

الواحة كابيتال
WAHA CAPITAL



FULL YEAR REPORT

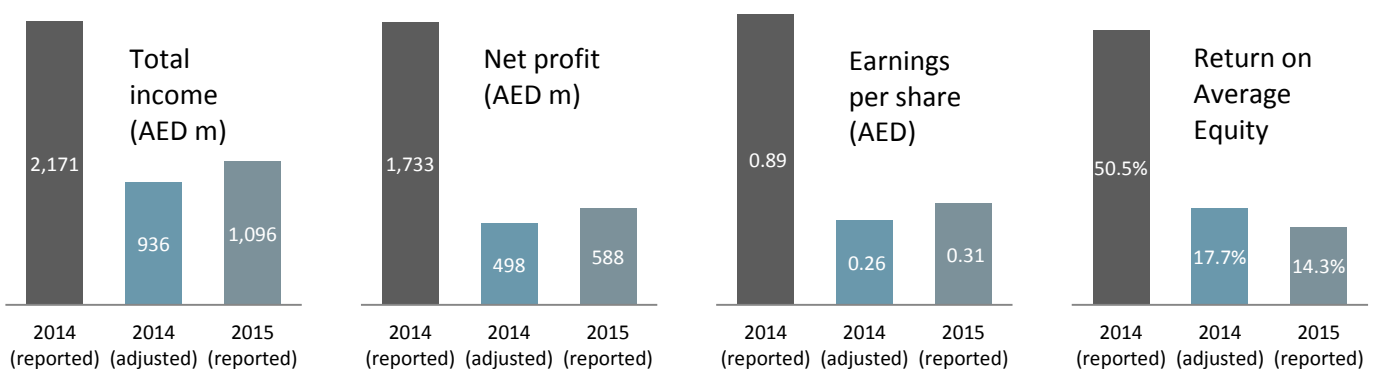
Management discussion and analysis for the
year ended 31 December 2015

A YEAR OF CONTINUING GROWTH

Waha Capital PJSC (the 'Group') reported 18% growth in 2015 net profit compared to the adjusted 2014 net profit. Strong earnings growth in 2015 was driven by solid performances across the business and, in particular, by key investments in Waha Capital's Principal Investments division and a robust performance from the Group's capital markets portfolio.

2015 Group net profit of AED 587.8 million compares to an adjusted net profit of AED 498.1 million in 2014 which is adjusted for non-recurring items, primarily the one-off gain the Group recorded after unlocking part of the value from its stake in AerCap Holdings in 2014.¹ 2015 net profit also represents a 63% increase compared to the net profit of AED 306.4 million recorded in 2013.

KEY PERFORMANCE MEASURES | CONTINUED STRONG GROWTH IN 2015



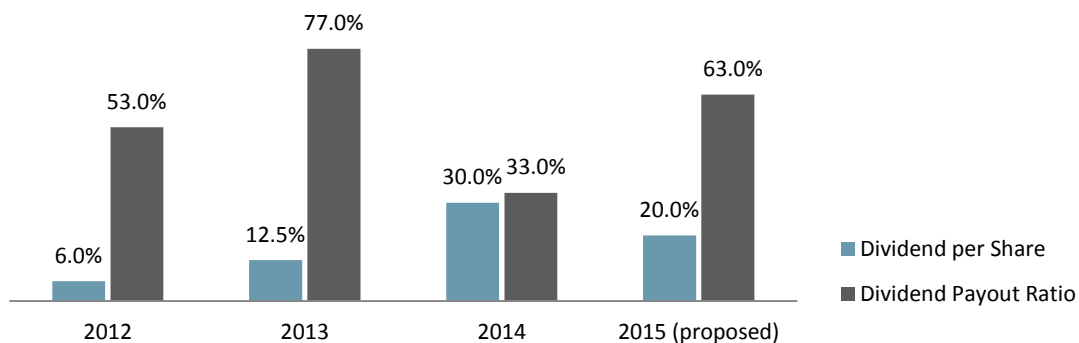
NEW BUSINESS STRUCTURE TO DRIVE PERFORMANCE

2015 represented a year of continued strong growth for Waha Capital with a robust performance from the Group's Principal Investments division. This division is now supported by a strong Investment Management division which consists of the Group's existing Capital Markets business and a MENA focused Private Equity business.

This new structure will enable Waha to capitalise on a wider pool of potential investment opportunities across the MENA region and accelerate diversification of revenue streams in 2016 and beyond.

COMMITMENT TO DRIVING SHAREHOLDER VALUE

The Group proposes a 2015 dividend of 20% which amounts to AED 370,661 thousand. This represents a dividend payout ratio of 63.0% of the Group's net profit. Historically the dividend trend has been as follows:



The Group continued its share repurchase in 2015 acquiring 70.9 million shares. This brings total share repurchases to 89.0 million shares, representing 4.58% of outstanding shares acquired at a cost of AED 233.2 million. Waha will continue to use share buybacks as a mean to enhance earnings per share and return value to shareholders. As at 25 February 2016 the Group had acquired 91.2 million shares (or 4.69% of outstanding shares) at a total purchase price of AED 237.7 million.

¹ Reported net profit prior to adjustment was AED 1,732.7 million for the year ended 31 December 2014, adjusted by AED 1,306.6 m and AED 53.1 million relating to the purchase of ILFC by AerCap Holdings, recorded in Q2, 2014 and Q3, 2014 respectively, and AED 125.1 million relating to fair value adjustment on investment property recorded in Q2, 2014.

KEY FINANCIAL HIGHLIGHTS FOR 2015

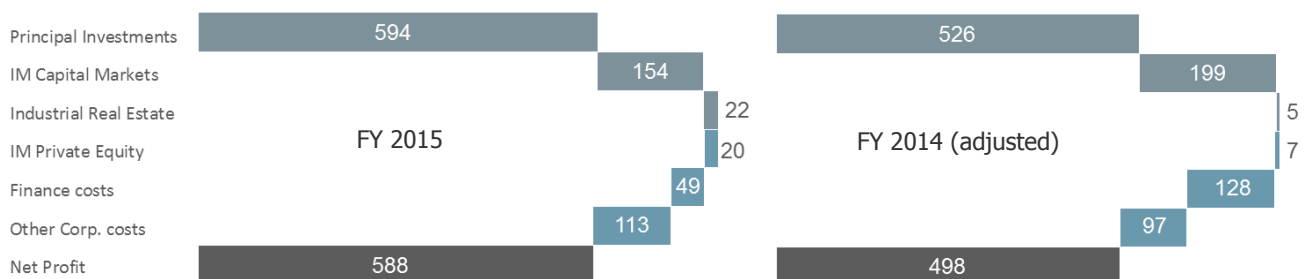
Summary income statement For the year ended 31 December	2015 AED '000	2014 AED '000
Revenue from sale of goods and services	277,285	144,479
Income from equity-accounted associates and joint ventures, net	610,316	527,047
Gain on disposal of equity-accounted associates and joint ventures	-	1,398,638
Income from financial investments	202,407	237,308
Other income / (expense), net	6,318	(136,920)
Total income	1,096,326	2,170,552
Cost of sale of goods and services	(87,077)	(42,144)
General and administrative expenses	(357,923)	(280,968)
Finance cost, net	(73,157)	(114,964)
Total expenses	(518,157)	(438,076)
Non-controlling interest	9,672	195
Reported net profit attributable to owners	587,841	1,732,671
Adjusted net profit attributable to owners	587,841	497,981
Basic and diluted earnings per share (AED)	0.31	0.89
Adjusted basic and diluted earnings per share (AED)	0.31	0.26

2015 net profit increased by 18% to AED 587.8 million compared with adjusted net profit of AED 498.1 million for 2014. Waha Capital's 2014 adjusted net profit excludes net non-recurring items, primarily the one-off gain from the Group's stake in AerCap Holdings. Reported net profit in 2014, prior to adjustment, was AED 1,732.7 million.

The Group's 2015 Return on Average Equity (RoAE) was 14.3% which compares to an adjusted 17.7% in 2014. The reported RoAE for 2015 was 50.5%. Despite the decline to 14.3% in 2015, this represents a strong outcome and a creditable performance against a challenging market backdrop.

2015 earnings per share was AED 0.31, a 19% increase on the adjusted AED 0.26 for 2014 - consistent with the Group's strong net profit growth for the year.

Net profit composition

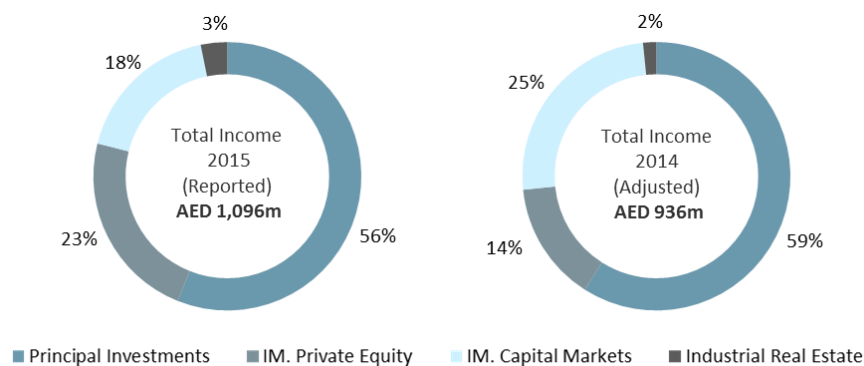


Total income analysis

Total income reported by the Group of AED 1,096.3 million, compared to AED 936.0 million (adjusted) during the corresponding period in 2014 (reported AED 2,171 million), mainly comprised of:

- Revenue from sale of goods and services, amounting to AED 277.3 million, an increase of 91.9% from the corresponding period in 2014, mainly due to the strong performance and consolidation of the Group's healthcare subsidiary (Anglo Arabian Healthcare), and rental income from the Industrial Real Estate subsidiary (Waha Land).
- Income from equity-accounted associates and joint ventures, amounting to AED 610.3 million, reflects the strong performance from AerCap and the Dunia Group amounting to AED 570.4 million and AED 63.1 million respectively; (2014: AED 497.7 million and AED 50.7 million respectively).
- Income from financial investments, amounting to AED 202.4 million, compared to AED 237.3 million during the corresponding period in 2014.

Total income composition



Balance sheet highlights

AED '000	As at 31-Dec-15	As at 31-Dec-14
Investments in equity-accounted associates and joint ventures	4,714,977	4,118,227
Investment property	696,010	692,007
Financial investments	2,220,908	1,906,460
Investments in finance leases and loans	250,737	267,821
Other assets	571,646	346,534
Cash and cash equivalents	1,151,658	2,460,411
Total assets	9,605,936	9,791,460
Borrowings	5,322,255	5,063,599
Trade and other payables	356,367	319,393
Total equity	3,927,314	4,408,468
Total liabilities and equity	9,605,936	9,791,460

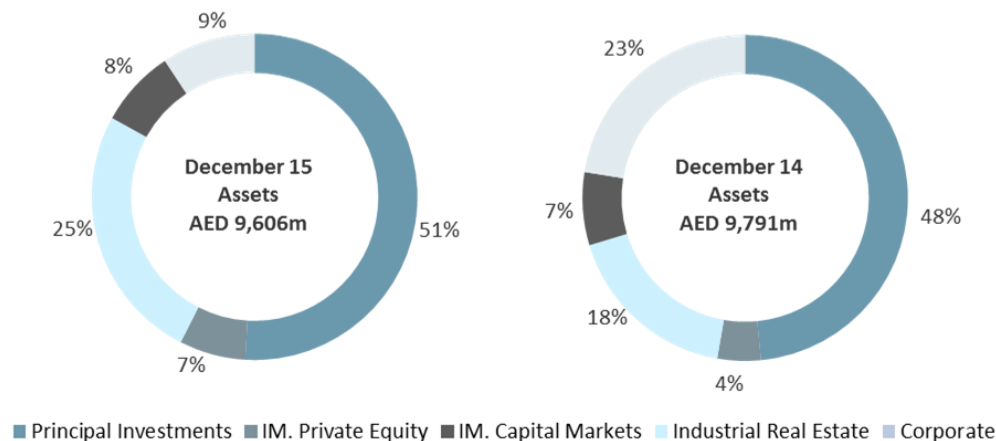
The Group's reported total assets of AED 9,605.9 million as at 31 December 2015 compared to AED 9,791.5 million as at 31 December 2014, comprised of:

- Investments in equity-accounted associates and joint ventures, increased by AED 596.8 million due to share of profit aggregating AED 610.3 million – mainly from AerCap and Dunia Group, an additional acquisition of AerCap shares amounting to AED 18.0m, reduced by dividends received from Dunia Group amounting to AED 29.5 million.
- Financial investments, increased by AED 314.4 million; representing an increase of AED 658.8 million in capital market portfolios; offset by a decrease in equity price collar of AED (354.3) million.
- Cash and cash equivalents, decreased by AED 1,308.8 million; representing AED 568.1 million used towards dividends, AED 320.9 million for debt repayment; AED 184.1 million deployed towards share buy-back activity, AED 6.2 million for investments in capital markets (net of debt), AED 148.8 million and AED 18.0 million used towards additional investments in AAH and AerCap respectively; offset by sales proceeds of AED 68.6 million on sale of Siraj Finance.

- d) **Other assets** include goodwill and intangible assets of AED 174.3 million as at 31 December 2015 compared to AED 77.3 million as at 31 December 2014, relating to acquisitions made by AAH; and trade and other receivable of AED 348.7 million compared to AED 249.3 million as at 31 December 2014.

The Group's leverage ratio increased to 41.5% as at 31 December 2015 compared to 28.2% as at 31 December 2014, mainly due prior year dividend payouts resulting in a reduction of the Group's cash balances and corresponding equity.

Total asset composition



BUSINESS AND PORTFOLIO COMPANIES ANALYSIS

The Group's business comprises three primary divisions: Principal Investments, Investment Management and Industrial Real Estate.

The Principal Investments division comprises the Group's core investments. The Investment Management division comprises the Group's Capital Markets and Private Equity businesses. Industrial Real Estate comprises the Group's Al Markaz industrial project.

Principal Investments

Waha Capital's Principal Investments business includes equity and loan investments in individual companies. The Principal Investments portfolio holds three core investments: (a) AerCap Holdings, (b) Dunia Group and (c) MENA Infrastructure Fund.

AerCap

AerCap, a NYSE listed company, is a global aircraft leasing company. It acquires aircraft from manufacturers, airline operators, other aircraft-leasing companies and financial investors to lease to commercial airlines and cargo operators.

On 4 June 2015, AerCap acquired 15,698,588 of its own shares held by American International Group, Inc. (AIG) for a total purchase consideration of US\$ 750 million. Pursuant to this share buyback, Waha Capital's ownership in AerCap increased from 12.6% to 13.5%. Following the sale of shares by AIG, Waha Capital has again become the largest beneficial shareholder of AerCap. On 13 December 2015, the Group acquired a further 124,846 AerCap shares and subsequent to the year end, the Group acquired an additional 3,875,154 shares, for a total consideration of US\$ 146.03 million. Consequently the Group's shareholding has increased to 15.4%.

Waha Capital continues to retain two seats on AerCap's Board of Directors, as well as representations on the various Board sub-committees.

The key **financial** highlights of AerCap for the year 2015 were as follows:

- Net profit of US\$ 1,178.7 million compared to US\$ 810.4 million in 2014
- EPS of US\$5.78 compared to US\$4.61 in 2014
- US\$1.9 billion of funding raised at an average cost of 3.6%
- US\$9.2 billion of available liquidity as of 31 December 2015
- Debt/equity ratio of 2.9 as of 31 December 2015
- Book value per share in excess of US\$42 as of 31 December 2015
- US\$400 million share repurchase program approved, which will run through 30 June 2016.

The key **operational** highlights of AerCap for the year 2015 were as follows:

- 405 aircraft transactions executed in 2015, including 117 widebody aircraft, as follows:
 - Signed lease agreements for 276 aircraft;
 - Purchased 46 aircraft; and
 - Executed sale transactions for 83 aircraft.
- Achieved 99.5% fleet utilization rate
- Average remaining lease term of 5.9 years as of 31 December 2015
- Over 85% of aircraft deliveries until 2018 have been leased under a contract or letter of intent on an average 12-year lease term

As of 31 December 2015, AerCap's portfolio consisted of 1,700 aircraft that were either owned, managed, or under contract to purchase. For the year ended 31 December 2015, AerCap has contributed 52.0% of the Group's total income and its carrying value of AED 4,073.7 million represents 42.4% of the Group's total assets representing a key component of the Group's strong balance sheet.

Dunia Group

The Group owns a 25% stake in Dunia Finance and a 25% stake in Dunia Services (together "Dunia Group").

Dunia Finance is a finance company regulated by the Central Bank of the U.A.E. that offers a range of financial solutions including personal loans, auto loans, credit cards, guarantees and deposits to its customers in the U.A.E. Dunia Finance has demonstrated impressive growth, stable net interest margins and rising profits over the last few years. Net interest margins have consistently been in the 25-35% range. Serving the salaried and mass affluent market enabled Dunia to grow its loan book at a 50.5% CAGR over 2009 to 2015. During the year ended 31 December 2015, Dunia Finance achieved the following:

- Net interest income of AED 546.3 million, an increase of 41% on the corresponding period in 2014;
- Net income of AED 217.4 million, an increase of 13.6% on the corresponding period in 2014;
- Loan book expanded to a customer base of 211,000 with 33.7% growth in its loan portfolio on 31 December 2014;
- Cost to income ratio reduced to 27.7% from 31.6% in 2014;
- Customer deposits grew to AED 1.2 billion as at 31 December 2015, an increase of 41.9% at 31 December 2014. Customer deposits comprise a mix of deposits pledged for the issue of guarantees, interbank sources, deposits and regular time deposits.
- Prudent impairment reserve of 3.3% of total loans and advances, providing a non-performing loan cover of 1.2x.

Dunia Services FZ LLC was established in 2012 under the Dubai Technology and Media Free Zone Authority. Dunia Services' principal activity is to offer a range of services including strategy and management consulting and knowledge and business process outsourcing to a range of customers including commercial banks, finance companies and insurance companies.

During the year ended 31 December 2015, Dunia Services recorded net income of AED 33.5 million, which is an increase of 259.9% on the corresponding period in 2014.

The carrying value of Dunia Group was AED 202.8 million as at 31 December 2015.

MENA Infrastructure Fund

MENA Infrastructure Fund (the "Fund") was launched in 2007 as a private equity fund that invests in infrastructure development projects across MENA with a total capital commitment of AED 1,103.4 million (US\$ 300 million) from its Limited Partners (LP). The Fund has invested US\$ 222 million over seven years in four projects:

- a) Alexandria International Container Terminals: Holds concession to operate and maintain two container terminals in Egypt. The Fund's ownership in the project is 30.3%.

- b) Qurayyah Independent Power Project (IPP): Owns and operates a 3.9GW gas-fired IPP in KSA in partnership with ACWA Power and Samsung C&T. The Fund's ownership in the project is 15%.
- c) United Power Company: Owns and operates a 270MW single-cycle gas-fired Manah IPP in Oman. The Fund's ownership in the project is 38.1%.
- d) Sohar Power Company: Owns and operates a 585MW of combined-cycle gas-fired power generation and 150,000m³ of water desalination capacity in Oman. The Fund's ownership in the project is 20%.

The Fund's dividend yield is c. 7.4%. The Group originally committed to fund AED 197.7 million (17.9% of total commitment); invested a total of AED 167 million (US\$ 45.5 million) for its LP (17.9%) and GP (33.3%) stakes; and received c. AED 75 million in distributions.

As at 31 December 2015, the Group carried its LP stake in the Fund at AED 142.2 million.

Investment Management

The Investment Management division comprises the Group's Capital Markets and Private Equity businesses.

Investment Management - Capital Markets

The Group's Capital Markets business primarily comprises investment in publicly traded securities. Capital Markets has achieved a solid four-plus-year track record of managing a portfolio of global credit market investments and two-plus-year track record of managing a portfolio of regional equities.

During the period, the Capital Markets business has outperformed its benchmarks for both portfolios – fixed income and equities. The investment process is complemented by dedicated in-house research and robust risk management.

Capital Markets invest in securities such as bonds, sukus, convertibles, equities, hybrids, IPOs and pre-IPOs. Capital Markets manages two separate portfolios and focuses on credit investments primarily comprising USD-denominated corporate bonds issued in the emerging markets with a focus on Central and Eastern Europe, Middle East and Africa (CEEMEA) and in local and Middle Eastern and North African (MENA) equities.

Capital Markets launched the Waha CEEMEA Fixed Income Fund SP and the Waha MENA Equity Fund SP on 26 June 2015 and 3 July 2015 respectively, which are now being offered to third party investors. The Funds are domiciled in the Cayman Islands and regulated and supervised by the Cayman Islands Monetary Authority. HSBC Bank Middle East Limited acts as Fund Administrator and Global Custodian for the underlying assets. The Funds are managed by Waha Investment PrJSC, a U.A.E Central Bank licensed Investment Manager.

Capital Markets is in process of launching two more funds – Credit Opportunities Fund and MENA Value Fund – by committing US\$ 50 million seed money for each. The Credit Opportunities Fund will focus on income-generating private debt instruments such as senior debt, subordinated paper including loans, mezzanine facilities, notes, bonds and convertibles in MENA while the Value Fund will seek long-term capital appreciation by investing in equities and other securities in MENA.

In addition to the above, since 2008, Capital Markets has also arranged several private transactions. These transactions include a range of financial instruments usually secured on an underlying asset. The financial instruments typically include secured debt, mezzanine debt, junior debt, structured debt and selected options and derivatives.

We strengthened the sales team during the year and will now focus on actively marketing our funds to investors as well as focussing on the continuing the growth of current Assets Under Management.

Capital Markets generated AED 154.1 million from private and public transactions during the year ended 31 December 2015. The carrying value of Capital Market assets is AED 2,452.3 million as at 31 December 2015.

Investment Management - Private Equity

Waha Capital's Investment Management – Private Equity business portfolio holds the following key investments: (a) Anglo Arabian Healthcare and (b) NPS Holdings Limited. The Private Equity business was also seeded with US\$ 100 million to ensure the business has the right capital structure in place to access growth opportunities across MENA.

Anglo Arabian Healthcare

In 2013, the Group made its first investment in the healthcare sector by acquiring Anglo Arabian Healthcare (AAH), a group established to deliver healthcare services throughout the United Arab Emirates. AAH owns and operates more than 26 business assets, employs more than 900 people and serves over 540,000 registered outpatients. Operating assets consist of: 12 clinics, 5 pharmacies, 6 diagnostics centres, 1 medical education provider, 1 day-hospital and 1 new hospital which officially opened in Q4 2015. Subsequent to the launch of the new hospital, the inpatient capacity of 1,872 per annum has increased to c. 23,400 per annum. The launch of the new hospital, which will offer inpatient and outpatient services, was a significant milestone in the history of AAH.

AAH is well placed and plans to expand rapidly over the next few years, both organically and through further strategic acquisitions, in particular from the roll out of mandatory medical insurance in the United Arab Emirates.

During the year ended 31 December 2015, AAH has:

- Achieved consolidated revenue of AED 248.0 million, a 94.2% increase on AED 127.7 million in 2014. Consolidated revenue is comprised of AED 129.2m (2014: AED 60.8m) from laboratory services, AED 100.6m (2014: AED 51.0m) from patient fees and AED 18.2m (2014: AED 15.9m) from sale of pharmaceuticals;
- Shareholders' equity base of AED 207.1 million as at 31 December 2015 compared to AED 83.9 million as at 31 December 2014;
- Acquired majority stake in the share capital of a leading healthcare entity in the U.A.E., Health Bay Polyclinic, which provides high end polyclinic related services;
- Acquired a major stake in Oras Medical Centre LLC, which has been providing gynaecological services to women for over 27 years;
- Commenced operating and managing all laboratory related work in a large specialty hospital in Al Ain under a long-term exclusive contract; and
- Launched a new multi-specialty hospital offering a wide range of medical and surgical specialties as well as operating theatres, an emergency room, an intensive care unit, diagnostic services, physiotherapy and pharmacy.

The carrying value of AAH's net assets is AED 200.3 million as at 31 December 2015.

NPS Holdings Limited

The Group acquired a 20.2% stake in NPS Holdings Limited ("NPS Holdings") in June 2014, as part of a consortium, including Fajr Capital and APICORP.

NPS Holdings owns a controlling stake in NPS Bahrain which was formed in 2007 through the merger of Qatari and Saudi oil field service providers. NPS Bahrain, through its various subsidiaries and joint ventures, has a significant presence in Saudi Arabia, Qatar, United Arab Emirates, Brunei, India, Libya, Bahrain, Iraq, Algeria and Malaysia. NPS Holdings' principal activities include oil well maintenance services such as cementing, coiled tubing, well drilling, well testing and wireline services.

During the year ended 31 December 2015, NPS Bahrain reported the following metrics:

- Secured contracts worth AED 150.6 million, taking current contracts-in-progress to AED 1,212.5 million (remaining value as of 31 December 2015);
- Invested AED 206.4 million in capital expenditure (2014: AED 194.9 million);
- Available banking facilities with regional banks for a limit of AED 734 million bearing interest of LIBOR+ 2.9% per annum. The undrawn balance of the facility was AED 51.3 million as at 31 December 2015 (2014: AED 183.5 million);
- Reported revenue of AED 747.6 million (2014: AED 730.4 million); and
- Reported a gross book value of property, plant and equipment as at 31 December 2015 of AED 1,395.4 million.

The Group's stake in NPS Holdings as an equity-accounted investee was carried at AED 280.2 million as at 31 December 2015.

Industrial Real Estate

Waha Land was established to construct and manage master developments in Abu Dhabi including infrastructure, mixed use, industrial warehousing and logistics projects.

ALMARKAZ

ALMARKAZ is an integrated mixed-use industrial development with Grade "A" industrial facilities and infrastructure owned, developed and operated by Waha Land, a wholly owned subsidiary of the Group. The project is located in Al Dhafra, approximately 25 km from central Abu Dhabi, and is well located to access the multi-modal industrial and logistics infrastructure (land, sea, air, and future rail) of the U.A.E. The ALMARKAZ development is on 6 km² of land, which was granted by the Government of Abu Dhabi.

Waha Land is developing the initial phase of the project on 25% (1.5 km²) of the total area. Phase I of the development included construction of 90,000 m² of leasable Small Industrial Units (SIUs). Full occupancy of the SIUs was achieved by end of 31 March 2015.

Following the successful leasing of the first 90,000 sq m of industrial space, the Board had mandated Management both to explore further growth plans for ALMARKAZ to include (i) expansion of its Small Industrial Units (SIU's), (ii) development of new products such as dedicated Warehouse/Storage facilities, Light Industrial Units (LIU's) and fitted out smaller Units and Workshops ready to occupy, together with Retail/Food & Beverage Amenities, a Security Centre, and Management Offices on part of the remaining 0.8 sq km of serviced land within Phase I and the financing options to carry out such a development.

As a result of an exhaustive market and feasibility study, Management has proposed and received approval for a development to grow the leasable portfolio by an additional c. 92,500 sq m by applying a consistent disciplined investment approach with emphasis on flexible assets that can be easily configured to suit a variety of uses and will support a wide variety of tenants and industry segments.

The Group's investment objective continues to be to maximize shareholder value by achieving long-term growth in net asset value. Key elements of ALMARKAZ's growth strategy include: maximizing portfolio cash flow, maintaining focus on core markets, continuing to attract a diversified tenant base, developing new tenant services and providing exceptional tenant service.

During the year ended 31 December 2015, ALMARKAZ reported the following:

- Rental revenue and other income of AED 35 million (2014: AED 15.7 million); and
- Net profit of AED 21.9 million (2014: net loss of AED 120.2 million)

The carrying value of Industrial Real Estate asset is AED 696.0 million as at 31 December 2015.

Outlook

Under a strong and stable management team, 2015 has been a year of continued growth underpinned by significant recurring revenue streams. Capitalising on this momentum, Waha has now streamlined its divisional structure to focus on enhancing its recurrent revenue streams while also investing in and accelerating the growth of new lines of fee-generating business.

In terms of the year ahead, current volatile market conditions are generating attractive valuations for potential investment opportunities whilst also providing unique opportunities for our private equity team to deploy capital in small to mid-cap sectors across the GCC and North Africa.

With a strong balance sheet in place, Waha capitals remains uniquely well positioned to deliver steady and sustained growth during the years ahead.

Salem Rashid Al Noaimi

CEO & Managing Director, Al Waha Capital PJSC

25 February 2016