

AL WAHA CAPITAL P.J.S.C.

*(Formerly known as Oasis International Leasing
Company P.J.S.C.)*



الواحة كابيتال
Waha Capital

Interim Condensed Consolidated Financial Statements

for the six month period ended 30 June 2008

AL WAHA CAPITAL P.J.S.C

Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2008

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AL WAHA CAPITAL P.J.S.C.

Company Information

Board of Directors

Chairman H.E. Hussain Al Nowais

Vice Chairman H.E. Khalil M.S. Foulathi

Directors
Mr. Abubaker Khouri
Mr. Carlos Obeid
Mr. Fahad Saeed Al Raqbani
Mr. Saif Al Hajeri
Mr. Waleed Al Mokarrab Al Muhairi

Chief Executive Officer Mr. Samer Alhaj

Head Office
P O Box 28922
The ADNIC Building
Khalifa Street
Abu Dhabi
UAE

Auditors
KPMG
P O Box 7613
16th Floor, Falcon Tower
Al Nasr Street
Abu Dhabi
UAE

AL WAHA CAPITAL P.J.S.C.

Operations and Financial Review (First half of 2008)

Commentary

Following the February launch of the “new” Waha Capital and announcement of our ambitious multi-sector strategy, the first half of 2008 witnessed our focused efforts to lay down the building blocks for a strong base of human talent and core investments across our various business sectors. This preliminary phase, which will continue for the rest of 2008, is where we build and prepare for the full implementation of our strategy, which is poised to take advantage of the flourishing investment climate in Abu Dhabi and the UAE in general.

Our acquisition of a strategic stake in a company in the maritime sector and the recently announced partnership with Mubadala Development Company to set up a new finance company based in Abu Dhabi, are testament to our focused efforts in implementing our strategy, which is designed to create value for our shareholders.

Operating performance and investments

- Revenue (including share of profits of associates) increased to AED272.4m compared to AED212.5m during the first half of 2007.
- Operating costs together with administrative and other expenses rose by 42.7% to AED226.2m from AED158.5m in the corresponding period in 2007, reflecting the increased business activities of the Group and investment in building a platform for growth.
- The net profit increased by 9.5% to AED66.8m as compared to AED60.9m during the corresponding period in the previous year.
- During 2008, operating assets of the Group increased to AED4,592.7m, which represents an increase of 5.6% as compared to operating assets as at 31st December 2007.

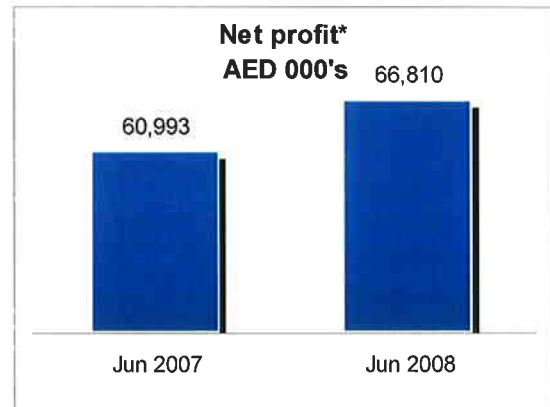
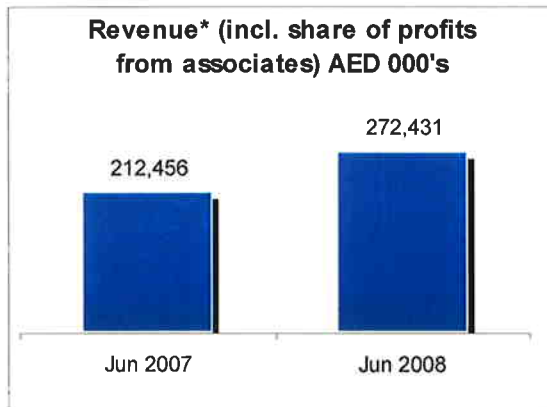
Highlights

- Increase in revenue was contributed primarily by the increase in income from aircraft operating leases and finance leases and the increase in share of profits from investments in associates.
- As at 30 June 2008, Waha has investment commitments of AED328m, indicating increase in business activity during the rest of the year.
- Two aircraft were sold to a lessee who exercised the buyout option in the lease.

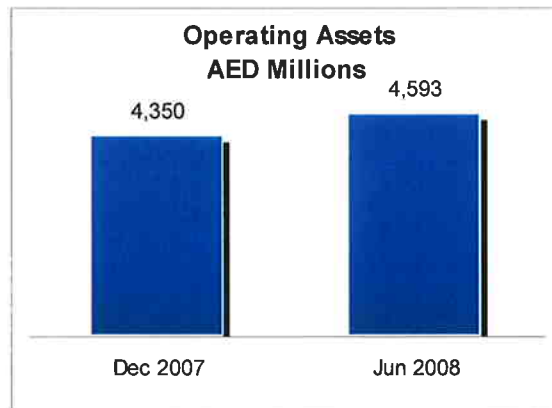
AL WAHA CAPITAL P.J.S.C.

Operations and Financial Review (continued)

Certain Key Performance Indicators



** for six months period ended*



Chief Executive Officer



KPMG Lower Gulf Limited
Abu Dhabi Branch
P O Box 7613
Abu Dhabi
United Arab Emirates

Telephone +971 (2) 6343 318
Fax +971 (2) 6327 612
Website www.ae-kpmg.com

Independent Review Report on the Interim Condensed Consolidated Financial Information

To the Shareholders
Al Waha Capital P.J.S.C.
P O Box 28922
The ADNIC Building
Khalifa Street
Abu Dhabi
UAE

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Al Waha Capital P.J.S.C. (*formerly known as Oasis International Leasing Company P.J.S.C.*) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2008 and the related condensed consolidated statements of income, statement of changes in equity and cash flows for the six month period then ended (interim financial information). Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Financial Reporting Standard 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 the 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 consolidated interim financial information as at 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Signed by:
Sharad K Bhandari
Partner

Abu Dhabi
Registration no. 267

23 July 2008

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Income Statement for the six month period ended 30 June 2008

	Note	Six month period ended 30 June 2008 AED'000 (Reviewed)	Six month period ended 30 June 2007 AED'000 (Reviewed)	Three month period ended 30 June 2008 AED'000 (Reviewed)	Three month period ended 30 June 2007 AED'000 (Reviewed)
Revenue	4	247,474	212,456	119,455	112,022
Share of profits from investments in associates		24,957	-	17,224	-
Operating costs		(183,231)	(142,517)	(92,167)	(74,057)
Other operating income		17,900	-	17,835	-
Administrative and other expenses		(43,004)	(15,943)	(26,430)	(7,583)
Operating profit		64,096	53,996	35,917	30,382
Other income		2,714	6,997	1,097	2,328
Net profit		66,810	60,993	37,014	32,710
Earnings per share (AED)	5	0.04	0.04	0.02	0.02

The notes numbered 1 to 9 form an integral part of these Interim Condensed Consolidated Financial Statements.
The Independent Review Report of the Auditors is set out on page 4.

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Balance Sheet as at 30 June 2008

	Note	30 June 2008 (AED '000) <i>(Reviewed)</i>	31 December 2007 (AED '000) <i>(Audited)</i>
ASSETS			
Operating assets			
Operating lease assets		1,887,244	1,771,432
Investments in finance leases		2,001,352	2,091,848
Loan investments		250,099	273,189
Investments held-to-maturity		-	462
Investments available-for-sale		33,863	2,039
Investments in associates		420,136	211,030
Investment property	1	1	1
		4,592,695	4,350,001
Other assets			
Project costs		28,944	26,185
Deferred tax asset		4,499	4,499
Other fixed assets		4,885	5,060
Trade and other receivables		157,021	42,876
Cash-encumbered		47,297	121,984
Cash and cash equivalents		46,207	74,192
		288,853	274,796
Total assets		4,881,548	4,624,797
EQUITY AND LIABILITIES			
Equity			
Share capital	6	1,575,000	1,500,000
Statutory reserve		38,929	38,929
Available-for-sale equity reserve		721	1,522
Retained earnings		214,301	300,491
		1,828,951	1,840,942
Liabilities			
Term loans		2,854,060	2,607,714
Trade and other payables		198,537	176,141
		3,052,597	2,783,855
Total equity and liabilities		4,881,548	4,624,797

These Interim Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors on 23 July 2008 and signed on their behalf by:



Chairman



Chief Executive Officer

The notes numbered 1 to 9 form an integral part of these Interim Condensed Consolidated Financial Statements. The Independent Review Report of the Auditors is set out on page 4.

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Statement of Changes in Equity for the six month period ended 30 June 2008

	Share capital (AED'000)	Statutory reserve (AED'000)	Available- for-sale equity reserve (AED'000)	Retained earnings (AED'000)	Total (AED'000)
At 1 January 2007	1,500,000	21,856	4	147,333	1,669,193
Fair value adjustments	-	-	5,379	-	5,379
Net profit for the period	-	-	-	60,993	60,993
Stock split expense	-	-	-	(500)	(500)
At 30 June 2007 (Reviewed)	1,500,000	21,856	5,383	207,826	1,735,065
At 1 January 2008	1,500,000	38,929	1,522	300,491	1,840,942
Fair value adjustments	-	-	(801)	-	(801)
Net profit for the period	-	-	-	66,810	66,810
Dividend (Refer to Note 7)	75,000	-	-	(150,000)	(75,000)
Directors' fees	-	-	-	(3,000)	(3,000)
At 30 June 2008 (Reviewed)	1,575,000	38,929	721	214,301	1,828,951

The notes numbered 1 to 9 form an integral part of these Interim Condensed Consolidated Financial Statements.
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AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Statement of Cash Flows for the period ended 30 June 2008

	Six month period ended 30 June 2008 (AED'000) <i>(Reviewed)</i>	Six month period ended 30 June 2007 (AED'000) <i>(Reviewed)</i>
Net profit	66,810	60,993
<i>Adjustments for:</i>		
Depreciation	72,930	62,411
Interest on term loans	87,341	75,826
Interest on bank deposits	(1,801)	(6,944)
Interest income from loan investments	(14,109)	(16,882)
Interest income from finance leases	(83,165)	(77,058)
Interest income from investments held-to-maturity	(9)	(53)
Amortization of project costs	3,196	1,718
Gain on sale of operating lease assets	(14,379)	-
Gain on disposal of finance lease receivables	(65)	-
Payments received from loan investments	38,242	32,070
Payments received from finance leases	124,647	102,171
Payments from investments held-to-maturity	471	19
Income from investments in associates	(24,957)	-
Interest paid on term loans	(88,190)	(72,696)
Changes in working capital:		
Change in trade and other receivables	(115,511)	(3,682)
Change in trade and other payables	23,245	24,757
Cash flows from operating activities	74,696	182,650
Purchase of operating lease assets	(367,941)	(258,588)
Proceeds from sale of investments in finance leases	49,079	-
Proceeds from sale of operating lease assets	194,015	-
Investments in associates	(184,149)	-
Investments in finance leases	-	(639,972)
Investments in available for sale investments	(32,625)	-
Project costs incurred	(5,955)	(2,448)
Purchase of other fixed assets	(262)	(311)
Movement in cash-encumbered	74,687	229
Interest received	2,124	25,853
Cash flows used in investing activities	(271,027)	(875,237)
Term loans obtained	579,653	543,977
Term loans repaid	(333,307)	(59,231)
Dividend Paid	(75,000)	-
Directors fees	(3,000)	-
Stock split expenses	-	(500)
Cash flows from financing activities	168,346	484,246
Net decrease in cash and cash equivalents	(27,985)	(208,341)
Cash and cash equivalents at beginning of the period	74,192	312,355
Cash and cash equivalents at end of the period	46,207	104,014

The notes numbered 1 to 9 form an integral part of these Interim Condensed Consolidated Financial Statements.
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AL WAHA CAPITAL P.J.S.C.

Notes to the Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2008

1 Establishment and operations

Al Waha Capital P.J.S.C. (“the Company”) (formerly known as Oasis International Leasing Company P.J.S.C) 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 was incorporated on 12 July 1997.

During 2008, the Company changed its name from Oasis International Leasing Company P.J.S.C. to Al Waha Capital P.J.S.C., as approved in the Annual General Assembly Meeting on 2 May 2007.

These Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2008 comprise the Company and its Subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities. A list of Subsidiaries is set out in Note 3 to these Interim Condensed Consolidated Financial Statements.

The Group is engaged in owning, selling, leasing and investing in all types of fixed and movable assets worldwide.

The Consolidated Financial Statements of the Group as at and for the year ended 31 December 2007 are available upon request from the Company’s registered office at P O Box 28922, The ADNIC Building, Khalifa street, Abu Dhabi, UAE.

2 Significant accounting policies

(a) Statement of compliance

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and 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 2007.

(b) Basis of preparation

The accounting policies and methods of computation applied by the Group in these Interim 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 2007.

AL WAHA CAPITAL P.J.S.C.

3 Consolidation

Subsidiaries

The financial statements of the following companies (“the Subsidiaries”) have been consolidated in these financial statements. These Subsidiaries are wholly owned by the Company.

Subsidiaries	Country of incorporation
Al Waha Land LLC	UAE
Al Waha Maritime LLC	UAE
Al Waha Special Maritime Units LLC	UAE
Al Waha Financial Investments LLC	UAE
Second Waha Lease Limited	Isle of Man
Third Waha Lease Limited	Isle of Man
Fourth Waha Lease Limited	Isle of Man
Fifth Waha Lease Limited	Isle of Man
Sixth Waha Lease Limited	Isle of Man
Seventh Waha Lease Limited	Isle of Man
Eighth Waha Lease Limited	Isle of Man
Ninth Waha Lease Limited	Isle of Man
Tenth Waha Lease Limited	Isle of Man
Eleventh Waha Lease Limited	Isle of Man
Twelfth Waha Lease Limited	Isle of Man
Fourteenth Waha Lease Limited	Isle of Man
Fifteenth Waha Lease Limited	Isle of Man
Sixteenth Waha Lease Limited	Isle of Man
Oasis International Leasing (USA) Inc.	United States of America
Ovenstone Limited *	Republic of Ireland
Prunalia Trading Limited *	Republic of Cyprus
Waha Lease (Labuan) Limited *	Federal Territory of Labuan, Malaysia
Sixteenth Waha Lease (Labuan) Limited *	Federal Territory of Labuan, Malaysia
Charlie Fifteenth Lease Limited *	Cayman Islands
November RJ Lease Limited	Cayman Islands
Oscar RJ Lease Limited	Cayman Islands
Victor Lease Limited	Cayman Islands
Clearjet Lease Limited *	Republic of Ireland
Fastjet Lease Limited *	France
Turbo 1 LLC *	United States of America
Alpha Fifteenth Waha Lease Limited	Isle of Man
Bravo Fifteenth Waha Lease Limited	Isle of Man
Henrik Lease Limited	Cayman Islands
Tamarind Lease Limited	Cayman Islands
Al Waha Lease (Ireland) Limited	Republic of Ireland
Al Waha Lease (Ireland No 2) Limited	Republic of Ireland
Oasis Investment No 1 Limited	Cayman Islands
Oasis Investment No 2 Limited	Cayman Islands
Al Waha (Cayman 1) Lease Limited	Cayman Islands
Peninsula Investments Limited	Cayman Islands
OL SPV Limited*	Cayman Islands

* Indirectly held through Subsidiaries.

AL WAHA CAPITAL P.J.S.C.

3 Consolidation (continued)

In addition the Company retains a residual obligation in Union Two, a trust registered in the Cayman Islands. As such, Union Two is treated as a subsidiary.

Jointly controlled entities

The Group has the following interest in jointly controlled entities:

- a 27.5% interest in Industrial City Cooling Company (“ICCC”), incorporated in Abu Dhabi, UAE;
- a 50% interest in WOLF A340 LLC, incorporated in the United States of America; and
- a 33.33% interest in MENA Infrastructure Fund GP (Limited) incorporated in Dubai, UAE.

Associates

The Group has the following interest in associates:

- a 42.5% stake in Addax Bank BSC, incorporated in the Kingdom of Bahrain.
- a 49% stake in Abraaj Aqua SPV Limited, incorporated in Cayman Islands (indirectly held through OL SPV Limited).

The financial information for ICCC, Addax Bank BSC, Abraaj Aqua SPV Limited and MENA Infrastructure Fund GP (Limited), included in these Interim Condensed Consolidated Financial Statements, is based on management accounts.

4 Segment reporting

Segment information is presented in respect of the Group’s geographical segments. In presenting this information, segment revenue is based on the primary geographical location of the customers’ business operation.

Six month period ended 30 June 2008 - (AED '000)	<u>Middle East and Asia Pacific</u>				<u>Total</u>
	<u>Europe</u>	<u>America</u>	<u>Pacific</u>	<u>Others</u>	
Revenue	<u>52,684</u>	<u>18,758</u>	<u>162,033</u>	<u>13,999</u>	<u>247,474</u>
Six month period ended 30 June 2007 - (AED '000)	<u>Middle East and Asia Pacific</u>				<u>Total</u>
	<u>Europe</u>	<u>America</u>	<u>Pacific</u>	<u>Others</u>	
Revenue	<u>20,123</u>	<u>26,838</u>	<u>148,499</u>	<u>16,996</u>	<u>212,456</u>

AL WAHA CAPITAL P.J.S.C.

5 Earnings per share

Earnings per share is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

	Six month period ended 30 June 2008 (Reviewed)	Six month period ended 30 June 2007 (Reviewed)	Three month period ended 30 June 2008 (Reviewed)	Three month period ended 30 June 2007 (Reviewed)
Profit attributable to ordinary equity holders (AED '000)	66,810	60,993	37,014	32,710
Ordinary shares (<i>Refer to Note 7</i>)	1,575,000,000	1,575,000,000*	1,575,000,000	1,575,000,000*
Earnings per share (AED)	0.04	0.04	0.02	0.02

* Restated for the effect of bonus shares issued during 2008 (*Refer to Note 7*)

6 Share capital

	30 June 2008 (AED '000) (Reviewed)	31 December 2007 (AED '000) (Audited)
Authorised, issued and fully paid up capital:		
1,575,000,000 shares of AED 1 each (2007: 1,500,000,000 shares of AED 1 each) (<i>Refer to Note 7</i>)	1,575,000	1,500,000

7 Dividend

The Shareholders approved distribution of dividends amounting to AED 150 million (AED 75 million in cash and AED 75 million in the form of bonus shares). This resulted in an increase in the share capital to AED 1,575 million.

8 Related party transactions

These represent transactions with related parties (may include major shareholders of the Group, directors or officers of the Group, enterprises that are in a position to exercise significant influence over the Group or those enterprises over which the Group can exercise significant influence). Such transactions are at terms agreed by management and are in the ordinary course of business.