

الواحة كابيتال
WAHA CAPITAL



Q1 REPORT

Report and condensed consolidated financial information
for the three month period ended 31 March 2017

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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 31 March 2017 and the related condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



Signed by:
Georges F. Najem
Registration No. 809
10 May 2017
Abu Dhabi
United Arab Emirates

Condensed consolidated statement of financial position

	Note	As at 31 March 2017 (Unaudited) AED '000	As at 31 December 2016 (Audited) AED '000
ASSETS			
Furniture and equipment		74,838	70,316
Investment property	5	737,304	680,569
Goodwill and intangible assets		160,812	162,753
Investments in finance leases		9,698	11,388
Loan investments		232,963	232,963
Investments in equity-accounted associates and joint ventures	6	5,100,686	5,033,561
Financial investments	7	3,127,432	2,820,952
Inventories		11,815	10,619
Trade and other receivables	8	630,501	418,598
Cash and cash equivalents		414,857	572,262
Total assets		10,500,906	10,013,981
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,944,515	1,944,515
Treasury shares	9	(267,184)	(267,184)
Retained earnings		1,429,944	1,710,069
Reserves		204,326	483,597
Equity attributable to the Owners of the Company		3,311,601	3,870,997
Non-controlling interests		427,862	314,568
Total equity		3,739,463	4,185,565
Liabilities			
Borrowings	10	6,207,633	5,464,877
End of service benefit provision		30,873	29,268
Trade and other liabilities	11	522,937	334,271
Total liabilities		6,761,443	5,828,416
Total equity and liabilities		10,500,906	10,013,981

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 10 May 2017 and signed on their behalf by:



Chairman



CEO & Managing Director



Chief Financial Officer

Condensed consolidated statement of profit or loss

For the three month period ended	Note	31 March 2017 (Unaudited) AED '000	31 March 2016 (Unaudited) AED '000
Revenue from sale of goods and services	12	83,391	86,357
Cost of sale of goods and services	12	(50,144)	(37,606)
Gross profit		33,247	48,751
Income from equity-accounted associates and joint ventures, net	6	67,177	136,403
Income from financial investments	13	107,473	103,787
Other income, net		10,949	6,839
General and administrative expenses	14	(92,806)	(95,861)
Finance cost, net	15	(28,672)	(23,801)
Profit for the period		97,368	176,118
Profit for the period attributable to:			
Owners of the Company		87,577	175,845
Non-controlling interests		9,791	273
Profit for the period		97,368	176,118
Basic and diluted earnings per share attributable to the Owners of the Company during the period (AED)	9	0.047	0.095

The notes numbered 1 to 17 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

For the three month period ended	31 March 2017 (Unaudited) AED '000	31 March 2016 (Unaudited) AED '000
Profit for the period	97,368	176,118
Other comprehensive (loss) / income		
Items that may be reclassified subsequently to profit or loss:		
Share of effective portion of changes in fair value of cash flow hedges (note 7)	(280,869)	317,752
Share of changes in other reserves of equity-accounted associates and joint ventures	(52)	887
	(280,921)	318,639
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of other financial assets at fair value through other comprehensive income	1,650	5,573
	1,650	5,573
Other comprehensive (loss) / income for the period	(279,271)	324,212
Total comprehensive (loss) / income for the period	(181,903)	500,330
Total comprehensive (loss) / income attributable to:		
Owners of the Company	(191,694)	500,057
Non-controlling interests	9,791	273
Total comprehensive (loss) / income for the period	(181,903)	500,330

The notes numbered 1 to 17 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the three month period ended 31 March

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Revaluation reserve AED '000	Hedge reserve AED '000	Other reserves AED '000	Total reserves AED '000	Equity attributable to Owners of the Company AED '000	Non- controlling interests AED '000	Total equity AED '000
At 1 January 2016	1,944,515	(233,168)	1,713,958	389,180	5,796	49,315	998	445,289	3,870,594	56,720	3,927,314
Profit for the period	-	-	175,845	-	-	-	-	-	175,845	273	176,118
Other comprehensive income	-	-	-	-	5,573	317,752	887	324,212	324,212	-	324,212
Total comprehensive income	-	-	175,845	-	5,573	317,752	887	324,212	500,057	273	500,330
Cash dividend (note 9)	-	-	(370,341)	-	-	-	-	-	(370,341)	-	(370,341)
Shares bought back	-	(8,207)	-	-	-	-	-	-	(8,207)	-	(8,207)
Movements in non-controlling interest due to acquisitions ¹	-	-	-	-	-	-	-	-	-	87,719	87,719
At 31 March 2016 (Unaudited)	1,944,515	(241,375)	1,519,462	389,180	11,369	367,067	1,885	769,501	3,992,103	144,712	4,136,815
At 1 January 2017	1,944,515	(267,184)	1,710,069	429,897	11,411	42,047	242	483,597	3,870,997	314,568	4,185,565
Profit for the period	-	-	87,577	-	-	-	-	-	87,577	9,791	97,368
Other comprehensive (loss) / income	-	-	-	-	1,650	(280,869)	(52)	(279,271)	(279,271)	-	(279,271)
Total comprehensive (loss) / income	-	-	87,577	-	1,650	(280,869)	(52)	(279,271)	(191,694)	9,791	(181,903)
Cash dividend (note 9)	-	-	(367,702)	-	-	-	-	-	(367,702)	-	(367,702)
Movements in non-controlling interest due to acquisitions ¹	-	-	-	-	-	-	-	-	-	103,503	103,503
At 31 March 2017 (Unaudited)	1,944,515	(267,184)	1,429,944	429,897	13,061	(238,822)	190	204,326	3,311,601	427,862	3,739,463

¹ Includes investments into the Waha MENA Equity Fund SP of AED 18,758 thousand (31 March 2016: AED 84,594 thousand), following which the Group's ownership reduced from 67.8% to 66.4%; Waha CEEMEA Fixed Income Fund SP of AED 73,560 thousand (31 March 2016: AED nil), following which the Group's ownership reduced from 89.5% to 77.0%; and Waha MENA Value Fund SP of AED 920 thousand (31 March 2016: AED nil), following which the Group's ownership reduced from 100% to 99.5%. In addition, the non-controlling interest holders in Anglo Arabian Healthcare Group contributed their share of their investment amounting to AED 10,265 thousand (31 March 2016: AED 3,125 thousand).

The notes numbered 1 to 17 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the three month period ended 31 March

	Note	2017 (Unaudited) AED '000	2016 (Unaudited) AED '000
Cash flows from operating activities			
Profit for the period		97,368	176,118
Adjustments for:			
Depreciation		4,280	2,166
Finance cost		29,047	24,685
Charge for employees' end of service benefits		1,947	1,417
Gain on valuation of financial assets at fair value through profit or loss	13	(104,493)	(63,122)
Interest on time deposits		(375)	(884)
Income from equity-accounted associates and joint ventures, net	6	(67,177)	(136,403)
Interest income from investments in finance leases		(249)	(397)
Amortisation of intangible assets		3,315	3,187
Interest income on loan investments		(2,672)	(2,720)
Provision for slow moving and obsolete inventories, net		(8)	16
Provision for doubtful debts		1,707	-
Changes in working capital:			
Change in inventories		(1,188)	(10)
Change in trade and other receivables		(185,938)	38,243
Change in trade and other liabilities		175,368	(15,949)
Net cash (used in) / from operations		(49,068)	26,347
Employees' end of service benefits paid		(342)	(333)
Net cash (used in) / from operating activities		(49,410)	26,014
Cash flows from investing activities			
Investment in equity-accounted associates		-	(526,278)
Purchase of investments at fair value through profit or loss, net		(481,206)	(723,841)
Payments made for development of investment property		(43,437)	(122)
Purchase of furniture and equipment, net		(8,802)	(16,189)
Purchase of intangibles, net		(1,374)	(427)
Capital receipt from financial assets at FVTOCI		-	76,983
Proceeds from finance leases		1,939	1,939
Wakala deposits placed		(25,000)	-
Interest received		375	884
Net cash used in investing activities		(557,505)	(1,187,051)
Cash flows from financing activities			
Finance cost paid on borrowings		(14,730)	(13,856)
Loans repaid	10	(18,883)	(8,180)
Loans obtained	10	747,322	1,251,811
Shares bought back		-	(8,207)
Dividends paid	9	(367,702)	-
Payments made by non-controlling interest holders		103,503	87,719
Net cash from financing activities		449,510	1,309,287
Net (decrease) / increase in cash and cash equivalents		(157,405)	148,250
Cash and cash equivalents at 1 January		572,262	1,151,658
Cash and cash equivalents at 31 March		414,857	1,299,908

Notes to the condensed financial statements

1 Legal status and principal activities

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

These condensed consolidated financial statements for the three month period ended 31 March 2017 comprise the results and financial position of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and jointly controlled entities ("equity-accounted associates and joint ventures").

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

The Group's consolidated financial statements for the year ended 31 December 2016 are available on its website www.wahacapital.ae and also upon request at the Company's registered office at P.O. Box 28922, Etihad Towers, 42nd floor, Tower 3, Abu Dhabi, UAE.

2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

3 Significant accounting policies

The significant accounting policies, risk management principles, methods of computation and estimates applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2016, except for the following:

Impairment of equity-accounted associates and joint ventures

During the period, the Group's investment in AerCap Holdings NV ("AerCap") was tested for impairment, following a reassessment of the investment's recoverable amount and the evidence of a prolonged period of its share price trading at reducing multiple, among other relevant factors. The recoverable amount was determined using the higher of its fair value (level 1) and value in use (level 3), considering the successive settlement of the Group's equity price collar agreements, in AerCap shares when due. Based on estimates of recoverable amount developed in accordance with these assumptions, an impairment of AED 58,817 thousand was recognised during the current period.

The Group has applied, for the first time, several new standards and amendments in 2017, as stated below:

New and revised IFRSs effective in 2017

- Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28
- Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealised losses
- Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities

However, the application of these revised and new IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Notes to the condensed consolidated financial statements (continued)

4 Fair values

a Fair value hierarchy

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

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

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

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

	31 March 2017 (Unaudited) AED '000				31 December 2016 (Audited) AED '000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Financial assets at FVTPL								
Listed equity securities	834,895	834,895	-	-	632,223	632,223	-	-
Other investments in equity securities	5,636	-	5,636	-	5,636	-	5,636	-
Listed fixed income securities	1,612,230	1,612,230	-	-	1,563,664	1,563,664	-	-
Derivative assets	30,345	-	30,345	-	54,531	-	54,531	-
Reverse repurchase contracts, net	419,171	-	419,171	-	60,524	-	60,524	-
Financial assets at FVTOCI								
Unquoted fund	72,562	-	-	72,562	70,912	-	-	70,912
Derivatives designated and effective as hedging instruments carried at fair value								
Equity price collar	152,593	-	152,593	-	433,462	-	433,462	-
Total	3,127,432	2,447,125	607,745	72,562	2,820,952	2,195,887	554,153	70,912
Financial liabilities								
Financial liabilities at FVTPL								
Derivative liabilities	(18,937)	-	(18,937)	-	(27,697)	-	(27,697)	-
Total	(18,937)	-	(18,937)	-	(27,697)	-	(27,697)	-

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

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

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

	31 March 2017 (Unaudited) AED `000	31 December 2016 (Audited) AED `000	Fair value hierarchy	Valuation technique
Financial assets at FVTPL				
a Listed equity securities	834,895	632,223	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	5,636	5,636	Level 2	Discounted cash flow of the underlying investments.
c Listed fixed income securities	1,612,230	1,563,664	Level 1	Quoted bid prices in an active market.
d Reverse repurchase contracts, net	419,171	60,524	Level 2	The valuation is based on broker quotes.
e Derivative assets	30,345	54,531	Level 2	The valuation is based on broker quotes.
Financial assets at FVTOCI				
a Unquoted fund	72,562	70,912	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.
Derivatives designated and effective as hedging instruments carried at fair value				
a Equity price collar	152,593	433,462	Level 2	Black-Scholes model with market observable inputs, mainly share price and market volatilities of the underlying shares.
Financial liabilities at FVTPL				
a Derivative liabilities	(18,937)	(27,697)	Level 2	The valuation is based on broker quotes.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

Reconciliation of level 3 fair value movements

	Three month period ended 31 March 2017 (Unaudited) AED `000	Year ended 31 December 2016 (Audited) AED `000
At 1 January	70,912	142,280
Capital reduction	-	(76,983)
Total gains in other comprehensive income	1,650	5,615
	72,562	70,912

b Fair values of financial assets and liabilities

The fair values of financial assets and liabilities does not materially differ from their carrying amounts.

5 Investment property

	Three month period ended 31 March 2017 (Unaudited) AED `000	Year ended 31 December 2016 (Audited) AED `000
At 1 January	680,569	696,010
Additions	56,735	25,107
Fair value loss	-	(40,548)
	737,304	680,569

Additions to investment property represents value of the work certified relating to the development of planned small industrial units, which included borrowing costs amounting to AED 566 thousand (31 December 2016: AED 192 thousand).

6 Investments in equity-accounted associates and joint ventures

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

	Three month period ended 31 March 2017 (Unaudited) AED `000	Year ended 31 December 2016 (Audited) AED `000
At 1 January	5,033,561	4,714,977
Acquisitions	-	526,277
Disposals	-	(660,234)
Share of income, net ¹	67,177	489,111
Share of equity reserves	(52)	(720)
Distributions received	-	(35,850)
	5,100,686	5,033,561

¹Includes an impairment loss of AED 58,817 thousand (note 3).

Notes to the condensed consolidated financial statements (continued)

6 Investments in equity-accounted associates and joint ventures (continued)

Investments in equity-accounted associates and joint ventures domiciled outside the UAE amount to AED 4,910,776 thousand (31 December 2016: AED 4,819,921 thousand).

The Group's investments with a carrying amount of AED 4,910,776 thousand (31 December 2016: AED 4,819,921 thousand) are collateralised against the Group's borrowings (note 10).

During the period, AerCap carried out a share buyback program, which the Group did not participate in. Consequently, the Group's beneficial ownership increased from 15.23% to 15.81%.

7 Financial investments

	31 March 2017 (Unaudited) AED '000	31 December 2016 (Audited) AED '000
Financial assets at FVTOCI		
Unquoted fund	72,562	70,912
Derivatives designated and effective as hedging instruments carried at fair value		
Equity price collar ¹	152,593	433,462
Financial assets at fair value through profit or loss		
Derivative assets ²	30,345	54,531
Reverse repurchase contracts, net ³	419,171	60,524
Listed fixed income securities ⁴	1,612,230	1,563,664
Listed equity securities	834,895	632,223
Others investments in equity securities	5,636	5,636
	3,127,432	2,820,952

¹ The Group carries equity price collars on 15.81% stake in AerCap, representing an investment of AED 391,413 thousand, at floor and cap prices in the range of US\$ 34.74 – 39.38 and US\$ 53.60 – 70.02 per share, respectively. The equity price collars have been designated as cash flow hedging instruments, hedging the cash proceeds on a highly probable future sale of the shares, and accounted for as at fair value through OCI. During the period, the Group recognised a revaluation loss of AED 280,869 thousand (Year ended 31 December 2016: gain of AED 18,465 thousand) on cash flow hedges through other comprehensive income.

² Derivative assets held by the Group include interest rate swaps, total return swaps, credit default swaps and currency futures, and have a notional value of AED 13,351,373 thousand (31 December 2016: AED 11,002,424 thousand).

³ Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 982,420 thousand and corresponding liabilities of AED 563,249 thousand (31 December 2016: reverse repurchase receivables of AED 469,998 thousand and corresponding liabilities of AED 409,474 thousand). The reverse repurchase agreements are subject to a master netting agreement.

⁴ Listed fixed income securities totalling AED 1,284,544 thousand (31 December 2016: AED 1,359,945 thousand) are pledged as security against the Group's borrowings under repurchase agreements. The repurchase agreements are subject to a master netting agreement.

Notes to the condensed consolidated financial statements (continued)

8 Trade and other receivables

	31 March 2017 (Unaudited) AED `000	31 December 2016 (Audited) AED `000
Trade receivables ¹	366,321	181,616
Allowance for doubtful debts	(11,998)	(10,291)
Prepayments and advances	42,253	42,102
Accrued interest	69,929	70,517
Amounts set aside for prior years' dividends	37,647	37,833
Deposits under lien	35,000	35,000
Wakala deposits	55,000	30,000
Other receivables	36,349	31,821
	630,501	418,598

¹Increase in trade receivables mainly represent amounts due from brokers of capital market transactions.

9 Share capital and dividend

On 22 March 2017, the Company held its Annual General Meeting which, among other things, approved a 20% cash dividend amounting to AED 367,702 thousand representing AED 0.20 per share (23 March 2016: cash dividend of AED 370,341 thousand representing AED 0.20 per share).

Pursuant to the buyback program concluded in 2016, the Company had bought 106,005,973 shares at AED 267,184 thousand and carried the same as treasury shares.

The basic and diluted earnings per share for the current period ended 31 March 2017 has been calculated using the weighted average number of shares outstanding during the period after considering the effect of treasury shares.

For the three month period ended

	31 March 2017 (Unaudited)	31 March 2016 (Unaudited)
Profit for the period attributable to Owners of the Company (AED `000)	87,577	175,845
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (thousands)	1,846,262	1,853,024

10 Borrowings

The movement of borrowings is presented below:

	Three month period ended 31 March 2017 (Unaudited) AED `000	Year ended 31 December 2016 (Audited) AED `000
At 1 January	5,464,877	5,322,255
Loans drawn-down	747,322	1,602,504
Loan arrangement and prepaid interest costs, net of amortisations	14,317	(78,450)
Loans repaid	(18,883)	(1,381,432)
	6,207,633	5,464,877

Notes to the condensed consolidated financial statements (continued)

10 Borrowings (continued)

The investments and assets pledged to lenders as security against various facilities are the Group's interests in equity accounted investees (refer to note 6), the Group's shareholding in Al Waha Land LLC and listed fixed income securities (refer to note 7).

During the period, an amount of AED 404,580 thousand was drawn-down from the Group's existing AED 1,839,000 thousand (US\$ 500 million) secured revolving loan facility and an increase in repurchase liabilities of AED 288,366 thousand.

During 2016, a Group member secured AED 426 million in a Murabaha-Ijara based financing for further development of its light industrial real estate project. During the period, an amount of AED 42,282 thousand was drawn-down.

11 Trade and other liabilities

	31 March 2017 (Unaudited) AED `000	31 December 2016 (Audited) AED `000
Trade payables ¹	309,465	96,259
Interest accrued on borrowings	58,416	56,225
Derivative liabilities ²	18,937	27,697
Dividends payable	40,361	40,546
Long term employee incentive	9,067	9,067
Other payables and accruals	86,691	104,477
	522,937	334,271

¹ Increase in trade payables mainly represent amounts due to brokers of capital market transactions.

² The derivative liabilities held by the Group represent interest rate swaps, and have a notional value of AED 2,112,033 thousand (31 December 2016: AED 2,113,324 thousand).

12 Revenue from and cost of sale of goods and services

For the three month period ended	31 March 2017 (Unaudited) AED `000			31 March 2016 (Unaudited) AED `000		
	Revenue	Cost of sale	Gross profit	Revenue	Cost of sale	Gross profit
Sales of services	76,167	(49,421)	26,746	78,462	(37,197)	41,265
Rental income	7,216	(715)	6,501	7,879	(393)	7,486
Sale of inventory	8	(8)	-	16	(16)	-
	83,391	(50,144)	33,247	86,357	(37,606)	48,751

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

Notes to the condensed consolidated financial statements (continued)

13 Income from financial investments

	31 March 2017 (Unaudited) AED '000	31 March 2016 (Unaudited) AED '000
Financial assets at FVTOCI		
Unquoted fund - dividend income	-	4,858
Financial assets at FVPTL		
Net (loss) / gain from derivatives	(3,090)	234
Net gain from listed fixed income securities	42,389	30,323
Net gain from listed equity securities	65,194	32,695
Others ¹	2,980	35,677
	107,473	103,787

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

14 General and administrative expenses

For the three month period ended	31 March 2017 (Unaudited) AED '000			31 March 2016 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	31,403	22,350	53,753	31,550	23,721	55,271
Legal and other professional expenses	3,730	662	4,392	2,392	1,254	3,646
Depreciation	500	2,512	3,012	485	1,681	2,166
Amortisation of intangible assets	536	2,779	3,315	286	2,901	3,187
Marketing expenses	53	9,661	9,714	695	17,505	18,200
Rental expenses	907	3,250	4,157	1,026	2,884	3,910
Others	6,120	8,343	14,463	3,727	5,754	9,481
	43,249	49,557	92,806	40,161	55,700	95,861

15 Finance cost, net

	31 March 2017 (Unaudited) AED '000	31 March 2016 (Unaudited) AED '000
Interest on borrowings	27,888	23,523
Amortisation of loan arrangement costs	1,159	1,162
Interest earned on time deposits	(375)	(884)
	28,672	23,801

Notes to the condensed consolidated financial statements (continued)

16 Related parties

Significant transactions with related parties:

Key management personnel compensation

For the three month period ended

	31 March 2017 (Unaudited) AED '000	31 March 2016 (Unaudited) AED '000
Salary and benefits	2,136	2,995
End of service benefits	109	178
	2,245	3,173

During the period, a member of senior management invested an amount of AED 1,287 thousand in Capital Markets funds.

Significant balances with related parties:

Loan investments provided to an associate amounted to AED 12,283 thousand as at 31 March 2017 (31 December 2016: AED 12,283 thousand).

17 Operating segments

The following table presents revenue and profit information for the Group's operating segments for the three month period ended 31 March 2017 and 2016, respectively:

AED '000	Asset Management				
	Principal Investments	Private Equity	Capital Markets	Corporate	Consolidated
Three month period ended 31 March 2017 (unaudited)					
Revenue from sale of goods and services	7,223	76,168	-	-	83,391
Income from investment in equity- accounted investees, <i>net</i>	67,177	-	-	-	67,177
Income from financial investments	22,908	-	84,565	-	107,473
Profit / (loss) for the period	92,505	(12,931)	66,444	(48,650)	97,368
Other comprehensive loss	(279,271)	-	-	-	(279,271)
Three month period ended 31 March 2016 (unaudited)					
Revenue from sale of goods and services	7,895	78,462	-	-	86,357
Income from investment in equity-accounted investees, <i>net</i>	136,403	-	-	-	136,403
Income from financial investments	4,964	-	98,823	-	103,787
Profit / (loss) for the period	147,079	(10,728)	85,224	(45,457)	176,118
Other comprehensive income	324,212	-	-	-	324,212

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (2016: nil).

Notes to the condensed consolidated financial statements (continued)

17 Operating segments (continued)

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2017 and 31 December 2016, respectively:

AED '000	Asset Management				Consolidated
	Principal Investments	Private Equity	Capital Markets	Corporate	
As at 31 March 2017 (unaudited)					
Segment assets	6,230,248	397,608	3,696,995	176,055	10,500,906
Segment liabilities	100,430	138,529	2,041,490	4,480,994	6,761,443
As at 31 December 2016 (audited)					
Segment assets	6,366,822	365,264	3,049,618	232,277	10,013,981
Segment liabilities	55,134	139,975	1,552,971	4,080,336	5,828,416