders.

New York-listed AerCap Holdings N.V., in which Waha Capital owns 21.3 percent, witnessed an active quarter during which it signed new lease agreements for nine aircraft, delivered six aircraft under contracted lease agreements and purchased five new aircraft. The aircraft leasing company also closed the sale of four aircraft and signed agreements for USD 311 million of debt facilities.

During the three month period ended 31 March 2012, Waha has continued to perform strongly in the offshore oil and gas services sector. We continue to witness a pick-up in business and tendering activity and are confident our vessels will be fully deployed throughout the year with various charterers in the UAE.

The first phase of ALMARKAZ, a high-quality industrial real estate project operated and wholly owned by Waha Land L.L.C. is now almost complete. The initial phase of the project comprises 90,000 m<sup>2</sup> of multi-purpose space and is aimed at providing light industrial businesses flexible and affordable warehousing and storage facilities with state-of-the-art infrastructure.

Dunia Finance, in which Waha Capital owns a 25 percent stake, continued its robust performance and recorded a 25% increase in net profit from the previous quarter.

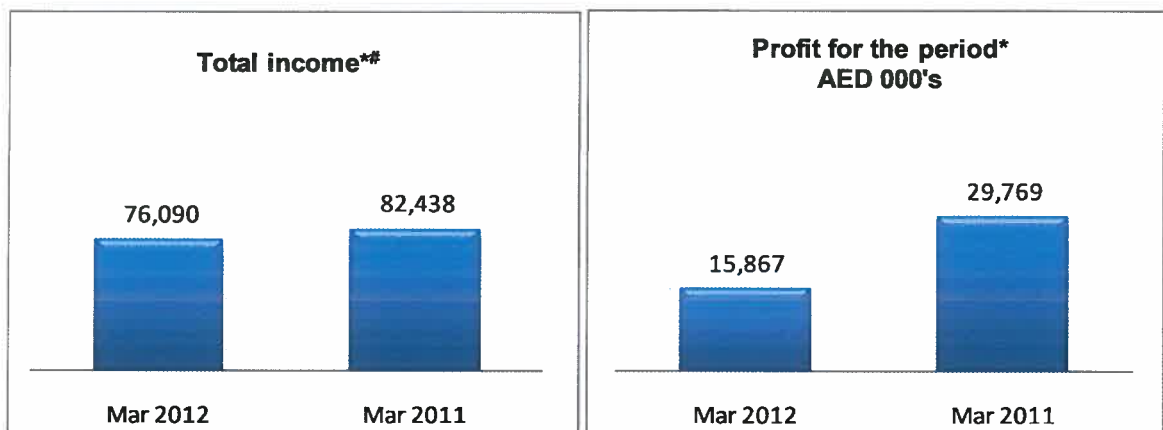
Waha Capital is actively looking to invest in selected sectors in which we have expertise, can add value and achieve attractive returns, while maintaining a prudent approach to financial management. We continue to increase efficiency in the way we manage our assets, and further develop our relationships with key stakeholders in Abu Dhabi, the region, and with partners in the wider investment community.

- The group recorded net income of AED 15.9 million during the three month period ended 31 March 2012, a decrease of 47 percent from AED 29.8 million achieved during the corresponding period in 2011 driven mainly by a one-off gain on sale of an investment in the prior period.
- The Group's total income, including operating income, income from investments in associates and other income, for the three-month period ended 31 March 2012 was AED 76.1 million, down 8 percent from the corresponding period in 2011 driven mainly by a one-off gain on sale of an investment in the prior period.
- The Group's total expenses were AED 60.5 million compared to AED 52.7 million in the corresponding period of the previous year, representing a 15 percent increase. The increase is primarily attributable to a provision taken in the current period on an existing asset.

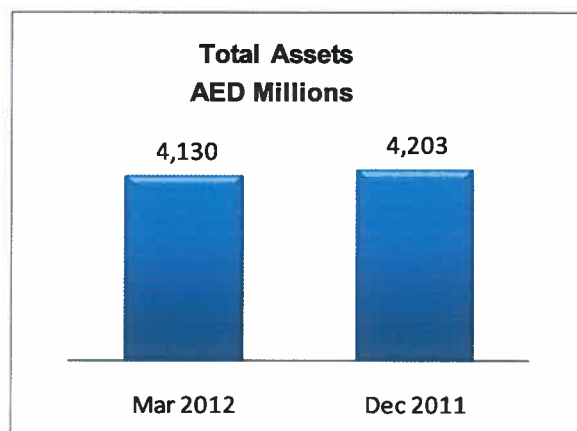
# AL WAHA CAPITAL P.J.S.C.

## Management discussion and analysis report (continued)

- The Group's total assets were AED 4.1 billion as at 31 March 2012 compared to AED 4.2 billion as of 31 December 2011, mainly due to the settlement of current payables and the deleveraging of certain loan balances.
- As at 31 March 2012, the Group had investment commitments of AED 24.8 million and capital commitments with respect to Al Markaz of AED 172.5 million, which will be met through internal cash funding and established credit facilities.
- Earnings per share on an adjusted basis were AED 0.01 during the three month period ended 31 March 2012, compared to AED 0.02 achieved during the corresponding period in 2011.



# Total income includes operating income, share of profit from equity accounted investees and other income  
\* for three-month period ended



Salem Rashid Al Noaimi  
Chief Executive Officer

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Board of Directors  
Al Waha Capital P.J.S.C.  
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 of March 31, 2012 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated 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 condensed consolidated 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 condensed consolidated information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

### *Other Matters*

The Group's interim condensed consolidated financial information as at March 31, 2011 and consolidated financial statements as at 31 December 2011 were reviewed and audited respectively by another auditor whose reports dated 24 April 2011 and 21 March 2012, respectively expressed an unqualified conclusion and unqualified audit opinion.

Deloitte & Touche (M.E.)



Saba Y. Sindaha  
Registration No. 410  
Abu Dhabi  
8 May 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 31 March 2012 (Reviewed)	As at 31 December 2011 (Audited)
<b>Assets</b>			
Investment property	6	669,768	551,942
Vessels		85,239	86,406
Investments in finance leases		36,890	37,959
Loan investments	7	310,692	363,548
Investments in equity accounted investees	8	2,350,390	2,345,062
Investments available-for-sale	9	122,149	100,524
Furniture and equipment		8,151	4,981
Inventories		21,062	22,481
Financial assets at fair value through profit or loss	10	164,900	194,475
Cash-encumbered		19,151	17,952
Trade and other receivables		183,577	193,503
Cash and cash equivalents		158,022	284,029
<b>Total assets</b>		<b>4,129,991</b>	<b>4,202,862</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	1,897,088	1,897,088
Statutory reserve		105,050	105,050
Fair value reserve		(7,955)	398
Hedge reserve		(1,992)	-
Retained earnings		245,260	229,393
<b>Equity attributable to the owners of the Company</b>		<b>2,237,451</b>	<b>2,231,929</b>
Non-controlling interests		15,902	-
<b>Total Equity</b>		<b>2,253,353</b>	<b>2,231,929</b>
<b>Liabilities</b>			
Borrowings		1,601,928	1,623,562
Trade and other payables	12	274,710	347,371
		<b>1,876,638</b>	<b>1,970,933</b>
<b>Total equity and liabilities</b>		<b>4,129,991</b>	<b>4,202,862</b>

The notes numbered 1 to 20 are an integral part of these interim condensed consolidated financial statements.

These condensed consolidated interim financial statements were authorised for issue by the board of directors on 8 May 2012 and signed on their behalf by:



Chairman



Chief Executive Officer

# AL WAHA CAPITAL P.J.S.C.

## Condensed consolidated income statement

For the three-month period ended 31 March

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

	Note	Three-month period ended 31 March 2012 <i>(Reviewed)</i>	Three-month period ended 31 March 2011 <i>(Reviewed)</i>
Operating income	13	13,861	23,091
Share of profit from equity accounted investees	8	59,906	60,327
Operating expenses	14	(39,537)	(33,401)
Administrative and other expenses		(20,930)	(19,268)
<b>Operating profit</b>		13,300	30,749
Other income/(expense)		2,323	(980)
<b>Profit for the period</b>		15,623	29,769
<b>Profit attributable to:</b>			
Owners of the Company		15,867	29,769
Non-controlling interest		(244)	-
<b>Profit for the period</b>		15,623	29,769
<b>Basic and diluted earnings per share (AED)</b>	5	0.01	0.02

The notes numbered 1 to 20 are an integral part of these condensed consolidated interim financial statements



# AL WAHA CAPITAL P.J.S.C.

## Condensed consolidated statement of comprehensive income

For the three-month period ended 31 March

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

	Three- month period ended 31 March 2012 <i>(Reviewed)</i>	Three- month period ended 31 March 2011 <i>(Reviewed)</i>
<b>Profit for the period</b>	15,623	29,769
<b>Other comprehensive (loss)/income</b>		
Net change in fair value of available-for-sale financial assets	(1,997)	2,045
Share of reserves of investments in equity accounted investees	(6,356)	-
Share of effective portion of changes in fair value of cash flow hedges of equity accounted investees	(1,992)	(3,027)
Directors' fees	-	(9,000)
<b>Total comprehensive income for the period</b>	<u>5,278</u>	<u>19,787</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	5,522	19,787
Non-controlling interest	(244)	-
<b>Total comprehensive income for the period</b>	<u>5,278</u>	<u>19,787</u>

The notes numbered 1 to 20 are an integral part of these condensed consolidated interim financial statements

# AL WAHA CAPITAL P.J.S.C.

## Condensed consolidated statement of changes in equity

For the three-month period ended 31 March 2012

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

	Share capital	Stock dividend reserve	Statutory reserve	Hedge reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total
At 1 January 2011	1,732,500	-	89,519	3,027	1,091	315,174	2,141,311	-	2,141,311
Total comprehensive income	-	-	-	(3,027)	2,045	20,769	19,787	-	19,787
<b>Transactions with the owners of the Company, recognized directly in equity</b>									
Dividend	-	164,588	-	-	-	(216,563)	(51,975)	-	(51,975)
At 31 March 2011	1,732,500	164,588	89,519	-	3,136	119,380	2,109,123	-	2,109,123
At 1 January 2012	1,897,088	-	105,050	-	398	229,393	2,231,929	-	2,231,929
Total comprehensive income	-	-	-	(1,992)	(8,353)	15,867	5,522	(244)	5,278
<b>Transactions with the owners of the Company, recognized directly in equity</b>									
Non-controlling interest	-	-	-	-	-	-	-	16,146	16,146
At 31 March 2012	1,897,088	-	105,050	(1,992)	(7,955)	245,260	2,237,451	15,902	2,253,353

The notes numbered 1 to 20 are an integral part of these condensed consolidated interim financial statements

# AL WAHA CAPITAL P.J.S.C.

## Condensed consolidated statement of cash flows

For the three-month period ended 31 March

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

	Three-month period ended 31 March 2012 <i>(Reviewed)</i>	Three-month period ended 31 March 2011 <i>(Reviewed)</i>
<b>Cash flows from operating activities</b>		
Profit for the period	15,623	29,769
<i>Adjustments for:</i>		
Depreciation	2,297	2,989
Interest on borrowings	15,249	13,867
(Gain) / loss on derivatives	(385)	(563)
Interest on bank deposits	(1,013)	(30)
Interest income from loan investments	(3,313)	(7,002)
Interest income from investments in finance leases	(871)	(964)
Share of profit from investments in equity accounted investees	(59,906)	(60,327)
Gain on acquisition of a subsidiary	(480)	-
Provision for doubtful loans / receivables	15,978	-
Directors' fees	-	(9,000)
Amortisation of loans and borrowings origination costs	3,081	5,721
(Gain)/loss on valuation of financial assets at fair value through profit or loss	(1,310)	1,000
Payments received from loan investments	17,499	23,129
Payments received from investment in finance leases	1,940	1,939
Distribution from equity accounted investees	11,002	497
Changes in working capital:		
Change in inventories	1,419	5,374
Change in trade and other receivables	439	17,521
Change in trade and other payables	(2,451)	(21,271)
<b>Net cash generated from operating activities</b>	<b>14,798</b>	<b>2,649</b>

# AL WAHA CAPITAL P.J.S.C.

## Condensed consolidated statement of cash flows (continued)

For the three-month period ended 31 March

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

	Three-month period ended 31 March 2012 <i>(Reviewed)</i>	Three-month period ended 31 March 2011 <i>(Reviewed)</i>
<b>Cash flows from investing activities</b>		
Consideration for acquisition of a subsidiary (net of cash)	46,745	-
Loans provided	-	(6,500)
Proceeds from sale / settlement / dividend received on financial assets at fair value through profit or loss	4,646	-
Purchase of investments available-for-sale	(23,622)	-
Payments made for development of investment property	(148,495)	(36,597)
Purchase of other fixed assets	(57)	(159)
Movement in cash-encumbered	(1,199)	(1,884)
Interest received	308	30
<b>Net cash used in investing activities</b>	<b>(121,674)</b>	<b>(45,110)</b>
<b>Cash flows from financing activities</b>		
Loan origination costs paid	-	(5,517)
Interest paid on borrowings	(17,116)	(12,921)
Loans repaid	(2,015)	(1,360)
<b>Net cash used in financing activities</b>	<b>(19,131)</b>	<b>(19,798)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(126,007)</b>	<b>(62,259)</b>
Cash and cash equivalents at 1 January	284,029	268,654
<b>Cash and cash equivalents at 31 March</b>	<b>158,022</b>	<b>206,395</b>

The notes numbered 1 to 20 form an integral part of the condensed consolidated interim financial statement

## Notes to the condensed consolidated interim 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 interim financial statements for the three-month period ended 31 March 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](http://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 interim 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 interim 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 interim 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 interim financial statements are the same as those used for the year ended 31 December 2011, except that the attributable share of the results of one publically listed associate, where the relevant information is unavailable due to legal restrictions, is based on the estimated profit run rate of the previous quarter. The difference between estimated and actual results for this associate will be recorded in the following quarter.

# AL WAHA CAPITAL P.J.S.C.

## Notes to the condensed consolidated interim 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:

<b>New and revised IFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to IAS 1 <i>Presentation of Financial Statements</i> : relating to grouping items recognised in other comprehensive income	1 July 2012
IAS 27 <i>Separate Financial Statements</i> (revised in 2011)	1 January 2013
IAS 28 <i>Investments in Associates and Joint Ventures</i> (revised in 2011)	1 January 2013
Amendments to IAS 32 <i>Financial Instruments: Presentation</i> relating to offsetting financial assets and liabilities	1 January 2014
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> relating to offsetting financial assets and liabilities	1 January 2013
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

Management anticipates that these amendments will be adopted in the condensed consolidated interim 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.

### 4 Consolidation

#### (a) Subsidiaries

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

<b>Subsidiaries</b>	<b>Country of incorporation</b>	<b>Group's shareholding</b>	
		<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
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**	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 %

# AL WAHA CAPITAL P.J.S.C.

## Notes to the condensed consolidated interim 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	
		31 Mar 2012	31 Dec 2011
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 %
Ovenstone Limited *	Republic of Ireland	100 %	100 %
Prunalia Trading Limited *	Republic of Cyprus	100 %	100 %
Charlie Fifteenth Lease Limited *	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 *	Republic of Ireland	100 %	100 %
Fastjet Lease Limited *	France	100 %	100 %
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 *	Cayman Islands	100 %	100 %
Wahafлот Leasing 2 Limited	Republic of Cyprus	100 %	100 %
Waha Offshore Marine Services *	Cayman Islands	100 %	100 %
Waha AV Coöperatief U.A.	Netherlands	100 %	100 %
Waha AV Holdings B.V.*	Netherlands	100 %	100 %

# AL WAHA CAPITAL P.J.S.C.

## Notes to the condensed consolidated interim 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	
		31 Mar 2012	31 Dec 2011
Waha AV Participations BV *	Netherlands	100 %	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	Cayman Islands	100 %	100 %
WFS Investment Management Company Limited <sup>#</sup>	Cayman Islands	100 %	100 %
Waha I Limited *	Cayman Islands	100 %	100 %
Waha II Limited *	Cayman Islands	100 %	100 %
Waha Mermaid Limited *	Cayman Islands	100 %	100 %
Al Waha Ship Investment LLC *	UAE	100 %	100 %
Waha AC Coöperatief U.A.	Netherlands	100 %	100 %
Siraj Finance PJSC	UAE	82.8%	-

\* Indirectly held through subsidiaries.

<sup>#</sup> Formerly known as Waha Financial Services Derivatives Limited.

\*\* Formerly known as Al Waha Special Maritime Units LLC.

#### (b) Investments in equity accounted investees

Entities	Country of incorporation	Group's shareholding	
		31 Mar 2012	31 Dec 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 %
Mena Holdings Limited	Cayman Islands	33.3%	33.3%
Aerlift Leasing Limited	Isle of Man	60.4%	60.4%



# AL WAHA CAPITAL P.J.S.C.

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

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

### 4 Consolidation (continued)

#### (b) Investments in equity accounted investees (continued)

Entities	Country of incorporation	Group's shareholding	
		31 Mar 2012	31 Dec 2011
<i>(ii) Associates</i>			
Addax Bank BSC	Bahrain	46.9%	46.9%
Abraaj Aqua SPV limited (indirectly held through OL SPV limited)	Cayman Islands	49%	49%
AerCap Holdings NV	Netherlands	21.3%	21.3%
Siraj Finance PJSC	UAE	-	37.5%

During the period, the Group increased its stake in Siraj Finance PJSC from 37.5% to 82.8% and paid a consideration of AED 41,962 in cash for the acquisition. As a result, the Group has obtained control over Siraj Finance PJSC 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 PJSC is as stated below.

Cash consideration paid	(41,962)
Cash acquired from Siraj Finance PJSC as at the acquisition date	88,707
Net cash flow on acquisition in Siraj Finance PJSC	46,745

### 5 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.

	Three-month period ended 31 March 2012 <i>(Reviewed)</i>	Three-month period ended 31 March 2011 <i>(Reviewed)</i>
Profit attributable to ordinary shareholders	15,623	29,769
Number of ordinary shares issued	1,897,087,500	1,897,087,500
Earnings per share (AED)	0.01	0.02

# AL WAHA CAPITAL P.J.S.C.

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

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

### 6 Investment property

	31 March 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
At 1 January	551,942	274,260
Additions during the period/year*	117,826	277,682
	<u>669,768</u>	<u>551,942</u>

\*includes borrowing cost of AED 3,898 (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. During the period, loan loss provisions of AED 15,978 were taken on loan investment and cash amounting to AED 13,086 was collected from loan investments.

### 8 Investments in equity accounted investees

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

	31 March 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
As at 1 January	2,345,062	2,202,662
Additions during the period/year	-	37,774
Transfers (note 4(b))	(35,228)	-
Share of profit for the period/year	59,906	113,517
Share of equity reserves	(8,348)	(3,086)
Distributions received during the period/year	(11,002)	(5,805)
	<u>2,350,390</u>	<u>2,345,062</u>

### 9 Investments available-for-sale

Investments available-for-sale represents investment in a fund registered in the UAE and managed by a related party (note 16). The carrying amount represents the net asset value of the investment as at the reporting date. Movement during the current period represent further investment of AED 23,622 and fair value loss of AED 1,997.

# AL WAHA CAPITAL P.J.S.C.

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

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

### 10 Financial assets at fair value through profit or loss

	31 March 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
Derivative assets	152,504	183,389
Others investments	12,396	11,086
	<u>164,900</u>	<u>194,475</u>

The movement in derivative assets is due to settlements and revaluation.

### 11 Share capital

	31 March 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
<b>Authorised, issued and fully paid up capital:</b>		
1,897,087,500 shares (2011: 1,897,087,500 shares) of AED 1 each	<u>1,897,088</u>	<u>1,897,088</u>

### 12 Trade and other payables

	31 March 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
Trade payables	27,631	1,033
Interest accrued on borrowings	18,588	16,557
Derivative liabilities*	117,643	144,267
Other payables and accruals**	110,848	185,514
	<u>274,710</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 period.

# AL WAHA CAPITAL P.J.S.C.

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

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

### 13 Operating income

	Three- month period ended 31 March 2012 <i>(Reviewed)</i>	Three- month period ended 31 March 2011 <i>(Reviewed)</i>
Interest income from finance leases	871	964
Charter income	6,588	6,762
Sales	1,419	5,375
Interest income from loan investments	3,313	7,002
Fair value gain on derivatives	385	10
Other operating income	1,285	2,978
	<u>13,861</u>	<u>23,091</u>

### 14 Operating costs

	Three- month period ended 31 March 2012 <i>(Reviewed)</i>	Three- month period ended 31 March 2011 <i>(Reviewed)</i>
Interest on borrowings	15,249	13,867
Depreciation on operating lease assets and vessels	1,167	1,962
Amortisation of loans and borrowings origination costs	3,081	5,699
Provision for doubtful loans and receivables	15,978	-
Asset management expenses	4,062	11,873
	<u>39,537</u>	<u>33,401</u>

### 15 Subsequent events

Subsequent to the three month reporting period, the annual general meeting was held on 15 April 2012 where the shareholders approved a Board remuneration of AED 4,500 and cash dividend of AED 94,854.

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

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

### 16 Related party transactions

Significant transactions with related parties during the period include:

#### *Key management personnel compensation*

	31 March 2012 (Reviewed)	31 March 2011 (Reviewed)
Salaries and benefits	2,616	2,383
End of service benefits	131	138
	<u>2,747</u>	<u>2,521</u>

#### *Others*

The Group has invested AED 23,622 (31 December 2011: AED 33,070) during the period in a fund managed by a related party.

Interest accrued on loans to equity-accounted investees is AED Nil (31 December 2011: AED 1,597).

Loans and receivables include balances due from equity-accounted investees of AED 85,966 (31 December 2011: AED 86,000).

### 17 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 CEO 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 interim financial statements (continued)

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

### 17 Segment reporting (continued)

	Leasing		Real estate		Financial services		Maritime		Corporate		Eliminations		Consolidated	
	31 March		31 March		31 March		31 March		31 March		31 March		31 March	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Operating income	3,565	11,702	-	-	3,654	4,524	6,642	6,865	-	-	-	-	13,861	23,091
Share of (loss) / profits from investments in equity accounted investees	66,471	50,935	-	-	7,989	(2,863)	(14,554)	12,255	-	-	-	-	59,906	60,327
Segment result	51,963	53,504	(1,821)	(1,279)	1,461	(3,935)	(14,282)	9,020	(21,454)	(27,541)	-	-	15,867	29,769

All amounts for the three-month period ended 31 March 2012 and 2011 are reviewed.

	Leasing		Real estate		Financial services		Maritime		Corporate		Consolidated	
	31 Mar		31 Mar		31 Mar		31 Mar		31 Mar		31 Mar	
	2012	31 Dec 2011	2012	31 Dec 2011	2012	31 Dec 2011	2012	31 Dec 2011	2012	31 Dec 2011	2012	31 Dec 2011
Segment assets	2,118,289	2,126,737	684,709	577,408	912,964	854,043	325,945	341,167	88,084	303,507	4,129,991	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 interim financial statements (continued)

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

### 18 Capital commitments

At the reporting date, the Group has investment commitments to a fund managed by a related party of AED 24,848 (31 December 2011: AED 48,469) and capital commitments of AED 172,525 (31 December 2011: AED 233,062).

### 19 Comparative information

Certain comparative figures have been reclassified, where necessary, to conform to the presentation adopted in these condensed consolidated interim financial statements. Project cost which were disclosed separately in the 2011 annual consolidated financial statements have been classified as loan investments or borrowings 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:

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

**Notes to the condensed consolidated interim financial statements (continued)**

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

**20 Other disclosures**

The Group's exposure in certain assets is classified as domestic (UAE) or foreign as explained below:

	Domestic		Foreign		Total	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Vessels	85,239	86,406	-	-	85,239	86,406
Investments in finance leases	-	-	36,890	37,959	36,890	37,959
Investment in equity accounted investees	316,436	364,467	2,033,954	1,980,595	2,350,390	2,345,062
Loan investments	-	-	310,692	362,825	310,692	362,825
Inventories	858	858	20,204	21,623	21,062	22,481
Investments available-for-sale	122,149	100,524	-	-	122,149	100,524
Financial assets at fair value through profit or loss	12,397	11,086	152,503	183,389	164,900	194,475
	<b>537,079</b>	<b>563,341</b>	<b>2,554,243</b>	<b>2,586,391</b>	<b>3,091,322</b>	<b>3,149,732</b>
	Domestic		Foreign		Total	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Cash-encumbered	19,151	17,952	-	-	19,151	17,952
Cash and cash equivalents	156,883	282,890	1,139	1,139	158,022	284,029
	<b>176,034</b>	<b>300,842</b>	<b>1,139</b>	<b>1,139</b>	<b>177,173</b>	<b>301,981</b>