

AL WAHA CAPITAL P.J.S.C.



الواحة كابيتال
Waha Capital

**Reports and condensed consolidated
interim financial statements
for the six-month period ended 30 June 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 Obeid Mr. Fahad Saeed Al Raqbani Mr. Mansour Mohamed Al Mulla Mr. Salem Rashid Al Noaimi (appointed on 15 April 2012) Mr. Khaled Al Mass (resigned 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
P O Box 990
11th 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 six-month period ended 30 June 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.

During the six-month period ended 30 June 2012, Waha's core investments such as New York-listed aircraft leasing company AerCap N.V. and oil and gas services firm Stanford Marine Group have continued to perform well against an uncertain global macroeconomic backdrop. Waha's financial advisory business delivered sound results, while the performance of the company's wholly owned subsidiary operating in the oil gas services sector remained solid during the period.

AerCap Holdings N.V.

AerCap had an active first half of 2012, taking delivery of 17 new aircraft. The company's fleet at the end of June 2012 stood at 347 aircraft and is well on track to purchase almost \$1.0 billion worth of aircraft this year. Following on from its share repurchasing programme in 2011, AerCap announced and commenced in Q2 2012 a further share repurchase programme worth \$130 million scheduled to run until the end of 2012. Waha, currently with a stake of 22.22% in AerCap, has not yet decided whether to participate in this year's programme.

Stanford Marine Group

Stanford Marine Group (SMG) experienced a robust operating performance in the first half of 2012 during which the company took delivery of two vessels and expanded operations to East Africa, successfully tendering for a new contract in Tanzania. Furthermore, Grandweld, SMG's shipbuilding arm, established a new ship repair division in Fujairah which has already been awarded new contracts.

Dunia Finance

UAE-based consumer finance company, Dunia Finance, continued to experience impressive business growth during the period. The company recorded double digit loan book expansion, supported by growth in its institutional deposit base, resulting in increased revenue and asset quality.

Waha Land

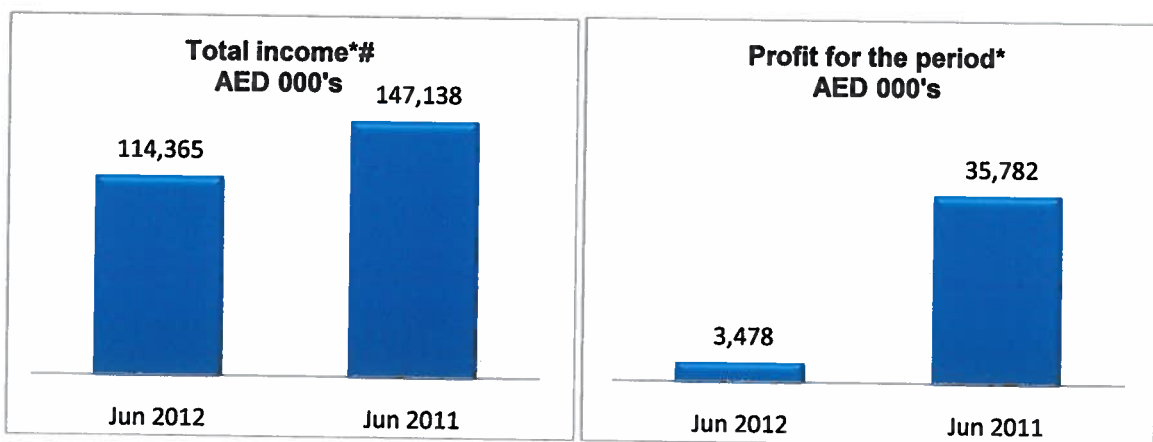
Waha Land's light industrial real estate project, ALMARKAZ, began leasing activity in the first quarter of this year. To date, 10 percent of its 90,000 sqm of space has already been reserved by prospective tenants.

Operating and financial review

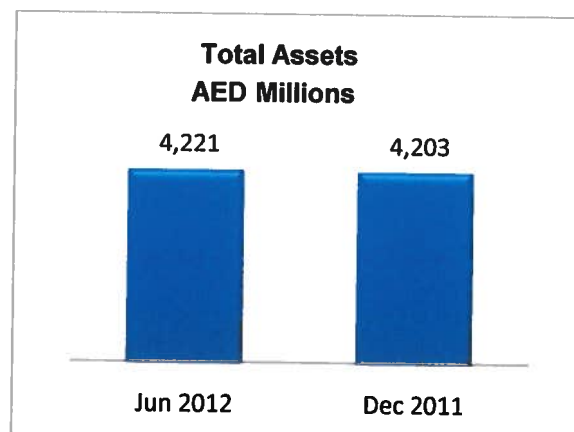
- The Group recorded net income of AED 3.5 million during the six-month period ended 30 June 2012, a decline from AED 35.8 million achieved during the corresponding period in 2011. The decline was driven mainly by a one-off gain on sale of investment in the first half of 2011 and provisions taken on some assets in the first half of this year.
- The Group's total operating income, including income from operations and income from investments in associates, for the six-month period ended 30 June 2012 was AED 112.1 million, down 24 percent from the corresponding period in 2011 driven mainly by a one-off gain on sale of investment in the prior period and provisions taken on some assets in the current period.

Management discussion and analysis report (continued)

- The Group's total operating expenses were AED 111.3 million compared to AED 111.4 million in the corresponding period of the previous year, broadly unchanged.
- The Group's total assets stood at AED 4.2 billion as at 30 June 2012, unchanged from 31 December 2011.
- As at 30 June 2012, the Group had investment commitments of AED 24.4 million and capital commitments with respect to Al Markaz of AED 93.5 million.
- Earnings per share on an adjusted basis were AED 0.00 during the six-month period ended 30 June 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 six-month period ended




Salem Rashid Al Noaimi
Chief Executive Officer

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 of June 30, 2012 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-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 30 June 2011 and consolidated financial statements as at 31 December 2011 were reviewed and audited respectively by another auditor whose reports dated 28 July 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
31 July 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 June 2012 (Reviewed)	As at 31 December 2011 (Audited)
Assets			
Investment property	6	722,935	551,942
Vessels		84,759	86,406
Investments in finance leases		35,797	37,959
Loan investments	7	309,093	363,548
Investments in equity-accounted investees	8	2,353,867	2,345,062
Investments available-for-sale	9	109,162	100,524
Furniture and equipment		7,092	4,981
Inventories		13,494	22,481
Financial assets at fair value through profit or loss	10	195,844	194,475
Cash-encumbered		23,344	17,952
Trade and other receivables		188,870	193,503
Cash and cash equivalents		177,187	284,029
Total assets		4,221,444	4,202,862
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,897,088	1,897,088
Statutory reserve		105,050	105,050
Fair value reserve		(10,958)	398
Hedge reserve		(1,992)	-
Retained earnings		133,517	229,393
Equity attributable to the owners of the Company		2,122,705	2,231,929
Non-controlling interests		15,655	-
Total Equity		2,138,360	2,231,929
Liabilities			
Borrowings		1,784,051	1,623,562
Trade and other payables	12	299,033	347,371
		2,083,084	1,970,933
Total equity and liabilities		4,221,444	4,202,862

The notes numbered 1 to 19 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 31 July 2012 and signed on their behalf by:



Chairman



Chief Executive Officer

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated income statement

For the six-month period ended 30 June

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

	Note	Six-month period ended 30 June 2012 <i>(Reviewed)</i>	Six-month period ended 30 June 2011 <i>(Reviewed)</i>	Three month period ended 30 June 2012 <i>(Reviewed)</i>	Three month period ended 30 June 2011 <i>(Reviewed)</i>
Operating income	13	46,978	44,977	33,117	21,886
Share of profit from equity- accounted investees	8	65,169	102,834	5,263	42,507
Operating expenses	14	(69,514)	(61,283)	(29,977)	(27,882)
Administrative and other expenses		<u>(41,832)</u>	<u>(50,073)</u>	<u>(20,902)</u>	<u>(30,805)</u>
Operating profit / (loss)		801	36,455	(12,499)	5,706
Other income / (expense)		<u>2,218</u>	<u>(673)</u>	<u>(105)</u>	<u>307</u>
Profit / (loss) for the period		<u>3,019</u>	<u>35,782</u>	<u>(12,604)</u>	<u>6,013</u>
Profit / (loss) attributable to:					
Owners of the Company		3,478	35,782	(12,389)	6,013
Non-controlling interest		<u>(459)</u>	<u>-</u>	<u>(215)</u>	<u>-</u>
Profit / (loss) for the period		<u>3,019</u>	<u>35,782</u>	<u>(12,604)</u>	<u>6,013</u>
Basic and diluted earnings per share (AED)	5	<u>0.00</u>	<u>0.02</u>	<u>(0.01)</u>	<u>0.00</u>

The notes numbered 1 to 19 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 six-month period ended 30 June

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

	Six-month period ended 30 June 2012 <i>(Reviewed)</i>	Six-month period ended 30 June 2011 <i>(Reviewed)</i>	Three-month period ended 30 June 2012 <i>(Reviewed)</i>	Three-month period ended 30 June 2011 <i>(Reviewed)</i>
Profit / (loss) for the period	3,019	35,782	(12,604)	6,013
Other comprehensive (loss) / income				
Net change in fair value of available-for-sale financial assets	(4,408)	3,850	(2,411)	1,805
Share of effective portion of changes in fair value of cash flow hedges of equity-accounted investees	(1,992)	(3,027)	-	-
Share of change in other reserves of equity-accounted investees	(6,948)	-	(592)	-
Directors' fees	(4,500)	(9,000)	(4,500)	-
Total comprehensive (loss) / income for the period	(14,829)	27,605	(20,107)	7,818
Total comprehensive (loss) / income attributable to:				
Owners of the Company	(14,370)	27,605	(19,892)	7,818
Non-controlling interest	(459)	-	(215)	-
Total comprehensive (loss) / income for the period	(14,829)	27,605	(20,107)	7,818

The notes numbered 1 to 19 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 six-month period ended 30 June

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

	Share capital	Statutory reserve	Hedge reserve	Fair value reserve	Retained earnings	Equity attributable to owners	Non-controlling interest	Total equity
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)	3,850	26,782	27,605	-	27,605
Transactions with the owners of the Company, recognized directly in equity								
Dividend	164,588	-	-	-	(216,563)	(51,975)	-	(51,975)
At 30 June 2011	1,897,088	89,519	-	4,941	125,393	2,116,941	-	2,116,941
At 1 January 2012	1,897,088	105,050	-	398	229,393	2,231,929	-	2,231,929
Total comprehensive income	-	-	(1,992)	(11,356)	(1,022)	(14,370)	(459)	(14,829)
Transactions with the owners of the Company, recognized directly in equity								
Dividend	-	-	-	-	(94,854)	(94,854)	-	(94,854)
Non-controlling interest	-	-	-	-	-	-	16,114	16,114
At 30 June 2012	1,897,088	105,050	(1,992)	(10,958)	133,517	2,122,705	15,655	2,138,360

The notes numbered 1 to 19 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 six-month period ended 30 June

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

	Six-month period ended 30 June 2012 <i>(Reviewed)</i>	Six-month period ended 30 June 2011 <i>(Reviewed)</i>
Cash flows from operating activities		
Profit for the period	3,019	35,782
<i>Adjustments for:</i>		
Depreciation	4,624	4,342
Interest on borrowings	30,397	28,031
(Gain) / loss on derivatives	(748)	(1,115)
(Gain) / loss on valuation of other financial assets at fair value through profit or loss	(550)	847
Interest on bank deposits	(1,357)	(44)
Interest income from loan investments	(6,548)	(15,275)
Interest income from investments in finance leases	(1,717)	(1,906)
Share of profit from equity-accounted investees	(65,169)	(102,834)
Gain on acquisition of a subsidiary	(481)	-
Provision for doubtful loans / receivables	15,978	-
Impairment of operating lease assets	7,356	-
Directors' fees	(4,500)	(9,000)
Amortisation of loans and borrowings origination costs	6,062	10,885
Payments received from loan investments	20,255	25,393
Payments received from investment in finance leases	3,879	3,879
Distribution from equity-accounted investees	12,196	4,168
Changes in working capital:		
Change in inventories	1,631	36,092
Change in trade and other receivables	(6,274)	9,130
Change in trade and other payables	(7,330)	(27,532)
Net cash generated from operating activities	10,723	843

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of cash flows (continued)

For the six-month period ended 30 June

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

	Six-month period ended 30 June 2012 <i>(Reviewed)</i>	Six-month period ended 30 June 2011 <i>(Reviewed)</i>
Cash flows from investing activities		
Consideration for acquisition of a subsidiary (net of cash)	46,714	-
Dry docking costs on vessels	(713)	(1,950)
Loans provided	-	(6,500)
Proceeds from sale / settlement / dividend received on financial assets at fair value through profit or loss	4,646	50
Purchase of investments available-for-sale	(13,045)	-
Payments made for development of investment property	(198,623)	(91,569)
Purchase of other fixed assets	(132)	(242)
Movement in cash-encumbered	(5,392)	(4,877)
Interest received	513	44
Net cash used in investing activities	(166,032)	(105,044)
Cash flows from financing activities		
Loan origination costs paid	(220)	(38,067)
Dividend paid	(94,854)	(51,975)
Interest paid on borrowings	(33,841)	(25,753)
Loans obtained	183,900	1,175,121
Loans repaid	(6,518)	(1,107,064)
Net cash from / (used in) financing activities	48,467	(47,738)
Net decrease in cash and cash equivalents	(106,842)	(151,939)
Cash and cash equivalents at 1 January	284,029	268,654
Cash and cash equivalents at 30 June	177,187	116,715

The notes numbered 1 to 19 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 six-month period ended 30 June 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 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.

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:

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 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 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
Amendment to IFRS 7 <i>Financial Instruments: Disclosures</i> relating to transition to IFRS 9 (or otherwise when IFRS 9 is first applied)	1 January 2015
IFRS 9 <i>Financial Instruments</i> (as revised 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

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.

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

(a) Subsidiaries

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

Subsidiaries	Country of incorporation	Group's shareholding	
		30 June 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 %
Ovenstone Limited (1)	Republic of Ireland	100 %	100 %
Prunalia 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 %	100 %
Fastjet Lease Limited (1)	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 %

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	
		30 June 2012	31 Dec 2011
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 %
Wahafлот 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 Mermaid 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 PrJSC	UAE	82.8%	-

(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 interim 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 June 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%

Entities	Country of incorporation	Group's shareholding	
		30 June 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	22.2%	21.3%
Siraj Finance PrJSC	UAE	-	37.5%

During the period, the Group increased its stake in Siraj Finance PrJSC from 37.5% to 82.8% and paid a consideration of AED 41,993 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.

	AED '000
Cash consideration paid	(41,993)
Cash acquired from Siraj Finance PrJSC as at the acquisition date	88,707
Net cash flow on acquisition in Siraj Finance PrJSC	<u>46,714</u>

Notes to the condensed consolidated interim financial statements (continued)

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

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.

	Six-month period ended 30 June 2012 (Reviewed)	Six-month period ended 30 June 2011 (Reviewed)	Three-month period ended 30 June 2012 (Reviewed)	Three-month period ended 30 June 2011 (Reviewed)
Profit attributable to ordinary shareholders	<u>3,019</u>	<u>35,782</u>	<u>(12,604)</u>	<u>6,013</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>
Earnings per share (AED)	<u>0.00</u>	<u>0.02</u>	<u>(0.01)</u>	<u>0.00</u>

6 Investment property

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
At 1 January	<u>551,942</u>	274,260
Additions during the period/year*	<u>170,993</u>	277,682
	<u>722,935</u>	551,942

*includes borrowing cost of AED 8,339 (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 June 2012 was rescheduled to be repaid on 7 December 2012.

Notes to the condensed consolidated interim 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:

	Six-month period ended 30 June 2012 (Reviewed)	Year ended 31 December 2011 (Audited)
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	65,169	113,517
Share of equity reserves	(8,940)	(3,086)
Distributions received during the period/year	(12,196)	(5,805)
	<u>2,353,867</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 a related party (note 15). 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 13,046 and fair value loss of AED 4,408.

10 Financial assets at fair value through profit or loss

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Derivative assets	184,207	183,389
Others investments	11,637	11,086
	<u>195,844</u>	<u>194,475</u>

11 Share capital

	30 June 2012 (Reviewed)	31 December 2011 (Audited)
Authorised, issued and fully paid up capital:		
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>

Notes to the condensed consolidated interim financial statements (continued)

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

12 Trade and other payables

	30 June 2012 <i>(Reviewed)</i>	31 December 2011 <i>(Audited)</i>
Trade payables	16,399	1,033
Interest accrued on borrowings	21,452	16,557
Derivative liabilities*	148,984	144,267
Other payables and accruals**	112,198	185,514
	<u>299,033</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.

13 Operating income

	Six- month period ended 30 June 2012 <i>(Reviewed)</i>	Six- month period ended 30 June 2011 <i>(Reviewed)</i>
Operating lease income	-	1,171
Interest income from finance leases	1,717	1,906
Charter income	12,789	12,861
Sales of inventory	1,849	8,785
Interest income from loan investments	6,548	15,275
Fair value gain on derivatives	748	1,115
Transaction service fees*	19,310	-
Other operating income	4,017	3,864
	<u>46,978</u>	<u>44,977</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.

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)

14 Operating costs

	Six- month period ended 30 June 2012 (Reviewed)	Six- month period ended 30 June 2011 (Reviewed)
Interest on borrowings	30,397	28,031
Depreciation on operating lease assets and vessels	2,360	2,304
Amortisation of loans and borrowings origination costs	6,062	10,864
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	7,361	18,682
	<u>69,514</u>	<u>61,283</u>

15 Related party transactions

Significant transactions with related parties during the period include:

Key management personnel compensation

	Six- month period ended 30 June 2012 (Reviewed)	Six-month period ended 30 June 2011 (Reviewed)	Three-month period ended 30 June 2012 (Reviewed)	Three-month period ended 30 June 2011 (Reviewed)
Salary and benefits	4,666	4,618	2,050	2,235
End of service benefits	263	281	132	143
	<u>4,929</u>	<u>4,899</u>	<u>2,182</u>	<u>2,378</u>

Others

The Group has invested AED 37,745 (31 December 2011: AED 33,070) during the period in a fund managed by an associated company of the Group.

Interest accrued on loans during the period to equity-accounted investees is AED Nil (30 June 2011: AED 3,253).

Loans and receivables include balances due from equity-accounted investees of AED 85,497 (31 December 2011: AED 86,000).

Notes to the condensed consolidated interim 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 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)

16 Segment reporting (continued)

	Leasing		Real estate		Financial services		Maritime		Corporate		Eliminations		Consolidated	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011	30 June 2012	30 June 2011	30 June 2012	30 June 2011	30 June 2012	30 June 2011	30 June 2012	30 June 2011	30 June 2012	30 June 2011
Operating income	5,708	22,773	-	-	28,259	9,154	13,011	13,050	-	-	-	-	46,978	44,977
Share of (loss) / profits from equity-accounted investees	76,118	88,842	-	-	3,273	(2,714)	(14,222)	16,706	-	-	-	-	65,169	102,834
Segment result	55,472	86,316	(3,307)	(3,864)	10,220	(5,261)	(13,926)	11,746	(45,440)	(53,155)	-	-	3,019	35,782

All amounts for the six-month period ended 30 June 2012 and 2011 are reviewed.

	Leasing		Real estate		Financial services		Maritime		Corporate		Consolidated	
	30 June 2012	31 Dec 2011	30 June 2012	31 Dec 2011	30 June 2012	31 Dec 2011	30 June 2012	31 Dec 2011	30 June 2012	31 Dec 2011	30 June 2012	31 Dec 2011
Segment assets	2,113,180	2,126,737	734,858	577,408	934,389	854,043	323,374	341,167	115,643	303,507	4,221,444	4,202,862

Notes to the condensed consolidated interim financial statements (continued)

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

17 Capital commitments

At the reporting date, the Group has investment commitments to a fund managed by a related party of AED 24,352 (31 December 2011: AED 48,469) and capital commitments of AED 93,452 (31 December 2011: AED 233,062) with respect to the development of Phase 1 of Al Markaz project.

18 Comparative information

Certain comparative figures have been reclassified, where necessary, to conform to the presentation adopted in these condensed consolidated interim 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:

	<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

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)

19 Other disclosures

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

	Domestic		Foreign		Total	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Vessels	84,759	86,406	-	-	84,759	86,406
Investments in finance leases	-	-	35,797	37,959	35,797	37,959
Investment in equity-accounted investees	321,703	364,467	2,032,164	1,980,595	2,353,867	2,345,062
Loan investments	-	-	309,093	363,548	309,093	363,548
Inventories	1,076	858	12,418	21,623	13,494	22,481
Investments available-for-sale	109,162	100,524	-	-	109,162	100,524
Financial assets at fair value through profit or loss	11,638	11,086	184,206	183,389	195,844	194,475
	528,338	563,341	2,573,678	2,587,114	3,102,016	3,150,455

	Domestic		Foreign		Total	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Cash-encumbered	23,344	17,952	-	-	23,344	17,952
Cash and cash equivalents	176,048	282,890	1,139	1,139	177,187	284,029
	199,392	300,842	1,139	1,139	200,531	301,981