AL WAHA CAPITAL P.J.S.C.

الواحة كابيتال
WAHA CAPITAL

Reports and interim financial information for the nine-month period ended 30 September 2014

Contents

Company Information

Board of Directors

Chairman	H.E. Hussain Jasim Al Nowais
Vice chairman	Mr. Abubaker Seddiq Al Khoori
Directors	Mr. Ahmed Bin Ali Al Dhaheri Mr. Carlos Obeid Mr. Fahad Saeed Al Raqbani Mr. Mansour Mohamed Al Mulla Mr. Salem Rashid Al Noaimi

CEO & Managing Director	Mr. Salem Rashid Al Noaimi
Head office	P O Box 28922 Etihad Towers 42nd floor, Tower 3 Abu Dhabi UAE
Auditors	Deloitte & Touche (M.E.) P O Box 990 Al Sila Tower Al Sowwah Square Abu Dhabi UAE

MANAGEMENT DISCUSSION AND ANALYSIS

1. Performance Overview

Waha Capital recorded a net profit attributable to owners of the Company of AED 1,590.5 million during the nine-month period ended 30 September 2014 compared to AED 230.8 million during the corresponding period in 2013.

This stellar performance is primarily attributable to a one-off gain on the deemed partial disposal of AerCap, the New York-listed aircraft leasing company; the gain on disposal of AerLift, a joint venture between Waha Capital and AerCap; in addition to the strong operating performance of AerCap and Dunia Finance, the UAE consumer finance company; and the solid contribution from capital markets transactions.

2. Key Financial Highlights

Nine-month period ended 30 September 2014

- The Group recorded profit attributable to owners of AED 1,590.5 million during the nine-month period ended 30 September 2014, a six-fold increase from the AED 230.8 million earned during the corresponding period in 2013.

- Operating activities generated a cash flow of AED 97.1 million during the nine-month period ended 30 September 2014, compared to cash generated from operating activities of AED 0.9 million during the corresponding period in 2013.

- The Group's total assets stood at AED 9.3 billion as at 30 September 2014, compared to AED 5.2 billion as at 31 December 2013.

- Basic and diluted earnings per share from continuing and discontinued operations were AED 0.818 during the nine-month period ended 30 September 2014, compared to AED 0.119 achieved during the corresponding period in 2013.

Three-month period ended 30 September 2014

- The Group recorded profit attributable to owners of AED 301.2 million during the three-month period ended 30 September 2014, an increase of AED 194.1 million from the AED 107.1 million earned during the corresponding period in 2013.

- Operating activities generated a cash flow of AED 40.5 million during the three-month period ended 30 September 2014, compared to cash used in operating activities of AED 1.3 million during the corresponding period in 2013.

- Basic and diluted earnings per share from continuing and discontinued operations were AED 0.155 during the three-month period ended 30 September 2014, compared to AED 0.055 achieved during the corresponding period in 2013.

3. Key Events in the Current Quarter

Collar Financing and Hedging of AerCap Shares

Waha Capital has entered into a hedging and financing transaction for its 50% stake (c. 14.9 million shares) in New York-listed AerCap N.V. ("AerCap"), the world's largest independent aircraft leasing company.

Through the transaction, Waha Capital has effectively locked in the value of these shares at a minimum price of $42.39 per share, up to a cap of $61.23 per share, subject to certain adjustments. This price range compares well to the original investment cost of $13.00 per share and its carrying value on Waha Capital's balance sheet of $33.95 per share as of 30 September 2014. The transaction provides additional funding of AED 2,116.5 million, which will be used to partially repay existing debt and to fund new investment opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

3. Key Events (continued)

Board Approval for Share Buyback Program

The Board of Directors of Waha Capital approved the plan to implement a share buy-back programme for up to 10% of the outstanding shares of the Company, allowing for the repurchase of up to 194 million of the Company's shares from the market. The Securities & Commodities Authority (SCA) approved the programme on 20 October 2014.

4. Discussion of Results

Net Profit

Total income includes (a) revenue from principal activities of subsidiaries; (b) income from equity-accounted associates and joint ventures; (c) gain on disposal of equity-accounted associates and joint ventures; (d) income from capital markets transactions; and (e) other (expense) / income, *net*.

	Nine-month period ended		Three-month period ended	
Income Statement (AED '000)	**30-Sep-14**	**30-Sep-13**	**30-Sep-14**	**30-Sep-13**
Revenue from sale of goods and services	102,693	36,251	29,295	24,131
Income from equity-accounted associates and joint ventures, net	381,382	197,706	245,412	84,873
Gain on disposal of equity-accounted associates and joint ventures	1,326,901	-	-	-
Income from capital markets transactions	235,038	197,092	110,782	84,442
Other (expense) / income, *net*	(126,312)	10,902	5,329	5,823
Total income	1,919,702	441,951	390,818	199,269
Cost of sale of goods and services	(28,194)	(10,694)	(9,264)	(6,870)
General and administrative expenses	(222,779)	(136,193)	(53,818)	(63,040)
Finance expenses, *net*	(77,103)	(64,924)	(27,223)	(21,918)
Total Expenses	(328,076)	(211,811)	(90,305)	(91,828)
Discontinued operations	(72)	1,520	0	(2)
Non-controlling interest	(1,024)	(892)	703	(353)
Profit attributable to shareholders	1,590,530	230,768	301,216	107,086
Basic and diluted earnings per share (in AED)	0.818	0.119	0.155	0.055

Nine-month period ended 30 September 2014 performance

Total income for the period of AED 1,919.7 million is higher by AED 1,477.8 million when compared to the nine-months ended 30 September 2013.

Revenue from sale of goods and services increased by 183% from the comparable period last year mainly due to the consolidation of revenue from Anglo Arabian Healthcare (AAH), a subsidiary we acquired in Q2 2013.

Gain on disposal of equity-accounted associates and joint ventures include the gain on disposal of AerLift amounting AED 20.3 million and gain on deemed partial disposal of AerCap resulting from the dilution of Waha Capital's ownership on acquisition of ILFC by AerCap, amounting to AED 1,306.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

4. Discussion of Results (continued)

Nine-month period ended 30 September 2014 performance (continued)

Income from equity-accounted associates and joint ventures reflects the strong returns from AerCap and the Dunia Group (Dunia Finance and Dunia Services) amounting to AED 355.6 million and AED 34.9 million, respectively.

Income from capital markets transactions amounting to AED 235.0 million increased by 19% from the comparable period, mainly as a result of our public transactions activities.

Other (expense)/income, *net* includes decrease in fair value of our investment property amounting AED 125.1 million, resulting from the increased competition in the industrial real estate market, recorded in Q2 2014.

Total expenses, comprising cost of sales, general and administrative and finance expenses, increased from AED 211.8 million to AED 328.1 million, representing an increase of 54.9%, mainly as result of higher cost of sales and general and administrative expenses, in line with the increase in total income as well as the consolidation of AAH's expenses.

Three-month period ended 30 September 2014 performance

Total income for the period of AED 390.8 million is higher by AED 191.5 million or 94% when compared to the three-months ended 30 September 2013.

Revenue from sale of goods and services increased by AED 5.2 million or 21% from the comparable period last year mainly due to the increase the in the revenue from underlying assets of healthcare subsidiary, AAH.

Income from equity-accounted investees reflects the strong returns from AerCap and the Dunia Group (Dunia Finance and Dunia Services) amounting to AED 226.3 million and AED 12.9 million, respectively.

Total expenses decreased from AED 91.8 million to AED 90.3 million, representing a decrease of 2%.

Balance Sheet

Total assets increased from AED 5.2 billion as at 31 December 2013 to AED 9.3 billion as at 30 September 2014 mainly due to cash received on account of collar financing/hedging of AerCap shares, the strong performance of investments in equity-accounted associates and joint ventures, positive equity reserve on fair valuation of the equity price collar instrument, and the increase in financial investments – mainly public capital markets instruments – financed partially through repurchase arrangements from a financial institution.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

4. Discussion of Results (continued)

Balance Sheet (continued)

Key balance sheet metrics are shown in the table below:

	As at	
Balance Sheet (AED '000)	**30-Sept-14**	**31-Dec-13**
Investment property	687,257	809,491
Loan investments	244,221	279,528
Investment in equity-accounted associates and joint ventures	4,186,959	2,493,478
Financial investments	1,133,337	789,168
Trade and other receivables	284,943	262,457
Cash and cash equivalents	2,487,429	271,283
Other assets	98,062	110,561
Assets held for sale	221,647	221,647
Total assets	9,343,855	5,237,613
Borrowings	4,841,919	2,379,768
Trade and other payables	352,091	311,544
Total equity	4,149,845	2,546,301
Total Liabilities and Equity	9,343,855	5,237,613

Investment in equity-accounted associates and joint ventures increased by a net AED 1,693.5 million due to (a) strong performance from AerCap and Dunia Group (b) gain on deemed partial disposal on the dilution of Waha Capital's ownership in AerCap resulting from acquisition of ILFC as discussed in the "Net Profit" section above, (c) acquisition of NPS amounting to AED 279.7 million; offset by the disposal of AerLift, for which the carrying value was AED 274.0 million.

Financial investments increased by AED 344.2 million mainly due to the purchase of an equity price collar and an increase in investments in public securities financed partially through repo arrangements.

Increase in cash and cash equivalent of AED 2,216.1 million and increase in borrowings of AED 2,462.2 million mainly represents funding received on account of collar financing as discussed above in the "Key Events in the Current Quarter".

5. Corporate Strategy

Waha Capital's new strategy is to invest directly in high potential sectors of the regional economy, with a preference for acquiring majority stakes in companies where value can be added. The Company will also look at increasing exposure to capital markets to enhance liquidity in its portfolio.

Waha Capital is now structured to manage a diversified portfolio of investments through its business units: principal investments, capital markets and industrial real estate. The Company will consider taking on co-investment partners, evolving into a fee generating business by offering its expertise, networks and local knowledge to investors looking to capitalise on the rapid growth in the region. To project the strategy, Waha Capital recently refreshed its brand to reflect its dynamic and professional approach.

6. Business and Portfolio Companies Analysis

6.1 Principal Investments

Waha Capital's Principal Investments business includes equity and loan investments in individual companies. Waha Capital has six key investments: (a) AerCap Holdings, (b) Dunia Finance, (c) Anglo Arabian Healthcare, (d) Stanford Marine Group, (e) MENA Infrastructure Fund; and (f) NPS Bahrain. In addition, the company has investments in other companies, which it classifies as legacy investments, and is focussed on divesting them over the next three to five years.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

6. Business and Portfolio Companies Analysis (continued)

6.1 Principal Investments (continued)

AerCap

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

In 2010, Waha Capital acquired a 20% stake in AerCap. Waha Capital received 29.8 million shares of AerCap in exchange for cash, its 50% stake in AerVenture (a joint venture between Waha Capital and AerCap that had a fleet of 47 Airbus A320 aircraft at the time) and a 40% stake in Waha Capital's portfolio of 16 aircraft from Airbus, Boeing and Bombardier. During 2011-2013, AerCap repurchased 35.9 million shares at an average price of AED 43.0 per share under its stock repurchase programme. Waha Capital did not participate in this stock repurchase program. As a result, Waha Capital's stake in AerCap increased to 26.3%.

On 14 May 2014, AerCap Holdings N.V. (AerCap) has completed its previously announced acquisition of International Lease Finance Corporation (ILFC) from American International Group Inc (AIG) by issuing 97.6 million shares to AIG, which resulted in a dilution of Waha Capital's ownership from 26.3% to 14.1%.

During the nine-month period ended 30 September 2014, AerCap continued to position itself for long-term growth, particularly in emerging markets, and to make significant enhancements to the quality of its fleet. During the third quarter of 2014, AerCap completed the following transactions:

- Signed lease agreements for 84 aircraft
- Delivered 26 aircraft under contracted lease agreements
- Purchased 9 new aircraft, including five Boeing 787-8s, three Boeing 737-800s and one Airbus A321-200
- Executed the sale and part-out transactions for 15 aircraft, including:
  - one Airbus A300-600F, one Airbus A340-300, eight Boeing B737 classics, one Boeing B767-300ER and two MD-11s from AerCap's owned portfolio.
  - one Boeing 737 classic and one Airbus A320-200 from AerCap's managed portfolio.
- Signed financing transactions for AED 5.5 billion including the previously announced private offering of AED 2,942.4 million. The total financing transactions completed year-to-date amount to AED 32.7 billion.

As of 30 September 2014, AerCap's portfolio consisted of 1,676 aircraft that were either owned, managed, or under contract to purchase.

For the nine-month period ended 30 September 2014 , AerCap has contributed 87% of total income and its carrying value of AED 3.7 billion represents 40% of total assets as at 30 September 2014 .

Dunia Finance

Dunia Finance (Dunia) is a UAE Central Bank regulated finance company that offers a range of financial solutions including personal loans, auto loans, credit cards, guarantees and deposits to its customers in the UAE. Currently, the majority of its loan portfolio comprises credit cards and personal loans. Dunia targets the underserved salaried mass and mass affluent markets as well as the self-employed mass market for its lending products and the SME and Corporate markets for deposits and guarantees.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

6. Business and Portfolio Companies Analysis (continued)

6.1 Principal Investments (continued)

Dunia Finance (continued)

Dunia Finance, based out of Abu Dhabi, was launched in 2008 through a strategic partnership between Fullerton Financial Holdings (a wholly owned subsidiary of Temasek Holdings in Singapore), Mubadala Development Company, Waha Capital and A. A. Al Moosa. Waha Capital owns a 25% stake in Dunia Finance.

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 20-30% range. Serving the underserved low-income salaried mass and mass affluent market enabled Dunia to grow its loan book at a 56% CAGR over 2009 to 2013.

Dunia has undertaken several strategic cost management initiatives such as reengineering business processes, limiting new hiring to revenue-generating roles, renegotiating costs with vendors and landlords and maintaining tight control over discretionary expenses. These initiatives reduced its cost-to-income ratio to 30.4% for the quarter ended 30 September 2014 from around 299.4% in 2009, despite strong growth in its customer base and transaction processing volumes. Dunia's net income for the period YTD 30 September 2014 was AED 132.7 million which is an increase of 45.3% over the same period in 2013, while its expenses grew moderately to AED 17.4 million for the same period. In addition, customer deposits grew by 40.1% from AED 515.1 million as at 31 December 2013 to AED 721.8 million as at 30 September 2014.

During the nine-month period ended 30 September 2014, Dunia Finance continued the impressive growth of its loan book, and maintained solid net interest margins and capital adequacy ratios. During the same period, Dunia Finance achieved the following:

- Expanded its loan book at a healthy rate, with an end of period customer base of 157 thousand and achieved 34.5% growth in its loan portfolio versus 31 December 2013;
- Achieved net-interest-income of AED 274.5 million representing an increase of 48% compared to the same period in the previous year; and net income of AED 132.7 million representing an increase of 45.3% compared to the same period in the previous year;
- Improved its asset quality and as such its impairment reserve (as a percentage of loans and advances) reduced from 7.6% at the end of 2009 to 2.8% which is well above the minimum requirement of 1.5% as per the Central Bank of UAE guideline;
- Maintained its non-performing loan cover of 1.8x which is sufficient, as it should protect the company from expected credit losses;
- Funded the loan portfolio growth through customer deposits and retained earnings;
- Maintained a bank facility of AED 190 million and cash and equivalents of AED 46.1 million.

Dunia Services

Dunia Services FZ LLC was established as a Limited Liability Company on 12 September 2012 under the Dubai Technology and Media Free Zone Authority.

The Company's principal activity is to offer a range of services including strategy and management consulting and knowledge and business process outsourcing.
The Company services a range of customers including commercial banks, finance companies and insurance companies.

During the nine month period ended September 30th 2014, the company recorded a net income of AED 6.7 million on a capital base of AED 300,000 only.

The Company's stake in Dunia Finance and Dunia Services (Dunia Group) was carried at AED 153.4 million as at 30 September 2014.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

6. Business and Portfolio Companies Analysis (continued)

6.1 Principal Investments (continued)

Stanford Marine Group

Stanford Marine Group (SMG) is a Dubai-based company that owns and operates offshore support vessels (OSVs) for the oil & gas industry, primarily in the Middle East, South East Asia and Africa. The company also offers shipbuilding and ship repair and maintenance services through its subsidiary, Grandweld. SMG's clients include BG Group, McDermott, ZADCO, Occidental Petroleum of Qatar, Dubai Petroleum, Maersk Oil of Qatar, Abu Dhabi National Oil Company, Total, Abu Dhabi Ports Company, Kuwaiti Oil Tanker Company, Kuwait Oil Company, Halul Offshore, Bourbon, National Marine Dredging Company, and Zamil Offshore. In 2008, Waha Capital acquired a 49% equity interest in SMG. Since acquisition, SMG has grown its fleet of Offshore Supply Vessels (OSVs) in operation from 21 in 2008 to 41 as at 30 September 2014.

SMG is one of the UAE's leading offshore support groups with interests in vessel ownership & operation, shipbuilding & repair, and crane leasing. SMG's chartering business, Stanford Marine, now generates c. 90% of the SMG's total EBITDA. The business owns and manages a diverse fleet of crew boats, anchor handlers and platform supply vessels operating across multiple geographies.

During the nine-month period ended 30 September 2014, SMG has:

- Maintained a fleet of 41 owned Offshore Supply Vessels (OSVs) in operation. SMG's owned fleet comprises 12 platform supply vessels, 11 anchor handling tug and anchor handling tug supply, 15 crew/utility supply vessels, and 3 workboats with an average utilization of 91% and average age of 7.3 years (arithmetic) or 4.2 years (value weighted);
- Delivered 13 ships and completed 500 repair and maintenance jobs; and
- Took delivery of one anchor handling tug supply and one platform supply vessel.

Waha Capital is considering various strategic options for its investment in SMG, including a possible exit.

Anglo Arabian Healthcare

In 2013, the Company made its first investment in the healthcare sector by acquiring Anglo Arabian Healthcare (AAH), a new group established to deliver healthcare services throughout the United Arab Emirates. AAH owns and operates 19 business assets, employs more than 300 people and serves over 400,000 registered outpatients. Operating assets consist of 1 day hospital, 6 clinics, 5 pharmacies, 5 diagnostics centres and 1 provider of continuing medical education, with 1 hospital set to open in Q1 2015.

AAH plans to expand rapidly over the next few years, both organically and through further acquisitions. This acquisition is part of Waha Capital's strategy to invest at least AED 500 million in the healthcare segment over the next three to five years. This portfolio build-up strategy aims to increase visibility, enhance collective bargaining power, benefit from cross-referrals within the network and reduce costs through common branding and sharing of services. The investment broadens Waha Capital's asset mix, marking its entry into an area that holds high growth potential and is a priority for the UAE. The company is expected to be cash generative and benefit directly from the growth in the UAE healthcare market.

The value of AAH's net assets is AED 70.2 million as at 30 September 2014.

MENA Infrastructure Fund

MENA Infrastructure Fund (MIF) was founded in 2006 with Dubai International Capital (DIC), HSBC Bank Middle East and Waha Capital as General Partners (GP). In 2012, DIC sold its stake in MIF to Fajr Capital. MIF is a private equity fund that invests in infrastructure development projects across MENA. Within the infrastructure segment, the fund's mandate is to invest in areas such as energy (including power generation, transmission and distribution), transport (including airports, rail, roads and ports), environmental services (including waste management and water desalination) and social infrastructure (including education facilities, hospitals and social housing).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

6. Business and Portfolio Companies Analysis (continued)

6.1 Principal Investments (continued)

MENA Infrastructure Fund (continued)

In 2007, MIF was launched with a total capital commitment of AED 1,103.4 million from its Limited Partners (LP). Waha Capital originally committed to fund AED 197.7 million (17.9% of total commitment), out of which AED 167.7 million has been funded till date. Currently MIF is invested in four projects: a) Alexandria International Container Terminals in Egypt, b) Qurayyah Independent Power Project (IPP) in Saudi Arabia, c) United Power Company in Oman and d) Sohar Power Company in Oman. MIF is one of the largest and most successful infrastructure funds in the region and has received the Middle East Fund Manager of the Year award in each of the years over 2009-2013 and the Best Infrastructure Fund award for the MENA region in 2013.

As at 30 September 2014, Waha Capital carried its LP stake in the Fund at AED 130.1 million.

NPS Bahrain for Oil and Gas Wells Services W.L.L. (NPS Bahrain)

In Q2 2014, the Company made an investment of AED 279.7 million in the energy sector by acquiring a stake in NPS Holdings Limited alongside a consortium; including Fajr Capital and APICORP. The transaction is a part of Waha Capital's broader strategy of investing across the energy supply chain.

NPS Holdings Limited holds controlling stake in NPS Bahrain which was formed in 2007 through the merger of Qatari and Saudi OFS providers with roots dating back to 1978. NPS Bahrain, through its various subsidiaries and joint ventures, have significant presence in Saudi Arabia, Qatar, United Arab Emirates, Brunei, India, Libya, Bahrain, Iraq, Algeria and Malaysia. The Group is involved in Oil Well Maintenance services which includes Cementing, Coiled Tubing, Nitrogen and Stimulation, Well Drilling, Well Testing and Wireline services.

During the nine-month period ended 30 September 2014, NPS Bahrain continued to position itself for long-term growth, particularly in emerging markets, and to make significant enhancements to the quality of its services. During the third quarter of 2014, NPS Bahrain completed the following transactions:

- Secured contracts worth AED 241.9 million, taking current contracts-in-progress to AED 2,706.8 million
- Invested AED 33.7 million in capital expenditure, taking the year to date capital expenditure to AED 131.0 million.

In the quarter ended 30 September 2014, the following key metrics were reported by NPS Bahrain:

- Reported a book value of property, plant and equipment as at 30 September 2014 of AED 1,143.3 million;
- Revenue of AED 199.3 million, with a year to date revenue of AED 530.4 million.

The Company's stake in NPS as an equity accounted investee, was carried at AED 286.1 million as at 30 September 2014.

Other Assets

As at 30 September 2014, Waha Capital held non-core investments of around AED 125.9 million. Siraj Finance accounted for around 52% of this carrying value. Waha Capital is considering exiting all its legacy investments over the next five years.

Siraj Finance is an Abu Dhabi-based finance company with business interests in mortgage finance, consumer finance, trade finance, real estate and investment fund management. Waha Capital owns an 83.3% stake in the company.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

6. Business and Portfolio Companies Analysis (continued)

6.2 Capital Markets

The capital markets business of Waha Capital comprises private transactions and investments in the public capital markets. Waha Capital assembled a team of investment banking professionals to develop this business.

The Company generated AED 235.0 million from Capital Markets transactions during the nine-month period ended 30 September 2014. The carrying value of Capital Market assets is AED 1,143.8 million as at 30 September 2014.

Private transactions

Since 2008 Waha Capital has 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. The target IRR hurdle rate for investments into private transactions is 15% and all investments are subject to fundamental research covering the macro, sector and issuer risks.

Public capital markets

Waha Capital has been developing its securities investments business to invest in capital market securities such as bonds, sukuks, convertibles, equities, hybrids, IPOs and pre-IPOs. We are initially focussed on credit investments primarily comprising USD-denominated corporate bonds issued in the emerging markets with a focus on Central Europe, Middle East and Africa (CEMEA). Our investment process is complemented by dedicated in-house research and robust risk management.

6.3 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 quality facilities and infrastructure owned, developed and operated by Waha Land, a wholly owned subsidiary of Waha Capital. The project is located in Al Dhafra, approximately 25 km from central Abu Dhabi, and is well located to access the industrial and logistics infrastructure (land, sea, air, and future rail) of the UAE. ALMARKAZ benefits from its strategic location on major trade routes (E11 & E65) connecting the UAE with Saudi Arabia, the Western Region (Al Gharbia) and major oil facilities (Ruwais and Habshan). ALMARKAZ is also close to the Etihad Rail Network routes that will link Ghweifat to Dubai and is located adjacent to the proposed Mussafah Junction Rail Depot and Marshalling Yard Facilities. Ample labor accommodation is available in the vicinity to service the project requirements.

The ALMARKAZ development is on 6 sq km of land, which was granted by the Government of Abu Dhabi. Waha Land is developing the initial phase of the project on 25% of the total area (1.5 sq km). Construction of the Phase I Infrastructure and 90,000 sq m of Small Industrial Units (SIUs) was completed in December 2012. Leasing activity commenced in Q2 2013 with over 70% occupancy of the SIU's achieved by end of third quarter 2014 with leasing rates based at current market levels. The project continues to receive growing interest from light industrial processing, manufacturing and logistics businesses attracted by the development's international standard infrastructure and warehouse facilities.

Following the success of the first 90,000 sq m of industrial space, ALMARKAZ is exploring a number of growth plans including (i) expansion of SIU space, and (ii) development of new products such as warehouses and light industrial units (LIUs) on the remaining 0.8 sq km of serviced land within Phase I.

Waha Capital owns a 100% stake in Waha Land and carries the investment of Phase I at fair market value of AED 687.3 million as at 30 September 2014, following a decrease in fair value of AED 125.1 million taken in Q2 2014.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

7. Corporate Governance

Waha Capital has a highly proficient investment team in place and a strong pipeline of potential investments, where we believe we can add value and achieve attractive returns. Operationally, we will maintain our prudent approach to financial management and continue to focus on increasing our efficiency in the way we manage our assets. We will also look to further develop our relationships with key stakeholders in Abu Dhabi, the region, and with partners in the wider investment community.

Since our inception we have embraced a culture of strong corporate governance, risk management and transparency, which has earned us respect from our peers and stakeholders. It is our goal to create enduring value for our clients and deliver sustainable financial performance to our shareholders, while navigating challenging market conditions. We are confident we can build on our credentials, reputation and accomplished management team to create a position of leadership in the regional investment management space.

Salem Rashid Al Noaimi
CEO & Managing Director, Waha Capital PJSC
Date: 06 November 2014

Deloitte.

Deloitte & Touche (M.E.)
Al Sila Tower
Sowwah Square
P. O . Box 990
Abu Dhabi, United Arab Emirates

Tel: +971 2 408 2424
Fax: +971 2 408 2525
www.deloitte.com

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 30 September 2014 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 nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair 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.)

ديلويت أند توش
ص.ب ٩٩٠
أبوظبي - إ.ع.م
Abu Dhabi - U.A.E.
P.O.Box 990
Deloitte & Touche

Georges F. Najem
Registration No. 809
Abu Dhabi
6 November 2014

Condensed consolidated statement of financial position

	Note	As at 30 September 2014 (Unaudited) AED '000	As at 31 December 2013 (Audited) AED '000
ASSETS			
Furniture and equipment		**11,804**	13,798
Investment property	*8*	**687,257**	809,491
Intangible assets		**56,139**	57,570
Investments in finance leases		**24,975**	28,915
Loan investments	*17*	**244,221**	279,528
Investments in equity-accounted associates and joint ventures	*5*	**4,186,959**	2,493,478
Financial investments	*7*	**1,133,337**	789,168
Inventories		**5,144**	10,278
Trade and other receivables	*6*	**284,943**	262,457
Cash and cash equivalents		**2,487,429**	271,283
		9,122,208	5,015,966
Assets held for sale		**221,647**	221,647
Total assets		**9,343,855**	5,237,613
EQUITY AND LIABILITIES			
Equity			
Share capital	*9*	**1,944,515**	1,897,088
Reserves and surplus		**2,185,355**	629,323
Equity attributable to the owners of the Company		**4,129,870**	2,526,411
Non-controlling interests		**19,975**	19,890
Total Equity		**4,149,845**	2,546,301
Liabilities			
Borrowings	*10*	**4,841,919**	2,379,768
Trade and other payables	*11*	**352,091**	311,544
Total Liabilities		**5,194,010**	2,691,312
Total equity and liabilities		**9,343,855**	5,237,613

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

These condensed consolidated financial statements were authorised for issue by the board of directors on 06 November 2014 and signed on their behalf by:

Chairman

CEO & Managing Director

Condensed consolidated statement of profit or loss

	Note	**Nine-month period ended 30 September 2014 *(Unaudited)* AED '000**	Nine-month period ended 30 September 2013 *(Unaudited)* AED '000	**Three-month period ended 30 September 2014 *(Unaudited)* AED '000**	Three-month period ended 30 September 2013 *(Unaudited)* AED '000
Continuing operations					
Revenue from sale of goods and services	*12*	**102,693**	36,251	**29,295**	24,131
Cost of sale of goods and services		**(28,194)**	(10,694)	**(9,264)**	(6,870)
Gross profit		**74,499**	25,557	**20,031**	17,261
Income from equity-accounted associates and joint ventures, *net*	*5*	**381,382**	197,706	**245,412**	84,873
Gain on disposal of equity-accounted associates and joint ventures	*5*	**1,326,901**	-	**-**	-
Income from capital markets transactions	*13*	**235,038**	197,092	**110,782**	84,442
Other (expense) / income, *net*	*14*	**(126,312)**	10,902	**5,329**	5,823
General and administrative expenses	*15*	**(222,779)**	(136,193)	**(53,818)**	(63,040)
Finance expense, *net*		**(77,103)**	(64,924)	**(27,223)**	(21,918)
Profit for the period from continuing operations		**1,591,626**	230,140	**300,513**	107,441
Discontinued operations					
(Loss) / profit for the period from discontinued operations		**(72)**	1,520	**-**	(2)
Profit for the period		**1,591,554**	231,660	**300,513**	107,439
Profit / (loss) attributable to:					
Owners of the Company		**1,590,530**	230,768	**301,216**	107,086
Non-controlling interest		**1,024**	892	**(703)**	353
Profit for the period		**1,591,554**	231,660	**300,513**	107,439
Basic and diluted earnings per share from continuing and discontinued operations attributable to the owners of the Company during the period (AED)	*9*				
- from continuing operations		**0.818**	0.119	**0.155**	0.055
- from discontinued operations		**-**	-	**-**	-
		0.818	0.119	**0.155**	0.055

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

	Nine- month period ended 30 September 2014 *(Unaudited)* AED '000	Nine- month period ended 30 September 2013 *(Unaudited)* AED '000	**Three- month period ended 30 September 2014 *(Unaudited)* AED '000**	Three- month period ended 30 September 2013 *(Unaudited)* AED '000
Profit for the period	**1,591,554**	231,660	**300,513**	107,439
Other comprehensive income				
Share of effective portion of changes in fair value of cash flow hedges	**201,158**	-	**201,158**	-
Net change in fair value of other financial assets at fair value through other comprehensive income	**(4,426)**	2,776	**(5,108)**	620
Share of change in other reserves of equity-accounted associates and joint ventures	**5,906**	1,536	**2,400**	2,801
Total comprehensive income for the period	**1,794,192**	235,972	**498,963**	110,860
Total comprehensive income / (loss) attributable to:				
Owners of the Company	**1,793,168**	235,080	**499,666**	110,507
Non-controlling interest	**1,024**	892	**(703)**	353
Total comprehensive income for the period	**1,794,192**	235,972	**498,963**	110,860

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 nine-month period ended 30 September

	Share capital AED '000	Statutory reserve AED '000	Revaluation reserve AED '000	Hedge reserve AED '000	Other reserves AED '000	Retained earnings AED '000	Reserves and surplus AED '000	Equity attributable to owners AED '000	Non-controlling interest AED '000	Total equity AED '000
At 1 January 2013	1,897,088	126,494	(5,893)	(3,828)	(7,197)	323,036	-	2,329,700	13,899	2,343,599
Profit for the period	-	-	-	-	-	230,768	-	230,768	892	231,660
Other comprehensive income	-	-	2,776	-	1,536	-	-	4,312	-	4,312
Total comprehensive income	-	-	2,776	-	1,536	230,768	-	235,080	892	235,972
Transactions with the owners of the Company, recognised directly in equity										
Dividend	-	-	-	-	-	(113,825)	-	(113,825)	-	(113,825)
Non-controlling interest arising on acquisition of a subsidiary	-	-	-	-	-	-	-	-	6,633	6,633
At 30 September 2013	1,897,088	126,494	(3,117)	(3,828)	(5,661)	439,979	-	2,450,955	21,424	2,472,379
At 1 January 2014	1,897,088	157,129	(3,169)	(3,828)	(5,736)	484,927	629,323	2,526,411	19,890	2,546,301
Profit for the period	-	-	-	-	-	1,590,530	1,590,530	1,590,530	1,024	1,591,554
Other comprehensive income	-	-	196,732	-	5,906	-	202,638	202,638	-	202,638
Total comprehensive income	-	-	196,732	-	5,906	1,590,530	1,793,168	1,793,168	1,024	1,794,192
Transactions with the owners of the Company, recognised directly in equity										
Cash dividend (note 9)	-	-	-	-	-	(189,709)	(189,709)	(189,709)	-	(189,709)
Bonus shares issued (note 9)	47,427	-	-	-	-	(47,427)	(47,427)	-	-	-
Non-controlling interest arising on acquisition of a subsidiary	-	-	-	-	-	-	-	-	(939)	(939)
At 30 September 2014	**1,944,515**	**157,129**	**193,563**	**(3,828)**	**170**	**1,838,321**	**2,185,355**	**4,129,870**	**19,975**	**4,149,845**

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

Condensed consolidated statement of cash flows

For the nine-month period ended 30 September

	2014 (Unaudited) AED '000	2013 (Unaudited) AED '000
Cash flows from operating activities		
Profit for the period	**1,591,554**	231,660
Adjustments for:		
Depreciation	**4,620**	2,942
Interest on borrowings	**78,365**	64,924
Gain on valuation of financial assets at fair value through profit or loss	**(32,187)**	(6,394)
Interest on bank deposits	**(961)**	(569)
Income from equity-accounted associates and joint ventures	**(381,382)**	(197,709)
Gain on disposal of equity-accounted associates and joint ventures, *net*	**(1,326,901)**	-
Interest income from investments in finance leases	**(1,877)**	(2,222)
Decrease in fair value of investment property	**125,075**	4,242
Distribution from equity-accounted associates and joint ventures	**6,119**	4,400
Amortisation of Intangible assets	**1,431**	-
Provision for slow moving and obsolete inventories	**5,603**	-
Provision for doubtful debts	**26,366**	-
Changes in working capital:		
Change in inventories	**(469)**	309
Change in trade and other receivables	**(38,783)**	(122,017)
Change in trade and other payables	**40,547**	21,286
Net cash from operating activities	**97,120**	852
Cash flows from investing activities		
Purchase of an equity-accounted associate	**(279,732)**	-
Proceeds from disposal of an equity-accounted associate	**294,321**	-
Proceeds from disposal of asset held for sale	**-**	73,560
Acquisition of subsidiaries (net of cash)	**-**	(39,768)
Proceeds from loan investments	**25,238**	25,767
Proceeds from finance leases	**5,817**	5,818
Proceeds from sale / settlement / dividend received on financial assets at fair value through profit or loss	**1,377,374**	8,359
Purchase of investments at fair value through profit or loss	**(1,498,074)**	-
Purchase of investments at amortised cost	**(22,172)**	-
Purchase of investments at FVTOCI, *net*	**(128,693)**	(24,032)
Payments made for development of investment property	**(2,841)**	(27,877)
Purchase of furniture and equipment	**(2,626)**	(4,192)
Interest received	**961**	569
Net cash (used) / from investing activities	**(230,427)**	18,204
Cash flows from financing activities		
Finance cost paid on borrowings	**(190,684)**	(62,651)
Loans repaid	**(3,222)**	(50,975)
Loans obtained	**2,734,007**	110,340
Dividends paid	**(189,709)**	(113,825)
Net movement in non-controlling interest	**(939)**	-
Net cash from / (used) in financing activities	**2,349,453**	(117,111)
Net increase / (decrease) in cash and cash equivalents	**2,216,146**	(98,055)
Cash and cash equivalents at 1 January	**271,283**	219,635
Cash and cash equivalents at 30 September	**2,487,429**	121,580

Non-cash transactions:

- Issuance of bonus shares during the period through retained earnings (note 9).
- Repayment of existing credit facility and drawdown of new credit facility during the period, settled net (note 10).

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

Notes to the condensed consolidated financial statements

1 Legal status and principal activities

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.

These condensed consolidated financial statements for the nine-month period ended 30 September 2014 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 and oil and gas.

The Group's consolidated financial statements for the year ended 31 December 2013 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 2013.

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 2013, except for the adoption of IFRS 9 Financial Instruments (2013) and the related consequential amendments in advance of its effective date. The Group has chosen 1 July 2014 as its date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities) because the Group decided to apply IFRS 9 in the current period and 1 July 2014 is the beginning of the current reporting period.

The Group has also applied, for the first time, several new standards and amendments in 2014, as stated below:

New and revised IFRSs effective in 2014

- Amendments to IAS 32 *Financial Instruments: Presentation* relating to offsetting financial assets and liabilities
- IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities,* IAS 27 *Separate Financial Statements* – Amendments for Investments entities
- IAS 36 *Impairment of Assets* – Disclosures relating to recoverable amount for non-financial assets
- IAS 39 *Financial Instruments*: Recognition and Measurement - amendments for novation of derivatives and continuation of hedge accounting
- IFRIC 21 *Levies* – Guidance on when to recognise a levy imposed by a government

However, the adoptions of new standards and amendments of 2014 and the early adoption of IFRS 9 does not impact the consolidated financial statements of the current or prior reporting periods of the Group, except for the treatment of fair value changes in the time value element of the equity price collar instrument as stated in note 3 below.

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies (continued)

The amended accounting policies for Financial Instruments adopted under IFRS 9 are as follows:

Initial Recognition

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Debt Instruments

Debt instruments are classified and subsequently measured at either amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments are measured at amortised cost, net of any write down for impairment, only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest calculated using the effective interest method is recognised in profit or loss and is included in the "Finance expense, net" line item. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group may choose at initial recognition to designate a debt instrument that otherwise qualifies to be measured at amortised cost or as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch. All other debt instruments must be measured as at FVTPL.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Other Financial Assets measured at amortised cost

Trade and other receivables and cash and cash equivalents are measured at amortised cost less any impairment. Interest income is recognised on an effective interest basis, except for short term receivables when the recognition of interest would be immaterial.
Cash and cash equivalents include cash on hand and deposits held with banks (excluding deposits held under lien) with original maturities of three months or less.

Equity Instruments

Investments in equity instruments are classified and measured as at FVTPL, except when the equity investment is not held for trading and is irrevocably designated by the Group as at fair value through other comprehensive income (FVTOCI) upon initial recognition (on an instrument-by-instrument basis).

3 Significant accounting policies (continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments designated at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue*, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in the 'Other (expense)/income, net' line item (note 14).

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

<u>Financial Liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies (continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract is designated as at FVTPL in accordance with IFRS 9.

Financial liabilities designated at FVTPL are stated at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognised in profit or loss. Such gains or losses that are recognised in profit or loss incorporate any interest paid on the financial liabilities and are included in the ‘Income from capital markets transactions’ line item in the consolidated statement of profit or loss.

However, for non-held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

<u>Financial liabilities subsequently measured at amortised cost</u>

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance expense, *net*' line item in the consolidated statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Reclassification

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost, if and only if the Group’s business model objective for its financial assets changes so its previous model assessment would no longer apply.

If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Group does not restate any previously recognised gains, losses, or interest.

Reclassification is not allowed for:

- equity investments measured at FVTOCI, or
- where the fair value option has been exercised in any circumstance for a financial asset or financial liability.

3 Significant accounting policies (continued)

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in:

- Profit or loss, for securities measured at amortised cost or FVTPL, or
- Other comprehensive income, for investments at FVTOCI. At the time of derecognition of FVTOCI investment any revaluation reserve is transferred to retained earnings.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign Exchange Gains and Losses

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- for financial assets and liabilities that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss; and
- for financial assets that are equity instruments and designated as at FVTOCI, any foreign exchange component is recognised in other comprehensive income.

For foreign currency denominated financial assets and liabilities measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'Income from capital market transactions' line item in the consolidated statement of profit or loss.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, to manage its exposure to interest rate and foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 7.

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

<u>Embedded derivatives</u>

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Hedge Accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk and equity price risk, as either fair value hedges or cash flow hedges.

3 Significant accounting policies (continued)

Hedge Accounting (continued)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 4(b) sets out details of the fair values of the derivative instruments used for hedging purposes.

<u>Cash flow hedges</u>

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of revaluation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other (expense) / income, *net*' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of profit or loss as the recognised hedged item. If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the revaluation reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the future cash flows occur; if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

When the Group separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of the option, it recognises some or all of the change in the time value in other comprehensive income which is later removed or reclassified from equity as a single amount or on an amortised basis (depending on the nature of the hedged item) and ultimately recognised in profit or loss.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group will adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.
Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting (after any rebalancing).

Impairment
Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days,

3 Significant accounting policies (continued)

as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Adoption of IFRS 9

The table below illustrates the classification of financial instruments held by the Group on the date of initial adoption under IFRS 9 and IAS 39. Adoption of IFRS 9 did not impact the measurement of financial instruments held by the Group.

Financial Instruments	**Original measurement category under IAS 39**	**New measurement category under IFRS 9**
Financial assets		
Investments in finance leases	Loans and receivables	Financial assets at amortised cost
Loan investments	Loans and receivables	Financial assets at amortised cost
Investments available-for-sale		
Unquoted fund	Available-for-sale investments	Financial assets at FVTOCI
Financial assets at FVTPL		
Derivative assets	Financial assets at FVTPL	Financial assets at FVTPL
Listed fixed income securities	Financial assets at FVTPL	Financial assets at FVTPL
Listed equity securities	Financial assets at FVTPL	Financial assets at FVTPL
Other investments	Financial assets at FVTPL	Financial assets at FVTPL
Financial assets held-to-maturity		
Listed fixed income securities	Held-to-maturity investments	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Financial liabilities		
Borrowings	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Trade and other payables – others	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Trade and other payables – derivative liabilities	Financial liabilities at FVTPL	Financial liabilities at FVTPL

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.

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:

	30 September 2014 (Unaudited) AED '000	31 December 2013 (Audited) AED '000	Fair value hierarchy	Valuation technique
1. Financial assets at fair value through profit or loss				
(a) Listed equity securities	**118,362**	14,941	Level 1	Quoted bid prices in an active market
(b) Other investment in equity securities	**6,035**	5,766	Level 2	Quoted bid prices and discounted cash flow of the underlying investments.
(c) Listed fixed income securities	**299,383**	381,191	Level 1	Quoted bid prices in an active market
(d) Derivative assets	**83,427**	107,475	Level 2	Discounted cash flow. Future cash flows are estimated based on a forward interest rate curve.
2. Financial assets at fair value through other comprehensive income				
(a) Unquoted Fund	**130,075**	135,639	Level 3	Discounted cash flow
(b) Equity Price Collar	**330,988**	-	Level 2	Black-Scholes model with market observable inputs
3. Financial liabilities at fair value through profit or loss				
(a) Derivative liabilities	**58,838**	(82,313)	Level 2	Discounted cash flow. Future cash flows are estimated based on a forward interest rate curve.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

(a) Fair value hierarchy (continued)

	30 September 2014 (Unaudited) AED '000				31 December 2013 (Audited) AED '000			
Financial assets	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL								
Listed equity securities	**118,362**	**118,362**	**-**	**-**	14,941	14,941	-	-
Other investment in equity securities	**6,035**	**-**	**6,035**	**-**	5,766	-	5,766	-
Listed fixed income securities	**299,383**	**299,383**	**-**	**-**	381,191	381,191	-	-
Derivative assets	**83,427**	**-**	**83,427**	**-**	107,475	-	107,475	-
Financial assets at FVTOCI								
Unquoted fund	**130,075**	**-**	**-**	**130,075**	135,639	-	-	135,639
Equity price collar	**330,988**	**-**	**330,988**	**-**	-	-	-	-
Total	**968,270**	**417,745**	**420,450**	**130,075**	645,012	396,132	113,241	135,639

Financial liabilities	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at FVTPL								
Derivative liabilities	**(58,838)**	**-**	**(58,838)**	**-**	(82,313)	-	(82,313)	-
Total	**(58,838)**	**-**	**(58,838)**	**-**	(82,313)	-	(82,313)	-

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

(a) Fair value hierarchy (continued)

Reconciliation of Level 3 fair value movements

	Nine-month period ended 30 September 2014 (Unaudited) AED '000	Year ended 31 December 2013 (Audited) AED '000
Opening balance 1 January	**135,639**	108,883
Acquisitions of financial assets at FVTOCI	**-**	24,032
Capital reduction	**(1,137)**	-
Net (losses)/gains in other comprehensive income	**(4,427)**	2,724
Closing balance	**130,075**	135,639

(b) Fair values of financial assets and liabilities

The fair values of financial assets and liabilities, together with their carrying amount, are as follows:

	30 September 2014 (Unaudited) AED '000		31 December 2013 (Audited) AED '000	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets				
Financial assets at FVTOCI				
• *Unquoted fund*	**130,075**	**130,075**	135,639	135,639
• *Equity price collar*	**330,988**	**330,988**	-	-
Financial assets at FVTPL				
• *Derivative assets*	**83,427**	**83,427**	107,475	107,475
• *Listed fixed income securities*	**299,383**	**299,383**	381,191	381,191
• *Listed equity securities*	**118,362**	**118,362**	14,941	14,941
• *Other investments*	**6,035**	**6,035**	5,766	5,766
Financial assets at amortised cost				
• *Listed fixed income securities*	**165,067**	**166,468**	144,156	147,111
• *Investments in finance leases*	**24,975**	**24,975**	28,915	28,915
• *Loan investments*	**244,221**	**244,221**	279,528	279,528
• *Trade and other receivables*	**284,943**	**284,943**	262,457	262,457
• *Cash and cash equivalents*	**2,487,429**	**2,487,429**	271,283	271,283
Financial liabilities				
Financial liabilities at amortised cost				
• *Borrowings*	**4,841,919**	**4,841,919**	2,379,768	2,379,768
• *Trade and other payables - others*	**293,253**	**293,253**	229,231	229,231
Financial liabilities at FVTPL				
• *Trade and other payables – derivative liabilities*	**58,838**	**58,838**	82,313	82,313

Notes to the condensed consolidated financial statements (continued)

5 Investments in equity-accounted associates and joint ventures

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

	Nine-month period ended 30 September 2014 (Unaudited) AED '000	Year ended 31 December 2013 (Audited) AED '000
As at 1 January	**2,493,478**	2,255,370
Acquisitions	**279,732**	-
Disposals	**(274,049)**	-
Share of income, net	**381,382**	265,601
Deemed disposal gain on Aercap Holdings N.V.	**1,306,629**	-
Share of equity reserves	**5,906**	1,461
Distributions received	**(6,119)**	(28,954)
	4,186,959	2,493,478

During the period, the Group concluded the disposal of its entire investment in the joint venture, Aerlift Leasing Limited, to a third party for a consideration of AED 294,321 thousand (net of selling costs), resulting in a gain of AED 20,272 thousand.

On 14 May 2014, the Group's equity accounted associate investment in Aercap Holdings N.V. ("Aercap") was diluted from 26.2% to 14.1% following Aercap's acquisition of 100% common stock of International Lease Finance Corporation (ILFC) from American International Group, Inc (AIG) for a combined consideration of AED 11,034,000 thousand (US$ 3 billion) in cash and 97.6 million new shares in Aercap. The dilution of the Group's stake was accounted as a deemed disposal resulting in the recognition of gain on disposal of AED 1,306,629 thousand. Further, on 2 September 2014, the Group completed a hedging and funding transaction for 50% of its investment in Aercap (note 7). The Group will retain its two seats on Aercap's Board of Directors, as well as representation on the various Board sub-committees on which it currently serves. The Group's investment in Aercap continues to be classified as an equity-accounted associate following these transactions.

On 26 June 2014, the Group's Principal Investments segment acquired 20.56% equity stake in National Petroleum Services (NPS), a Bahrain based oil and gas Services Company, for a consideration of AED 279,732 thousand. The principal business activities of NPS are providing oilfield services, such as well services, drilling and work-over services, well testing and wireline logging services. The key geographies of its operations are MENA and Southeast Asia. The allocation of the purchase price is ongoing as of the end of the reporting period.

Investment in equity-accounted associates and joint ventures domiciled outside UAE amount to AED 4,018,653 thousand (31 December 2013: AED 2,354,596 thousand).

The Group's investments with a carrying amount of AED 3,726,752 thousand (31 December 2013: AED 2,332,800 thousand) are collateralised against the Group's borrowings (note 10).

Notes to the condensed consolidated financial statements (continued)

6 Trade and other receivables

	30 September 2014 (Unaudited) AED '000	31 December 2013 (Audited) AED '000
Trade receivables	**88,748**	109,455
Allowance for doubtful debts	**(19,861)**	(4,107)
Prepayments and advances	**4,894**	3,907
Accrued interest	**53,513**	45,650
Amounts set aside for prior year dividends and rights issue refunds	**24,487**	18,204
Deposits under lien	**70,000**	70,000
Other receivables	**63,162**	19,348
	284,943	262,457

7 Financial investments

	30 September 2014 (Unaudited) AED '000	31 December 2013 (Audited) AED '000
Financial assets at FVTOCI		
Unquoted fund	**130,075**	135,639
Equity price collar	**330,988**	-
Financial assets at amortised cost		
Listed fixed income securities	**165,067**	144,156
Financial assets at fair value through profit or loss		
Derivative assets	**83,427**	107,475
Listed fixed income securities	**299,383**	381,191
Listed equity securities	**118,362**	14,941
Others investments	**6,035**	5,766
	1,133,337	789,168

Derivative assets held by the Group, have a notional value of AED 1,385,870 thousand (31 December 2013: AED 1,577,862 thousand).

Listed fixed income securities classified as at amortised cost and at fair value through profit or loss with a carrying amount of AED 398,577 thousand (31 December 2013: AED 477,081 thousand) are pledged as security against the Group's borrowings under repurchase agreements (note 10).

Financial investments held outside the UAE amount to AED 576,558 thousand (31 December 2013: AED 636,883 thousand).

On 2 September 2014, the Group completed a hedging and funding transaction for 50% of its investment in Aercap Holdings N.V., investing AED 129,830 thousand in an equity price collar at a floor and cap price of US$ 42.39 and US$ 61.23 per share respectively. The equity price collar has been designated as a cash flow hedging instrument, hedging the cash proceeds on a highly probable future sale of the shares, and accounted for as at fair value through OCI (Note 10).

Notes to the condensed consolidated financial statements (continued)

8 Investment property

During the period, management reviewed the fair value of the Al Markaz project. On 30 June 2014, an independent valuation was performed by accredited appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value has been determined based on valuation methodologies accepted by the Royal Institute of Chartered Surveyors.

Considering the recently increased competition in the industrial real estate market, and resultant increase in supply of similar market offerings by competitors, the valuation of the serviced land within Phase 1 of Al Markaz project was reassessed, consequently, a decrease in fair value of AED 125,075 thousand was recorded by the Group during the nine month period.

The investment property is collateralised against the Group's borrowings (note 10).

9 Share capital and dividend

On 20 March 2014, the Company held its Annual General Meeting which, among other things, approved a 10% cash dividend amounting to AED 189,709 thousand (representing AED 0.10 per share), and issuance of 47,427,187 bonus shares (representing 2.5% of the outstanding shares). Consequent to the issuance of the bonus shares, the total number of issued, subscribed and fully paid up shares of the Company increased to 1,944,514,687.

On 17 September 2014, the Company's Board of Directors approved the implementation of a share buy-back programme for up to 10% of the outstanding shares of the Company. The Securities & Commodities Authority (SCA) approved the programme on 20 October 2014.

The basic and diluted earnings per share of the comparative nine month period ended 30 September 2013 have been recomputed by assuming 1,944,514,687 issued, subscribed and fully paid up shares outstanding during the comparative period.

10 Borrowings

The movement of borrowings is presented below:

	Nine-month period ended 30 September 2014 (Unaudited) AED '000	Year ended 31 December 2013 (Audited) AED '000
As at 1 January	**2,379,768**	1,786,502
Loans drawn-down[1]	**2,080,187**	631,945
Loans acquired through business combinations	**-**	1,310
Loan arrangement and prepaid interest costs, net of amortisations	**(113,581)**	11,103
Loans repaid	**(1,831,154)**	(51,092)
Funding against collared assets[2]	**2,326,699**	-
Closing balance	**4,841,919**	2,379,768

Notes to the condensed consolidated financial statements (continued)

10 Borrowings (continued)

[1] On 27 March 2014, the Group completed the refinancing of its secured corporate term and revolving loan facility replacing it with a 5 year secured borrowing totalling to AED 2,758,500 thousand, comprising a term loan of AED 1,379,250 thousand and a revolving loan of the same amount. The increase in borrowings attributable to draw-downs from the facility during the reporting period was AED 312,630 thousand.

[2] On 2 September 2014, the Group completed a hedging and funding transaction for 50% of its investment in Aercap Holdings N.V., whereby an amount of AED 2,246,376 thousand was raised (net of AED 80,323 thousand prepaid interest cost) as interest bearing financing for a period of 3 years maturing in 2017 (note 7).

The investments and assets pledged to lenders as security against the Group's secured borrowings are the Group's interests in equity accounted associates and joint ventures (note 5), investment property (note 8), and certain financial investments (note 7).

11 Trade and other payables

	30 September 2014 (Unaudited) AED '000	31 December 2013 (Audited) AED '000
Trade payables	**10,112**	26,167
Interest accrued on borrowings	**51,579**	33,293
Derivative liabilities	**58,838**	82,313
End of service benefit provision	**16,762**	14,004
Dividends payable	**27,205**	20,922
Other payables and accruals	**187,595**	134,845
	352,091	311,544

Derivative liabilities held by the Group, have a notional value of AED 1,387,709 thousand (31 December 2013: AED 1,601,917 thousand).

12 Revenue from sale of goods and services

	Nine-month period ended 30 September 2014 (Unaudited) AED '000	Nine-month period ended 30 September 2013 (Unaudited) AED '000	**Three-month period ended 30 September 2014 (Unaudited) AED '000**	Three-month period ended 30 September 2013 (Unaudited) AED '000
Sales of services	**91,637**	34,565	**24,623**	22,933
Rental income	**10,571**	538	**4,551**	513
Sale of inventory	**485**	1,148	**121**	685
	102,693	36,251	**29,295**	24,131

Notes to the condensed consolidated financial statements (continued)

13 Income from capital markets transactions

The Group's capital markets business comprises private transactions and investments in the public capital markets. The Group has arranged debt capital financing on behalf of its clients for the acquisition of high value items, such as vessels and aircraft. The Group earns income from arranging, advising on and administering such transactions.

Private transactions may include a range of investments into financial instruments usually secured by an underlying asset. The financial instruments typically include secured debt, mezzanine debt, junior debt, structured debt and selected options and derivatives. Public capital market securities may include financial instruments such as bonds, sukuks, convertibles, equities, hybrids, IPOs and pre-IPOs.

The income from private capital market transactions is predominantly event-driven; therefore, such income does not accrue on a time-proportionate basis but is recognised entirely as and when it becomes due to the Group.

14 Other (expense) / income, *net*

	Nine-month period ended 30 September 2014 (Unaudited) AED '000	Nine-month period ended 30 September 2013 (Unaudited) AED '000	**Three-month period ended 30 September 2014 (Unaudited) AED '000**	Three-month period ended 30 September 2013 (Unaudited) AED '000
Dividend income from investments at FVTOCI	**12,168**	1,831	**3,624**	847
Interest income from loan investments	**8,037**	8,376	**2,666**	2,713
Interest income from finance leases	**1,877**	2,224	**595**	715
Fair value gain on derivatives	**990**	1,036	**290**	419
Fair value loss on investment property	**(125,075)**	(4,242)	**-**	-
Provision for slow moving and obsolete inventories	**(5,603)**	-	**121**	-
Provision for doubtful debts	**(26,366)**	-	**(7,153)**	-
Other	**7,660**	1,677	**5,186**	1,129
	(126,312)	10,902	**5,329**	5,823

Notes to the condensed consolidated financial statements (continued)

15 General and administrative expenses

	Nine months ended 30 Sept 2014 (Unaudited)			Three months ended 30 Sept 2014 (Unaudited)		
	Company AED '000	**Subsidiaries AED '000**	**Total AED '000**	**Company AED '000**	**Subsidiaries AED '000**	**Total AED '000**
Staff costs	**108,567**	**44,910**	**153,477**	**14,270**	**14,847**	**29,117**
Legal and other professional expenses	**16,610**	**3,686**	**20,296**	**8,983**	**1,472**	**10,455**
Depreciation and amortisation	**2,300**	**3,751**	**6,051**	**753**	**1,250**	**2,003**
Other	**17,372**	**25,583**	**42,955**	**4,745**	**7,498**	**12,243**
	144,849	**77,930**	**222,779**	**28,751**	**25,067**	**53,818**

	Nine months ended 30 Sept 2013 (Unaudited)			Three months ended 30 Sept 2013 (Unaudited)		
	Company AED '000	Subsidiaries AED '000	Total AED '000	Company AED '000	Subsidiaries AED '000	Total AED '000
Staff costs	82,241	7,016	89,257	30,264	2,421	32,685
Legal and other professional expenses	2,885	232	3,117	3,969	137	4,106
Depreciation and amortisation	2,924	14	2,938	1,020	5	1,025
Other	14,504	26,377	40,881	7,024	18,200	25,224
	102,554	33,639	136,193	42,277	20,763	63,040

16 Operating segments

The following table presents revenue and profit information for the Group's operating segments for the nine months ended 30 September 2014 and 2013, respectively:

Nine-month period ended 30 September (Unaudited)	Principal Investments		Capital Markets		Industrial Real Estate		Corporate		Consolidated	
AED '000	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Revenue from sale of goods and services	**92,122**	35,713	**-**	-	**10,571**	538	**-**	-	**102,693**	36,251
Income from equity-accounted associates and joint ventures, net	**381,382**	197,706	**-**	-	**-**	-	**-**	-	**381,382**	197,706
Income from capital markets transactions	**-**	-	**235,038**	197,092	**-**	-	**-**	-	**235,038**	197,092
(Loss) / Profit for the period from discontinued operations	**(72)**	1,520	**-**	-	**-**	-	**-**	-	**(72)**	1,520
Profit / (loss) for the period	**1,671,677**	193,066	**216,758**	176,393	**(120,886)**	(10,719)	**(175,995)**	(127,080)	**1,591,554**	231,660

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (2013: nil).

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2014 and 31 December 2013, respectively:

	Principal Investments		Capital Markets		Industrial Real Estate		Corporate		Consolidated	
	30 September 2014 *(Unaudited)* AED '000	31 December 2013 *(Audited)* AED '000	**30 September 2014 *(Unaudited)* AED '000**	31 December 2013 *(Audited)* AED '000	**30 September 2014 *(Unaudited)* AED '000**	31 December 2013 *(Audited)* AED '000	**30 September 2014 *(Unaudited)* AED '000**	31 December 2013 *(Audited) AED '000*	**30 September 2014 *(Unaudited)* AED '000**	31 December 2013 *(Audited)* AED '000
Total assets	**5,133,904**	3,170,815	**1,143,776**	1,025,387	**700,094**	814,214	**2,366,081**	227,197	**9,343,855**	5,237,613
Total liabilities	**77,604**	75,267	**668,888**	747,157	**12,865**	19,095	**4,434,653**	1,849,793	**5,194,010**	2,691,312

Notes to the condensed consolidated financial statements (continued)

17 Related parties

Significant transactions with related parties during the nine-month period ended 30 September:

Key management personnel compensation

	Nine-month period ended 30 September 2014 *(Unaudited)* AED '000	Nine-month period ended 30 September 2013 *(Unaudited)* AED '000	**Three-month period ended 30 September 2014 *(Unaudited)* AED '000**	Three-month period ended 30 September 2013 (Unaudited) AED '000
Salary and benefits	**7,308**	7,218	**2,221**	2,171
End of service benefits	**629**	406	**315**	141
	7,937	7,624	**2,536**	2,312

During the current reporting period, loan investment to an associate was repaid by an amount of AED 25,238 thousand. Subsequently, management carried out a reassessment of the recoverable value of its loan and equity accounted investment in the associate and its related interest receivable. Consequently, an amount of AED 22,788 thousand was recognised as impairment of the loan investment and its related interest receivable, as well as an amount of AED 15,175 thousand was recognised as impairment of the equity accounted investment. The major driver of the impairments was management's expectation of the delayed exit horizon for certain collateralised assets carried by the associate, which are expected to generate cash flows to be collected by the Group in recovery of its investment.

Significant balances with related parties at the end of the reporting period include:

	30 September 2014 (Unaudited) AED '000	31 December 2013 (Audited) AED '000
Loan investments provided to an associate	**23,540**	58,848
Trade and other receivables from an associate	**-**	12,719