

AL WAHA CAPITAL P.J.S.C.

الواحة كابيتال
WAHA CAPITAL

**Reports and interim
financial information
for the nine-month period
ended 30 September 2013**

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AL WAHA CAPITAL P.J.S.C.

Company Information

Board of Directors

Chairman	H.E. Hussain Jasim Al Nowais
Vice chairman	Mr. Abubaker Seddiq Al Khoori
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
11th Floor, Al Sila Tower
Al Sowwah Square
Abu Dhabi
UAE

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Overview

Waha Capital recorded a net profit attributable to owners of the Company of AED 230.8 million during the nine-month period ended 30 September 2013 compared to AED 31.0 million during the corresponding period in 2012.

Waha Capital recorded net profit attributable to owners of the Company of AED 107.1 million during the three-month period ended 30 September 2013 compared to AED 27.5 million during the corresponding period in 2012.

The increase in net profit, compared to the same period in 2012, was driven by the solid performance of the Company's direct investments in New York-listed aircraft leasing company, AerCap, and UAE consumer finance company, Dunia Finance, as well as income from capital markets transactions.

Key Financial Highlights

Nine-month period ended 30 September 2013 performance

- The Group recorded profit attributable to owners of AED 230.8 million during the nine-month period ended 30 September 2013, an increase of AED 199.8 million from AED 31.0 million earned during the corresponding period in 2012.
- Operating activities generated a cash flow of AED 25.6 million during the nine-month period ended 30 September 2013, compared to cash used in operating activities of AED 1.0 million during the corresponding period in 2012.
- The Group's total assets stood at AED 4.6 billion as at 30 September 2013, compared to AED 4.4 billion as at 31 December 2012.
- Basic and diluted earnings per share from continuing and discontinued operations were AED 0.122 during the nine-month period ended 30 September 2013, compared to AED 0.016 achieved during the corresponding period in 2012.

Three-month period ended 30 September 2013 performance

- The Group recorded profit attributable to owners of AED 107.1 million during the three-month period ended 30 September 2013, an increase of AED 79.6 million from AED 27.5 million earned during the corresponding period in 2012.
- Operating activities used cash amounting to AED 6.8 million during the current quarter, compared to AED 11.8 million used during the corresponding period in 2012.
- Basic and diluted earnings per share from continuing and discontinued operations were AED 0.056 during the three-month period ended 30 September 2013, compared to AED 0.015 achieved during the corresponding period in 2012.

Management Discussion and Analysis Report (continued)

Discussion of Results

Net Profit

Total income includes (a) revenue from principal activities of subsidiaries; (b) income from equity-accounted investees; (c) income from capital markets transactions; and (d) other income.

Income Statement (AED '000)	Nine-month period ended		Three-month period ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
Revenue from sale of goods and services	36,252	2,146	24,156	297
Income from equity-accounted investees, net	197,709	128,899	84,876	49,508
Income from capital markets transactions	191,733	19,310	83,307	-
Other income	15,690	1,427	6,753	11,092
Total income	441,384	151,782	199,092	60,897
Cost of sale of goods and services	(10,701)	(2,146)	(6,191)	(297)
General and administrative expenses	(136,185)	(58,686)	(63,719)	(19,339)
Finance expenses	(64,358)	(50,133)	(21,741)	(17,391)
Total Expenses	(211,244)	(110,965)	(91,651)	(37,027)
Discontinued operations	1,520	(10,495)	(2)	3,433
Non-controlling interest	(892)	647	(353)	188
Profit attributable to shareholders	230,768	30,969	107,086	27,491
Basic and diluted earnings per share (in AED)	0.122	0.016	0.056	0.015

Nine-month period ended 30 September 2013 performance

Total income increased by 191% to AED 441.4 million (nine-month FY12: AED 151.8 million). Revenue from sale of goods and services increased by 15.9x from the comparable period last year mainly due to the revenue recognition on consolidation of a newly acquired subsidiary, Anglo Arabian Healthcare (AAH). Income from investment in equity-accounted investees reflects the strong returns from AerCap Holdings (AerCap) and Dunia finance (Dunia) amounting to AED 203.0 million and AED 22.2 million respectively. Income from capital markets transactions amounting to AED 191.7 million increased by 8.9x from comparable period whereas other income increased by 4.5x.

Total expenses, comprising cost of sales, general and administrative and finance expenses, increased from AED 111.0 million to AED 211.2 million, representing an increase of 90% as a result of higher expenses which have increased in line with total income as well as the expenses of the newly acquired healthcare subsidiary.

Three-month period ended 30 September 2013 performance

Total income increased by 2.27x to AED 199.1 million (three-month FY12: AED 60.9 million). Revenue from sale of goods and services increased by 80.3x from the comparable period last year mainly due to the recognition of revenue on consolidation of a newly acquired subsidiary, AAH. Income from investment in equity-accounted investees reflects the strong returns from AerCap Holdings (AerCap) and Dunia finance (Dunia) amounting to AED 76.7 million and AED 8.3 million respectively.

Total expenses, comprising cost of sales, general and administrative and finance expenses, increased from AED 37.0 million to AED 91.7 million, representing an increase of 148% as a result of higher expenses which have increased in line with total income as well as the expenses of the newly acquired healthcare subsidiary.

Management Discussion and Analysis Report (continued)

Discussion of Results (continued)

Balance Sheet

Total assets increased from AED 4.4 billion as at 31 December 2012 to AED 4.6 billion as at 30 September 2013 mainly due to a new acquisition in the healthcare sector and strong performance of investments in equity-accounted investees.

Key balance sheet metrics are shown in the table below:

Balance Sheet (AED '000)	As at	
	30-Sep-13	31-Dec-12
Investment in equity accounted investees	2,450,215	2,255,370
Investment property	806,650	775,743
Investment available for sale	135,692	108,883
Investments in finance leases and loan	309,698	339,537
Assets classified as held for sale	221,647	295,207
Others	586,368	440,729
Cash and cash equivalents	121,580	219,635
Total assets	4,631,850	4,435,104
Borrowings	1,856,001	1,786,502
Trade and other payables	303,470	305,003
Total equity	2,472,379	2,343,599
Total Liabilities and Equity	4,631,850	4,435,104

Investment in equity-accounted investees increased by AED 194.8 million mainly due to a strong performance of AerCap and Dunia Finance contributing AED 203.0 million and AED 22.2 million, respectively, for the nine-month period ended 30 September 2013. For the same period, Dunia Finance paid total dividend of AED 17.6 million of which Waha Capital's share was AED 4.4 million.

Investment property increased mainly due to the cost incurred for the completion of Phase 1 of the ALMARKAZ project.

Investments available for sale, comprising our investment in MENA Infrastructure Fund, increased by AED 26.8 million mainly due to a capital contribution amounting AED 24.0 million to fund an acquisition.

Investments in finance leases and loans are comprised of a finance lease to a district cooling company (Tabreed), loan investments in ADDAX and a back-to-back loan arrangement for a private transaction. The decrease is mainly due to the exit from a loan asset portfolio in aircraft leasing business at book value.

Assets classified as held for sale are comprised of an equity investment in offshore oil and gas services. The decrease in assets classified as held for sale is due to the disposal of vessels classified in this category as at 31 December 2012, which were acquired by an affiliate operating in the same sector.

Management Discussion and Analysis Report (continued)

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 capitalize on the rapid growth in the region. To project the strategy, Waha Capital recently refreshed its brand to reflect its dynamic and professional approach.

Business and Portfolio Companies Analysis

Principal Investments

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

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 2011-2012, AerCap repurchased 35.9 million shares at an average price of \$11.7 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%.

During the nine-month period ended 30 September 2013, 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, AerCap completed the following transactions:

- Signed new lease agreements for ten aircraft, including seven Boeing 737-800s, one Airbus A320-200 and two Airbus A319-100s. The average term of lease agreements contracted during the past 12 months was 165 months for new aircraft and 57 months for used aircraft.
- Delivered seven aircraft under contracted lease agreements, including four Boeing 737-800s, two Airbus A320-200s and one Boeing 747-400SF.
- Purchased six aircraft, including four new Boeing 737-800s, one Airbus A330-300 and one Airbus A320-200 and entered into a purchase and leaseback transaction arrangement for six new Boeing 737-800 aircraft.
- Closed the sale of five aircraft. AerCap sold one new Airbus A330-300 and one Boeing B737-400 from its owned portfolio and one Boeing 737-300 and two Boeing 737-400s from its managed portfolio.
- Signed financing transactions for \$0.1 billion bringing the total amount of financing transactions completed year-to-date to \$1.8 billion.

As of September 30, 2013, AerCap's portfolio consisted of 371 aircraft that were either owned, managed, or under contract to purchase (including five options). The average age of the owned fleet as of September 30, 2013 was 5.4 years and the average remaining contracted lease term was 6.7 years.

For the nine-month period ended 30 September 2013, AerCap has contributed 47% of total income and its carrying value of AED 2.0 billion represents 43% of total assets as at 30 September 2013.

Management Discussion and Analysis Report (continued)

Business and Portfolio Companies Analysis (continued)

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 market and the self-employed mass market for its lending products and the SME and Corporate markets for deposits and guarantees. Through Dunia Services, an affiliate company promoted by the same shareholders as Dunia Finance, the company also offers advisory, knowledge and business process outsourcing (BPO) services.

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

Dunia Finance has demonstrated impressive growth, stable net interest margins and rising profits over 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 57% CAGR over 2009-2013.

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 40% in Sep 2013 from around 299% in 2009, despite strong growth in its customer base and transaction processing volumes. Dunia's operating income grew at a 59% CAGR over 2009-2013 while its general and administration expenses remained stable at AED 99 million. In addition, customer deposits grew at a 103% CAGR over 2009-2013 to AED 459 million in third quarter 2013.

During the nine-month period ended 30 September 2013, 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, gaining c.18,100 new customers (active and non-active) and achieved c.24% growth in its loan portfolio.
- Achieved increase in net-interest-income by 34% compared to the same period in the previous year and net income by 85%.
- 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 3.0% which is well above the minimum requirement of 1.25% as per the Central Bank of UAE guideline
- Maintained its non-performing loan cover of c.2.2x, which is sufficient, as it should protect the company not only from credit losses but also from unexpected stress situations.
- Funded 95% of the loan portfolio growth through customer deposits and retained earnings.
- Maintained a bank facility of AED 190 million (insignificant amount drawn down to date) and cash and equivalents of AED 31 million.

The Company's stake in Dunia was carried at AED 113.1 million as at 30 September 2013.

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 McDermott, ZADCO, Occidental Petroleum of Qatar, Dubai

Management Discussion and Analysis Report (continued)

Business and Portfolio Companies Analysis (continued)

Stanford Marine Group (continued)

Petroleum, Maersk Oil of Qatar, Abu Dhabi National Oil Company, Abu Dhabi Ports Company, Kuwaiti Oil Tanker Company, National Marine Dredging Company, Mojil Group 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 33 as at 31 December 2012. During the same period, EBITDA has increased from AED 121.9 million to AED 227.9 million representing a CAGR of 17.0%.

During the nine-month period ended 30 September 2013, SMG has:

- Achieved a consolidated EBITDA of US\$ 42.5m with a margin of 24.9%
- Maintained a fleet of 38 owned Offshore Supply Vessels (OSVs) in operation. SMG's owned fleet comprises 10 platform supply vessels, 10 anchor handling tug and anchor handling tug supply, 15 crew/utility supply vessels, and 3 workboats with an average utilization of 88.5% and average age of 7.5 years (arithmetic) or 4.2 yrs (value weighted), with an average daily charter rate of US\$ 7,001.
- Delivered 9 ships and undertook repair and maintenance work on 499 ships.
- Acquired a total of 5 vessels comprising of 3 AHT vessels; one 87m PSV (deployed in SEA immediately on delivery) and one utility vessel (deployed in UAE immediately on delivery).

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

Anglo Arabian Healthcare

Earlier this year, 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 17 operating 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, 3 diagnostics centres and 1 provider of continuing medical education, with 1 hospital set to open in 2014.

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 200-250 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 47.3 million as at 30 September 2013.

Management Discussion and Analysis Report (continued)

Business and Portfolio Companies Analysis (continued)

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 has interests 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).

In 2007, MIF was launched with a total capital commitment of \$300 million from its Limited Partners (LP). Waha Capital's commitment as an LP stands at \$53.75 million (17.9% of total commitment). To date, MIF has 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 2009-2012 and the Best Infrastructure Fund award for the MENA region in 2012.

As at 30 September 2013, Waha Capital carried its LP stake in the Fund at AED 135.7 million.

Other Assets

As at 30 September 2013, Waha Capital held non-core investments of around AED 497 million. AerLift, Siraj Finance and Addax Bank accounted for around 75% 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.

Addax Bank is a financial institution based out of Bahrain. Its businesses include corporate advisory, private placement, private equity and real estate. Waha Capital's 46.9% stake is currently carried at around AED 15 million. In addition, Waha Capital has an outstanding loan receivable from Addax of around AED 59 million, which is secured. Addax recently closed on the sale of its real estate asset, 'Addax Tower'. Proceeds from this sale would be used to partially repay around half of Waha Capital's loan investment.

AerLift Leasing is a joint venture between AerCap and Waha Capital. Waha Capital owns 60% of the company and AerCap owns the remaining 40%. This joint venture is managed by AerCap. As at 30 September 2013, AerLift Leasing owned 13 aircraft. Its key clients include Singapore Airlines, Qatar Airways, Malaysia Airlines, Air Canada and Aeroflot.

Management Discussion and Analysis Report (continued)

Business and Portfolio Companies Analysis (continued)

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 191.7 million from Capital Markets transactions during the nine-month period ended 30 September 2013. The carrying value of Capital Market assets is AED 600.7 million as at 30 September 2013.

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.

Public capital markets

Waha Capital has been developing its securities investments business to invest in capital market securities such as bonds, sukus, convertibles, equities, hybrids, IPOs and pre-IPOs. Our initial focus will be 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.

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 – Waha Land

ALMARKAZ is an integrated mixed use industrial park with Grade A industrial quality facilities and infrastructure owned, developed and operated by Waha Land, a wholly owned subsidiary of Waha Capital. Located in Al Dhafra, Abu Dhabi, close to Hameem roundabout on E11 Tarif road (25 km from the Abu Dhabi Island), ALMARKAZ benefits from its strategic location on a major trade route connecting to Abu Dhabi, Dubai, Al Ain and Saudi Arabia. Moreover, a major Etihad railway station is confirmed next to ALMARKAZ that will link the industrial park to Khalifa Port. Labor accommodation is available in the vicinity.

The project comprises 6 km² of land granted by the Government of Abu Dhabi. To date, Waha has undertaken to develop Phase I of the project, representing 25% of the total area (1.5 km²). Construction of Phase I infrastructure and 90,000 m² of Small Industrial Units (SIUs) was completed in December 2012. Leasing activity commenced in Q1 2013 with 55% occupancy achieved by end of September 2013 at market rates. The project continues to receive growing interest from manufacturing and logistics businesses attracted by the development's superior infrastructure and facilities.

Following its successful track record with the first 90,000 m² 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). There are another 870,000 m² of land (within Phase I) with developed infrastructure available for further build-up.

Waha Capital owns a 100% stake in Waha Land and carries the investment of Phase I at fair market value of AED 806.7 million as at 30 September 2013. The unrecognized portion of the land bank comprising 75% of the total area is estimated at AED 554.7 million.

Management Discussion and Analysis Report (continued)

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: 10 November 2013

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 2013 and the related condensed consolidated statements of income, 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.

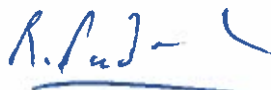
Scope of Review

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.)


Rama Padmanabha Acharya
Registration No. 701
Abu Dhabi
10 November 2013



Condensed consolidated statement of financial position

	Note	As at 30 September 2013 (Unaudited) AED '000	As at 31 December 2012 (Audited) AED '000
ASSETS			
Furniture and equipment		17,829	4,104
Investment property	6	806,650	775,743
Investments in finance leases		30,170	33,765
Loan investments	7	279,528	305,772
Investments in equity-accounted investees	8	2,450,215	2,255,370
Investments available-for-sale	9	135,692	108,883
Assets classified as held for sale	13	221,647	295,207
Inventories		11,278	7,464
Financial assets at fair value through profit or loss	10	129,125	190,621
Cash-encumbered		53,425	60,304
Trade and other receivables	11	374,711	178,236
Cash and cash equivalents		121,580	219,635
Total assets		4,631,850	4,435,104
EQUITY AND LIABILITIES			
Equity			
Share capital		1,897,088	1,897,088
Statutory reserve		126,494	126,494
Revaluation reserve		(3,117)	(5,893)
Hedge reserve		(3,828)	(3,828)
Other reserves		(5,661)	(7,197)
Retained earnings		439,979	323,036
Equity attributable to the owners of the Company		2,450,955	2,329,700
Non-controlling interests		21,424	13,899
Total Equity		2,472,379	2,343,599
Liabilities			
Borrowings		1,856,001	1,786,502
Trade and other payables	12	303,470	305,003
Total Liabilities		2,159,471	2,091,505
Total equity and liabilities		4,631,850	4,435,104

The notes numbered 1 to 22 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 10 November 2013 and signed on their behalf by:

Chairman

CEO & Managing Director

Condensed consolidated statement of income

	Note	Nine-month period ended 30 September 2013 (Unaudited) AED '000	Nine-month period ended 30 September 2012 (Unaudited) AED '000	Three-month period ended 30 September 2013 (Unaudited) AED '000	Three-month period ended 30 September 2012 (Unaudited) AED '000
Continuing operations					
Revenue from sale of goods and services	14	36,252	2,146	24,156	297
Cost of sale of goods and services		(10,701)	(2,146)	(6,191)	(297)
Gross profit		25,551	-	17,965	-
Income from investment in equity-accounted investees, net	8	197,709	128,899	84,876	49,508
Income from capital markets transactions	15	191,733	19,310	83,307	-
Other income	16	15,690	1,427	6,753	11,092
General and administrative expenses	17	(136,185)	(58,686)	(63,719)	(19,339)
Finance expense		(64,358)	(50,133)	(21,741)	(17,391)
Profit for the period from continuing operations		230,140	40,817	107,441	23,870
Discontinued operations					
Profit / (loss) for the period from discontinued operations	13	1,520	(10,495)	(2)	3,433
Profit for the period		231,660	30,322	107,439	27,303
Profit / (loss) attributable to:					
Owners of the Company		230,768	30,969	107,086	27,491
Non-controlling interest		892	(647)	353	(188)
Profit for the period		231,660	30,322	107,439	27,303
Basic and diluted earnings per share (AED)					
- from continuing and discontinued operations	5	0.122	0.016	0.056	0.015
- from continuing operations		0.121	0.021	0.056	0.013

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income

	Nine- month period ended 30 September 2013 (Unaudited) AED '000	Nine- month period ended 30 September 2012 (Unaudited) AED '000	Three- month period ended 30 September 2013 (Unaudited) AED '000	Three- month period ended 30 September 2012 (Unaudited) AED '000
Profit for the period	231,660	30,322	107,439	27,303
Other comprehensive income / (loss)				
Net change in fair value of available-for-sale financial assets	2,776	(8,219)	620	(3,811)
Share of effective portion of changes in fair value of cash flow hedges of equity-accounted investees	-	(3,624)	-	(1,632)
Share of change in other reserves of equity-accounted investees	1,536	(7,858)	2,801	(910)
Directors' fees	-	(4,500)	-	-
Total comprehensive income for the period	235,972	6,121	110,860	20,950
Total comprehensive income / (loss) attributable to:				
Owners of the Company	235,080	6,768	110,507	21,138
Non-controlling interest	892	(647)	353	(188)
Total comprehensive income for the period	235,972	6,121	110,860	20,950

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of changes in equity

	Share capital AED '000	Statutory reserve AED '000	Revaluation reserve AED '000	Hedge reserve AED '000	Other reserves AED '000	Retained earnings AED '000	Equity attributable to owners AED '000	Non-controlling interest AED '000	Total equity AED '000
At 1 January 2012	1,897,088	105,050	(663)	-	1,061	229,393	2,231,929	-	2,231,929
Profit for the period	-	-	-	-	-	30,969	30,969	(647)	30,322
Other comprehensive income	-	-	(8,219)	(3,624)	(7,858)	(4,500)	(24,201)	-	(24,201)
Total comprehensive income	-	-	(8,219)	(3,624)	(7,858)	26,469	6,768	(647)	6,121
Transactions with the owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(94,854)	(94,854)	-	(94,854)
Non-controlling interest arising on acquisition of a subsidiary	-	-	-	-	-	-	-	15,666	15,666
At 30 September 2012	1,897,088	105,050	(8,882)	(3,624)	(6,797)	161,008	2,143,843	15,019	2,158,862
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, recognized 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

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

AL WAHA CAPITAL P.J.S.C.

Condensed consolidated statement of cash flows

	Nine-month period ended 30 September 2013 (Unaudited) AED '000	Nine-month period ended 30 September 2012 (Unaudited) AED '000
Cash flows from operating activities		
Profit for the period	231,660	30,322
Adjustments for:		
Depreciation	2,942	6,954
Interest on borrowings	64,924	55,183
Gain on derivatives	(1,079)	(841)
Gain on valuation of other financial assets at fair value through profit or loss	(5,315)	(2,436)
Interest on bank deposits	(569)	(1,552)
Income from investment in equity-accounted investees, net	(197,709)	(117,984)
Gain on acquisition of a subsidiary	-	(476)
Provision for doubtful loans and receivables	-	15,978
Impairment on operating lease assets	-	7,356
Directors fees	-	(4,500)
Loss on revaluation of Investment property	4,242	-
Distribution from equity-accounted investees	4,400	15,010
Changes in working capital:		
Change in loan investments	25,767	17,554
Change in investments in finance leases	3,596	3,281
Change in inventories	309	2,089
Change in trade and other receivables	(128,896)	9,255
Change in trade and other payables	21,286	(36,230)
Net cash generated from / (used in) operating activities	25,558	(1,037)

Condensed consolidated statement of cash flows (continued)

	Nine-month period ended 30 September 2013 (Unaudited) AED '000	Nine-month period ended 30 September 2012 (Unaudited) AED '000
Cash flows from investing activities		
Proceeds from disposal of asset held for sale	73,560	-
Acquisition of subsidiaries (net of cash)	(39,768)	46,260
Investment in equity-accounted investees	-	(75)
Dry docking costs on vessels	-	(1,714)
Proceeds from sale / settlement / dividend received on financial assets at fair value through profit or loss	8,359	3,169
Purchase of investments available-for-sale	(24,032)	(13,589)
Payments made for development of investment property	(27,877)	(210,503)
Purchase of furniture and equipment	(4,192)	(158)
Interest received	569	1,552
Net cash used in investing activities	(13,381)	(175,058)
Cash flows from financing activities		
Loan origination costs paid	(220)	(220)
Interest paid on borrowings	(62,431)	(39,146)
Loans repaid	(50,975)	(7,656)
Loans obtained	110,340	183,900
Dividends paid	(113,825)	(94,854)
Movement in cash-encumbered	6,879	(7,049)
Net cash (used in)/from financing activities	(110,232)	34,975
Net decrease in cash and cash equivalents	(98,055)	(141,120)
Cash and cash equivalents at 1 January	219,635	284,029
Cash and cash equivalents at 30 September	121,580	142,909

The notes numbered 1 to 22 form an integral part of the condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

1 Reporting entity

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

These condensed consolidated financial statements for the nine-month period ended 30 September 2013 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 investees").

The Group invests in the aerospace leasing, financial services and infrastructure sectors and is also engaged in industrial real estate development and alternative and securities investments.

The Group's consolidated financial statements for the year ended 31 December 2012 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 2012.

3 Significant accounting policies and estimates

The significant accounting policies, risk management principles and methods of computation applied by the Group in these condensed consolidated 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 2012.

The preparation of these condensed consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgements, estimates or assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant judgments, estimates and assumptions used in the preparation of these condensed consolidated financial statements are the same as those used for the year ended 31 December 2012.

Notes to the condensed consolidated financial statements (continued)**3 Significant accounting policies and estimates (continued)****(a) New standards and interpretations not adopted**

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 32 <i>Financial Instruments: Presentation</i> relating to offsetting financial assets and liabilities	1 January 2014
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> relating to transition to IFRS 9 (or otherwise when IFRS 9 is first applied)	1 January 2015
IFRS 9 <i>Financial Instruments</i> (as revised in 2010)	1 January 2015
IFRS 10 <i>Consolidated Financial Statements</i> – Amendments for Investments entities	1 January 2014
IFRS 12 <i>Disclosure of Interests in Other Entities</i> – Amendments for Investments entities	1 January 2014
IAS 27 <i>Separate Financial Statements</i> – Amendments for Investments entities	1 January 2014
IAS 36 <i>Impairment of Assets</i> – Disclosures relating to recoverable amount for non-financial assets	1 January 2014
IAS 39 <i>Financial Instruments: Recognition and Measurement</i> - amendments for novation of derivatives and continuation of hedge accounting	1 January 2014
IFRIC 21 <i>Levies</i> – Guidance on when to recognize a levy imposed by a government	1 January 2014

Management anticipates that these amendments will be adopted in the consolidated financial statements for the initial period when they become effective. Management is still assessing their significant effect on the consolidated financial statements of the Group.

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies and estimates (continued)

(b) New standards and interpretations adopted

The following new and revised IFRSs have been adopted in these condensed financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements.

New and revised IFRSs

Summary of requirement

IAS 19 *Employee Benefits* (as revised in 2011)

IAS19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised.

IAS 27 *Separate Financial Statements* (as revised in 2011)

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.

IAS 28 *Investments in Associates and Joint Ventures* (as revised in 2011)

This standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* relating to accounting for government loans at below market interest rate

Amends IFRS 1 *First-time Adoption of International Financial Reporting Standards* to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* in relation to accounting for government loans.

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies and estimates (continued)

(b) New standards and interpretations adopted (continued)

New and revised IFRSs	Summary of requirement
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> relating to offsetting financial assets and liabilities	Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosures to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.
IFRS 10 <i>Consolidated Financial Statements</i>	<p>The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.</p> <p>The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities').</p>
IFRS 11 <i>Joint Arrangements</i>	Replaces IAS 31 Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
IFRS 13 <i>Fair Value Measurement</i>	<p>IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs, Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date, Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, Level 3 - unobservable inputs for the asset or liability.</p> <p>Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.</p>

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies and estimates (continued)

(b) New standards and interpretations adopted (continued)

New and revised IFRSs	Summary of requirement
Annual Improvements 2009 – 2011 Cycle covering amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34	Makes amendments to the following standards: IFRS 1 — Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets, IAS 1 — Clarification of the requirements for comparative information, IAS 16 — Classification of servicing equipment, IAS 32 — Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes, IAS 34 — Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments
<i>IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine</i>	Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

AL WAHA CAPITAL P.J.S.C.

Notes to the condensed consolidated financial statements (continued)

4 Subsidiaries and investments in equity-accounted investees

(a) Subsidiaries

The financial statements of the following subsidiaries have been consolidated in these condensed consolidated financial statements.

Subsidiary	Country of incorporation	Group's shareholding	
		As at 30 September 2013	As at 31 December 2012
Waha Leasing PrJSC	UAE	100 %	100 %
Al Waha Land LLC	UAE	100 %	100 %
Al Waha Maritime LLC	UAE	100 %	100 %
Al Waha Marine Agency LLC ⁽¹⁾⁽²⁾	UAE	100 %	100 %
Al Waha Financial Investments LLC	UAE	100 %	100 %
Fifth Waha Lease Limited	Isle of Man	-	100 %
Eighth Waha Lease Limited	Isle of Man	100 %	100 %
Ninth Waha Lease Limited	Isle of Man	100 %	100 %
Tenth Waha Lease Limited	Isle of Man	100 %	100 %
Twelfth Waha Lease Limited	Isle of Man	100 %	100 %
Fifteenth Waha Lease Limited	Isle of Man	-	100 %
Prunalia Trading Limited ⁽¹⁾	Republic of Cyprus	100 %	100 %
November RJ Lease Limited	Cayman Islands	100 %	100 %
Oscar RJ Lease Limited	Cayman Islands	100 %	100 %
Fastjet Lease Limited ⁽¹⁾	France	100 %	100 %
Tamarind Lease Limited	Cayman Islands	100 %	100 %
Al Waha Lease (Ireland No 2) Limited	Republic of Ireland	100 %	100 %
Oasis Investment No 1 Limited	Cayman Islands	100 %	100 %
Oasis Investment No 2 Limited	Cayman Islands	100 %	100 %
Peninsula Investments Limited	Cayman Islands	100 %	100 %
OL SPV Limited ⁽¹⁾	Cayman Islands	100 %	100 %
Wahaflot Leasing 2 Limited	Republic of Cyprus	100 %	100 %
Waha Offshore Marine Services Limited ⁽¹⁾	Cayman islands	100 %	100 %
Alpha Waha Mauritius 1 Limited	Mauritius	100 %	100 %
Alpha Waha Mauritius 2 Limited	Mauritius	100 %	100 %
Waha Financial Services (Abu Dhabi) Limited ⁽³⁾	Cayman Islands	100 %	100 %
WFS Investment Management Company Limited ⁽¹⁾⁽⁴⁾	Cayman Islands	100 %	100 %
Waha I Limited ⁽¹⁾	Cayman Islands	-	100 %

Notes to the condensed consolidated financial statements (continued)

4 Subsidiaries and investments in equity-accounted investees (continued)

(a) Subsidiaries (continued)

Subsidiary	Country of incorporation	Group's shareholding	
		As at 30 September 2013	As at 31 December 2012
Waha II Limited ⁽¹⁾	Cayman Islands	-	100 %
Waha Mermaid Limited ⁽¹⁾	Cayman Islands	-	100 %
Al Waha Ship Investment LLC ⁽¹⁾	UAE	100 %	100 %
Waha AC Coöperatief U.A.	Netherlands	100 %	100 %
Siraj Finance PrJSC	UAE	83.3 %	83.3%
Proficiency Central Laboratories LLC ⁽¹⁾	UAE	70 %	-
Sharjah Corniche Hospital LLC ⁽¹⁾	UAE	70 %	-
Ibin Sina Medical Centre LLC ⁽¹⁾	UAE	60 %	-
Anglo Arabian Healthcare Services FZ-LLC ⁽¹⁾	UAE	100 %	-

(1) Indirectly held through subsidiaries

(2) Formerly known as Al Waha Special Maritime Units LLC

(3) Formerly known as WFS Derivatives Limited

(4) Formerly known as Waha Financial Services Derivatives Limited

During the period, the Group acquired majority equity interests in several healthcare entities, engaged in providing various healthcare related services and operating across multiple Emirates in the UAE. As a result of the acquisition, the group has established a presence in the healthcare sector and is expected to grow this business organically and through further acquisitions. The Group plans to generate synergies among the investees by cross-referral of services and cost reduction through economies of scale. In addition, the Group committed to pay certain amounts based on future performance which remain uncertain at the reporting date.

The initial accounting for the acquisition of healthcare entities has only been provisionally determined at the end of the reporting period. At the date of finalization of these interim consolidated financial statements, the necessary fair value and other calculation had not been finalized and they have therefore only been provisionally determined based on the management's best estimate. The Group intends to conduct the purchase price allocation after the completion of closing audits which are still in progress at the time of finalizing these interim consolidated financial statements.

Notes to the condensed consolidated financial statements (continued)

4 Subsidiaries and investments in equity-accounted investees (continued)

(b) Investments in equity-accounted investees

The Group has the following interest in equity-accounted investees:

Entity	Country of incorporation	Group's shareholding	
		As at 30 September 2013	As at 31 December 2012
<i>(i) Jointly controlled entities</i>			
Industrial City Cooling Company LLC	UAE	27.5%	27.5%
WOLF A340 LLC	United States of America	50%	50%
MENA Infrastructure Fund GP Limited	UAE	33.3%	33.3%
Dunia Finance LLC	UAE	25%	25%
Dunia Services FZ-LLC	UAE	25%	25%
Mena Holdings Limited	Cayman Islands	33.3%	33.3%
Aerlift Leasing Limited	Isle of Man	60.4%	60.4%
<i>(ii) Associates</i>			
Addax Bank BSC(c)	Bahrain	46.9%	46.9%
Abraaj Aqua SPV Limited (indirectly held through OL SPV limited)	Cayman Islands	49%	49%
AerCap Holdings NV	Netherlands	26.3%	26.3%

Notes to the condensed consolidated financial statements (continued)
5 Basic and diluted earnings per share

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

	Nine-month period ended 30 September 2013 <i>(Unaudited)</i>	Nine-month period ended 30 September 2012 <i>(Unaudited)</i>	Three-month period ended 30 September 2013 <i>(Unaudited)</i>	Three-month period ended 30 September 2012 <i>(Unaudited)</i>
Profit attributable to owners of the Company (AED '000)	230,768	30,969	107,086	27,491
Ordinary shares	1,897,087,500	1,897,087,500	1,897,087,500	1,897,087,500
Basic and diluted earnings/(loss) per share (AED)				
- from continuing operations	0.121	0.021	0.056	0.013
- from discontinued operations	0.001	(0.005)	0.000	0.002

6 Investment property

	Nine-month period ended 30 September 2013 <i>(Unaudited)</i> AED '000	Year ended 31 December 2012 <i>(Audited)</i> AED '000
At 1 January	775,743	551,942
Additions during the period/year*	35,149	223,801
Fair value loss**	(4,242)	-
	806,650	775,743

* includes borrowing cost of AED nil (year ended 31 December 2012: AED 17,448 thousand). During the period, borrowing costs ceased to be capitalised as substantially all the activities necessary to prepare the investment property for its intended use are complete.

** the fair value of investment property has been determined based on valuation methodologies accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 31 December 2012, was performed by accredited independent appraisers having an appropriate recognized professional qualification and recent experience in the location and category of the property being valued; this valuation was updated by management as of 30 September 2013.

Notes to the condensed consolidated financial statements (continued)
7 Loan investments

Loan investments represent the Group's interest in loan portfolios and include loans provided to an equity-accounted investee of AED 58,848 thousand (2012: AED 58,848 thousand). During the current period loan notes amounting to AED 25,767 thousand were disposed off to a third party investor at par. Accordingly, no gain or loss was recognised on the transaction.

8 Investments in equity-accounted investees

The movement of investment in equity-accounted investees is presented below:

	Nine-month period ended 30 September 2013 <i>(Unaudited)</i> AED '000	Year ended 31 December 2012 <i>(Audited)</i> AED '000
As at 1 January	2,255,370	2,345,062
Additions during the period/year	-	75
Reclassified as a subsidiary	-	(35,228)
Transferred to assets classified as held for sale (refer to note 13)	-	(221,647)
Share of results for the period/year*	197,709	194,204
Share of equity reserves for the period/year	1,536	(12,086)
Distributions received during the period/year	(4,400)	(15,010)
	2,450,215	2,255,370

* During the period, the Group recognised an impairment loss of AED 36,780 thousand (2012: AED 27,492 thousand) in equity-accounted investees.

9 Investments available-for-sale

Investments available-for-sale represent investment in a fund registered in the UAE and managed by the Group. The carrying amount represents the net asset value of the investment as at the reporting date. Movement during the current period represents further investment of AED 24,032 thousand (for the year ended 31 December 2012: AED 13,589 thousand) and fair value gain of AED 2,777 thousand (for the year ended 31 December 2012: fair value loss of AED 5,893 thousand).

10 Financial assets at fair value through profit or loss

	30 September 2013 <i>(Unaudited)</i> AED '000	31 December 2012 <i>(Audited)</i> AED '000
Derivative assets*	110,398	176,791
Other investments	18,727	13,830
	129,125	190,621

Notes to the condensed consolidated financial statements (continued)

10 Financial assets at fair value through profit or loss (continued)

* The reduction in valuation of derivative assets is due to the increase in interest rate yields during the period which has also resulted in a corresponding decrease in valuation of derivative liabilities (refer to note 12).

11 Trade and other receivables

	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000
Trade receivables*	266,616	111,816
Prepayments and advances	5,679	9,587
Accrued interest	41,069	34,144
Other receivables**	61,347	22,689
	374,711	178,236

* The increase in trade receivables primarily relates to income from capital markets transactions recognised during the period.

** The increase in other receivables primarily represents goodwill which has been recognised on the acquisition of healthcare assets (refer to note 4).

12 Trade and other payables

	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000
Trade payables	1,985	17,908
Interest accrued on borrowings	32,109	25,655
Derivative liabilities*	85,525	145,057
Other payables and accruals	183,851	116,383
	303,470	305,003

*Trade and other payables are stated at amortised cost except for derivative liabilities which are stated at fair value. The reduction in valuation of derivative liabilities is due to the increase in interest rate yields during the period which has also resulted in a corresponding decrease in valuation of derivative assets (refer to note 10).

Notes to the condensed consolidated financial statements (continued)
13 Assets classified as held for sale

	30 September 2013 <i>(Unaudited)</i> AED '000	31 December 2012 <i>(Audited)</i> AED '000
Equity investment (a)	221,647	221,647
Vessels (b)	-	73,560
	221,647	295,207

- (a) The Group intends to dispose of an equity investment and anticipates that the disposal will be completed within 2013. This asset was classified as held for sale on 30 November 2012.
- (b) On 21 February 2013, the Group entered into a sale and purchase agreement with a third party for the disposal of vessels which were classified as held for sale as at 31 December 2012. The cash consideration for this transaction amounted to AED 73,560 thousand and was received by the Group on 21 February 2013. Prior to consummating the sale transaction, the Group repaid the debt relating to the vessels and all related pledges were released. No gain or loss was recognised on the transaction.

Profit and loss from discontinued operations

	Nine-month period ended 30 September 2013 <i>(Unaudited)</i> AED '000	Nine-month period ended 30 September 2012 <i>(Unaudited)</i> AED '000
Operating income (b)	3,612	19,563
Share of loss from equity-accounted investee (a)	-	(10,915)
Operating costs (b)	(1,643)	(15,344)
Administrative and other expenses (b)	(452)	(3,819)
Operating profit / (loss)	1,517	(10,515)
Other income (b)	3	20
Profit/(Loss) for the period from discontinued operations	1,520	(10,495)

Cash Flow from discontinued operations

	Nine-month period ended 30 September 2013 <i>(Unaudited)</i> AED '000	Nine-month period ended 30 September 2012 <i>(Unaudited)</i> AED '000
Net cash (used in) / generated from operating activities	(33,948)	9,313
Net cash generated from / (used in) investing activities	84,467	(4,764)
Net cash used in financing activities	(50,353)	(6,769)

Notes to the condensed consolidated financial statements (continued)
14 Revenue from sale of goods and services

	Nine-month period ended 30 September 2013 (Unaudited) AED '000	Nine-month period ended 30 September 2012 (Unaudited) AED '000
Sales of goods and services	35,714	2,146
Rental income	538	-
	36,252	2,146

The increase in sales of goods and services during the period is mainly attributable to the Group's acquisition of healthcare assets (note 4).

During the period the Group recognised rental income derived from its investment property.

15 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, sukuk, convertibles, equities, hybrids, IPOs and pre-IPOs.

The increase in income from capital markets over the comparative period is due to the income being predominantly event-driven; therefore, such income does not accrue on a time-proportionate basis but is recognized entirely as and when it becomes due to the Group.

16 Other income

	Nine-month period ended 30 September 2013 (Unaudited) AED '000	Nine-month period ended 30 September 2012 (Unaudited) AED '000
Investment income from financial assets at fair value through profit and loss	5,358	2,436
Interest income from loan investments	8,377	9,826
Interest income from finance leases	2,222	2,537
Fair value gain on derivatives	1,036	1,188
Provision for slow moving and obsolete inventories	-	(7,356)
Provision for doubtful loans and receivables	-	(15,978)
Fair value loss on investment property (note 6)	(4,242)	-
Other	2,939	8,774
	15,690	1,427

Notes to the condensed consolidated financial statements (continued)

17 General and administrative expenses

The increase in general and administrative expenses is in line with the increase in reported revenue for the period ended 30 September 2013 and relates to the Group's accrued staff compensation costs and directors fees, and the consolidation of general and administrative expenses of the healthcare assets acquired during the period (note 4).

18 Related parties

Significant transactions with related parties during the period include:

Key management personnel compensation

	Nine-month period ended 30 September 2013 <i>(Unaudited)</i> AED '000	Nine-month period ended 30 September 2012 <i>(Unaudited)</i> AED '000	Three-month period ended 30 September 2013 <i>(Unaudited)</i> AED '000	Three-month period ended 30 September 2012 <i>(Unaudited)</i> AED '000
Salary and benefits	7,218	6,875	2,171	2,209
End of service benefits	406	394	141	131
	7,624	7,269	2,312	2,340

Significant balances with related parties

	30 September 2013 <i>(Unaudited)</i> AED '000	31 December 2012 <i>(Audited)</i> AED '000
Loan investments provided to an associate (note 7)	58,848	58,848
Trade and other receivables from an associate	12,719	12,719

19 Operating segment reporting

During the period, the Group reorganized its primary activities into three major segments and adjusted the Group structure accordingly. Reflecting this development, the management of the Group revised their key responsibilities as did the internal reporting. The Principal Investments segment is now responsible to manage and operate the Group's investments in subsidiaries, joint ventures, associates and assets available for sale including investments in aviation, leasing, maritime (now discontinued), financial, infrastructure and healthcare sectors. The Capital Markets segment now comprises two business lines: (a) private transactions and (b) public capital markets. The Industrial Real Estate segment represents the Group's interest in light industrial real estate.

Notes to the condensed consolidated financial statements (continued)

19 Operating segment reporting (continued)

In keeping with the requirements of IFRS 8 "Operating Segments" (management approach), this organizational reconfiguration led to a restatement in the segment report for all comparable periods. Based on the information reported to the Group's senior management for the allocation of resources, marketing strategies, management reporting lines and measurement of performance of business, the reportable segments under IFRS 8 were identified according to the structure of investment activities and services to customer groups.

Principal Investments

The equity and loan investments in subsidiaries, associates, joint ventures and assets available for sale, which were previously reported under four primary segments – Aviation, Maritime (now discontinued), Real Estate, and Financial Services – have been transferred into one reportable segment that spans a single line of business: "Principal Investments".

Capital Markets

The Capital Markets segment previously comprised of (a) Transaction Services to customers and (b) equity and loan investments in the financial sector. The Capital Markets sector now represents the Group's interest in private transactions and public capital markets investments.

Industrial Real Estate

The previously named Real Estate sector is now renamed to Industrial Real Estate and represents the Group's equity interest in light industrial real estate.

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Notes to the condensed consolidated financial statements (continued)

19 Segment reporting (continued)

	Principal Investments		Capital Markets		Industrial Real Estate		Corporate		Consolidated	
	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000	For the nine-month period ended 30 September (Unaudited) AED '000
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from sale of goods and services	35,894	2,146	-	-	538	-	-	-	36,432	2,146
Income from investment in equity-accounted investees, net	197,709	128,899	-	-	-	-	-	-	197,709	128,899
Income from capital markets transactions	-	-	191,733	19,310	-	-	-	-	191,733	19,310
Segment result before discontinued operations	193,378	106,772	176,393	6,314	(10,719)	(4,304)	(128,912)	(67,965)	230,140	40,817

* During the period, the Group recognised an impairment loss of AED 36,780 thousand (2012: AED 24,275) in equity-accounted investees in the Principal Investments sector.

	Principal Investments		Capital Markets		Industrial Real Estate		Corporate		Consolidated	
	30 September 2013 (Unaudited) AED '000	31 Dec 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 Dec 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 Dec 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 Dec 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 Dec 2012 (Audited) AED '000
Assets	2,894,219	2,634,289	600,735	525,188	809,874	783,153	105,375	197,267	4,410,203	4,139,897
Assets relating to discontinued operations	221,647	295,207	-	-	-	-	-	-	221,647	295,207
Consolidated total assets	3,115,866	2,929,496	600,735	525,188	809,874	783,153	105,375	197,267	4,631,850	4,435,104

Notes to the condensed consolidated financial statements (continued)

20 Capital commitments and Contingencies

At the reporting date, the Group has investment commitments to a fund amounting to AED 32,167 thousand (31 December 2012: AED 58,217 thousand) and capital commitments of AED 50,602 thousand (31 December 2012: AED 63,855 thousand) with respect to the development of Phase 1 of Al Markaz project.

The group has entered into a five-year operating lease arrangement for new office space effective 9 September 2012. Annual lease payments are paid in advance. Following is the future lease payment schedule:

	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000
Due within 1 year	3,139	3,139
Due between 2 to 4 years	6,278	9,417
	9,417	12,556

21 Comparative figures

Certain reclassifications have been made to the comparative figures for the nine-month period ended 30 September 2012 to comply with the current period classification. This reclassification did not have any impact on net profit, earnings per share or retained earnings of the current or prior period. These reclassifications were mainly to account for the revenue from sale of goods and services and the cost of sale of goods and services from the acquisition of Anglo Arabian Healthcare.

The main reclassifications are as follows:

Condensed consolidated statement of income:

- a) Income from Sale of inventory is now disclosed in a separate line 'Revenue from sale of goods and services' instead of being classified under 'Operating income'.
- b) Income from Transaction service fees is now disclosed in a separate line 'Income from capital markets transactions' instead of being classified under 'Operating income'.
- c) Cost of sale of inventory has been reclassified to a separate line item 'Cost of sale of goods and services' from 'Operating expenses'.
- d) income and expenses for the period from discontinued operations was reclassified from various statement of income line items (Operating income, Income from investment in equity-accounted investees, Operating expenses and Administrative and other expenses) into a separate line item 'Profit / (loss) for the period from discontinued operations'.
- e) 'Finance expense' has been reclassified from 'Operating expenses' into a separate line item.
- f) 'Fair value gain on derivatives', 'Other operating income', 'Interest income from finance lease', 'Interest income on loan investments', 'Provision for slow moving and obsolete inventories' and 'Provision for doubtful loans and receivables' have been reclassified from 'Operating income' and 'Operating expenses' into 'Other income'.
- g) 'Operating costs' (excluding Finance expense), 'Administrative and other expenses' are now classified under the line item 'General and administrative expenses'.

Notes to the condensed consolidated financial statements (continued)

21 Comparative figures (continued)

Condensed consolidated statement of income: (continued)

		As previously reported (Unaudited) AED '000	Reclassifications (Unaudited) AED '000	As reclassified (Unaudited) AED '000
Consolidated income statement for the period ended 30 September 2012				
Continuing operations				
Revenue from sale of goods and services	(a)	-	2,146	2,146
Cost of sale of goods and services	(c)	-	(2,146)	(2,146)
Gross profit		-	-	-
Operating income	(d) & (f)	63,343	(63,343)	-
Operating expenses	(d), (e), (f) & (g)	(92,793)	92,793	-
Income from investment in equity-accounted investees, net	(d)	117,984	10,915	128,899
Income from capital markets transactions	(b)	-	19,310	19,310
Other income	(f)	3,989	(2,562)	1,427
General and administrative expenses	(d) & (g)	(62,201)	3,515	(58,686)
Finance expense	(e)	-	(50,133)	(50,133)
Profit for the period from continuing operations		30,322	10,495	40,817
Discontinued operations				
Profit / (loss) for the period from discontinued operations	(d)	-	(10,495)	(10,495)
Profit for the period		30,322	-	30,322

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Notes to the condensed consolidated financial statements (continued)

22 Other disclosures

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

	Domestic			Foreign			Total	
	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000
Investments in finance leases	-	-	30,170	33,765	30,170	33,765	30,170	33,765
Investment in equity-accounted investees	128,036	110,363	2,322,179	2,145,007	2,450,215	2,255,370	2,450,215	2,255,370
Loan investments	-	-	279,528	305,722	279,528	305,722	279,528	305,722
Inventories	4,962	-	6,316	7,464	11,278	7,464	11,278	7,464
Investments available-for-sale	135,692	108,883	-	-	135,692	108,883	135,692	108,883
Financial assets at fair value through profit or loss	18,799	13,901	110,326	176,720	129,125	190,621	129,125	190,621
	287,489	233,147	2,748,519	2,668,678	3,036,008	2,901,825	3,036,008	2,901,825

	Domestic			Foreign			Total	
	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000	30 September 2013 (Unaudited) AED '000	31 December 2012 (Audited) AED '000
Cash-encumbered	53,425	60,304	-	-	53,425	60,304	53,425	60,304
Cash and cash equivalents	120,437	218,486	1,143	1,139	121,580	219,635	121,580	219,635
	173,862	278,800	1,143	1,139	175,005	279,939	175,005	279,939