

AL WAHA CAPITAL P.J.S.C.

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



الواحة كابيتال
Waha Capital

Interim Condensed Consolidated Financial Statements

for the three month period ended 31 March 2008

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2008

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AL WAHA CAPITAL P.J.S.C.

Company Information

Board of Directors

Chairman H.E. Hussain Al Nowais

Vice Chairman Mr. Khalil M.S. Foulathi

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

Chief Executive Officer Mr. Samer Alhaj

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

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

AL WAHA CAPITAL P.J.S.C.

Operations and Financial Review

Commentary

During the first quarter of FY2008, Al Waha Capital (“Waha”) continued its steady march along the growth path with a focus to invest in profitable business opportunities and to concentrate on building a “platform for growth”. This focus will help Waha to implement its vision and ensure robust and sustainable profits during the rest of 2008 and in the coming years.

For the quarter, revenues (including share of profits from associates) increased by 35% as compared with revenues in first quarter of FY2007. Net profit also increased by 5.4% as compared to net profit in the first three months of FY2007.

A number of factors have contributed to these numbers:

Operating performance and investments

- Revenue (including share of profits of associates) increased to AED 135.8m from AED 100.4m during first quarter of 2007.
- Operating costs together with administrative and other expenses rose by 40.1% to AED 107.6m from AED 76.8m in the corresponding period in 2007, reflecting the increased business activities of the Group and investment in building a platform for growth.
- The resultant operating profit increased by 19.3% to AED 28.2m as compared to AED 23.6m during the corresponding period in the previous year.
- During the first three months of 2008, operating assets of the Group increased to AED 4,812m, which represents an increase of 10.6% as compared to operating assets as at 31 December 2007.

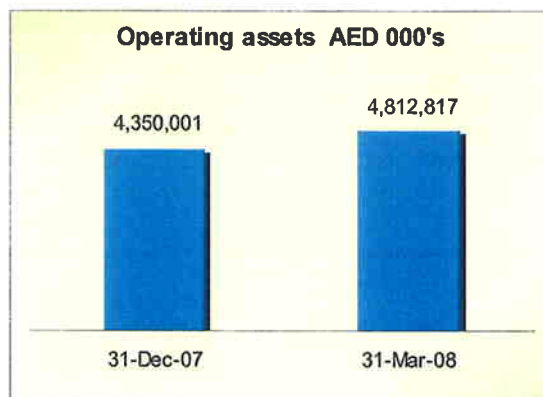
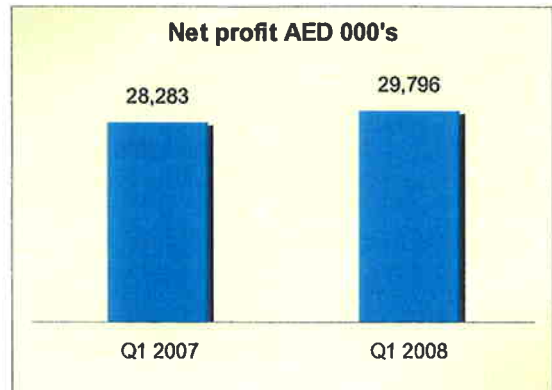
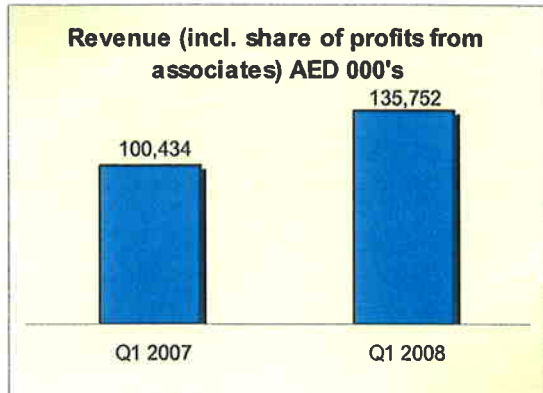
Highlights

- Increase in revenue was contributed primarily by the increase in income from operating leases and finance leases and the increase in share of profits from investments in associates.
- During the quarter, the shareholders approved distribution of dividends amounting to AED 150m, AED 75m in cash and AED 75m in the form of bonus shares.
- As at 31 March 2008, the Group has investment commitments of AED 407.7m, indicating increase in business activity during the rest of the year.

AL WAHA CAPITAL P.J.S.C.

Operations and Financial Review (continued)

Certain Key Performance Indicators




Chief Executive Officer



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Independent Review Report on the Interim Condensed Consolidated Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Al Waha Capital P.J.S.C. (*formerly known as Oasis International Leasing Company P.J.S.C.*) (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as at 31 March 2008 and the related condensed consolidated statements of income, statement of changes in equity and cash flows for the three month period then ended (interim financial information). Management is responsible for the preparation and presentation of this (consolidated) interim financial information in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying (consolidated) interim financial information as at 31 March 2008 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Signed by:
Sharad K Bhandari
Partner

Abu Dhabi
Registration no. 267

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Income Statement for the three month period ended 31 March 2008

	Note	Three month period ended 31 March 2008 (AED '000) (Reviewed)	Three month period ended 31 March 2007 (AED '000) (Reviewed)
Revenue	4	128,019	100,434
Share of profits from investments in associates		7,733	-
Operating costs		(91,064)	(68,460)
Other operating income		65	-
Administrative and other expenses		(16,574)	(8,360)
Operating profit		28,179	23,614
Other income		1,617	4,669
Net profit		29,796	28,283
Earnings per share (AED)	5	0.02	0.02


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

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Balance Sheet as at 31 March 2008

	Note	31 March 2008 (AED '000) (Reviewed)	31 December 2007 (AED '000) (Audited)
ASSETS			
Operating assets			
Operating lease assets		2,103,945	1,771,432
Investments in finance leases		2,023,888	2,091,848
Loan investments		250,280	273,189
Investments held-to-maturity		-	462
Investments available-for-sale		31,859	2,039
Investments in associates		402,844	211,030
Investment property	1	1	1
		4,812,817	4,350,001
Other assets			
Project costs		27,029	26,185
Deferred tax asset		4,499	4,499
Other fixed assets		4,851	5,060
Trade and other receivables		97,217	42,876
Cash-encumbered		67,669	121,984
Cash and cash equivalents		48,983	74,192
		250,248	274,796
Total assets		5,063,065	4,624,797
EQUITY AND LIABILITIES			
Equity			
Share capital	6	1,575,000	1,500,000
Statutory reserve		38,929	38,929
Available-for-sale equity reserve		(1,029)	1,522
Retained earnings		180,287	300,491
		1,793,187	1,840,942
Liabilities			
Term loans		2,801,198	2,607,714
Trade and other payables		468,680	176,141
		3,269,878	2,783,855
Total equity and liabilities		5,063,065	4,624,797

These Interim Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors on 27 April 2008 and signed on their behalf by:



Chairman



Chief Executive Officer

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

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2008

	Share capital (AED '000)	Statutory reserve (AED '000)	Available- for-sale equity reserve (AED '000)	Retained earnings (AED '000)	Total (AED '000)
At 1 January 2007	1,500,000	21,856	4	147,333	1,669,193
Net profit for the period	-	-	-	28,283	28,283
At 31 March 2007 (Reviewed)	1,500,000	21,856	4	175,616	1,697,476
At 1 January 2008	1,500,000	38,929	1,522	300,491	1,840,942
Net profit for the period	-	-	-	29,796	29,796
Dividend <i>(Refer to Note 7)</i>	75,000	-	-	(150,000)	(75,000)
Fair value adjustments	-	-	(2,551)	-	(2,551)
At 31 March 2008 (Reviewed)	1,575,000	38,929	(1,029)	180,287	1,793,187

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

AL WAHA CAPITAL P.J.S.C.

Interim Condensed Consolidated Statement of Cash Flows for the period ended 31 March 2008	Three month period ended 31 March 2008 (AED '000) (Reviewed)	Three month period ended 31 March 2007 (AED '000) (Reviewed)
Net profit before taxation	29,796	28,283
Adjustments for:		
Depreciation	36,344	30,315
Interest on term loans	43,991	35,500
Interest on bank deposits	(992)	(4,661)
Interest income from loan investments	(7,028)	(8,541)
Interest income from finance leases	(42,241)	(35,408)
Interest income from investments held-to-maturity	(9)	(20)
Income from investments in associates	(7,733)	-
Amortisation of project costs	1,598	967
Other Income	(205)	-
Gain on disposal of finance lease receivables	(65)	-
Payments received from loan investments	37,246	31,892
Payments received from finance leases	61,187	45,560
Payments from investments held-to-maturity	471	15
Interest paid on term loans	(48,942)	(39,734)
Changes in working capital:		
Change in trade and other receivables	(61,478)	(2,390)
Change in trade and other payables	222,490	34,986
Cash flows from operating activities	264,430	116,764
Purchase of operating lease assets	(367,941)	(226,381)
Subsequent investments in operating lease assets	(684)	(209)
Proceeds from sale of investments in finance leases	49,079	(319,986)
Investments in associates	(183,826)	-
Project costs incurred	(2,442)	(181)
Purchase of other fixed assets	(23)	(150)
Investments in available for sale investments	(32,626)	-
Movement in cash-encumbered	54,315	864
Interest received	1,024	23,413
Cash flows used in investing activities	(483,124)	(522,630)
Term loans obtained	285,414	271,988
Term loans repaid	(91,929)	(34,922)
Cash flows from financing activities	193,485	237,066
Net decrease in cash and cash equivalents	(25,209)	(168,800)
Cash and cash equivalents at beginning of the period	74,192	312,355
Cash and cash equivalents at end of the period	48,983	143,555

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

AL WAHA CAPITAL P.J.S.C.

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2008

1 Establishment and operations

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 was incorporated on 12 July 1997.

During the period ended 31 March 2008, the Company changed its name from Oasis International Leasing Company P.J.S.C. to Al Waha Capital P.J.S.C., as approved in the Annual General Assembly Meeting on 2 May 2007.

These Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2008 comprise the Company and its Subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and jointly controlled entities. A list of Subsidiaries is set out in Note 3 to these Interim Condensed Consolidated Financial Statements.

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

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

2 Significant accounting policies

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31 December 2007.

(b) Basis of preparation

The accounting policies and methods of computation applied by the Group in these Interim Condensed Consolidated Financial Statements are the same as those applied by the Group in the preparation of the Consolidated Financial Statements as at and for the year ended 31 December 2007.

AL WAHA CAPITAL P.J.S.C.

3 Consolidation

Subsidiaries

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

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

* Indirectly held through Subsidiaries.

AL WAHA CAPITAL P.J.S.C.

3 Consolidation (continued)

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

Jointly controlled entities

The Group has the following interest in jointly controlled entities:

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

Associates

The Group has the following interest in associates:

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

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

4 Segment reporting

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

Three month period ended 31 March 2008 - (AED '000)	<u>Middle East and Asia Pacific</u>				<u>Total</u>
	<u>Europe</u>	<u>America</u>	<u>Others</u>		
Revenue	25,142	15,120	80,729	7,028	128,019

Three month period ended 31 March 2007- (AED '000)	<u>Middle East and Asia Pacific</u>				<u>Total</u>
	<u>Europe</u>	<u>America</u>	<u>Others</u>		
Revenue	9,544	13,426	68,809	8,655	100,434

AL WAHA CAPITAL P.J.S.C.

5 Earnings per share

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

	Three month Period ended 31 March 2008 (Reviewed)	Three month Period ended 31 March 2007 (Reviewed)
Profit attributable to ordinary equity holders (AED '000)	29,796	28,283
Ordinary shares (<i>Refer to Note 7</i>)	1,575,000,000	1,575,000,000*
Earnings per share (AED)	0.02	0.02*

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

6 Share capital

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

7 Dividend

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

8 Related party transactions

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

Significant transactions with related parties during the period include:

- During the period key management personnel compensation was (AED '000) 1,419 (2007: (AED '000) 989). This includes short-term employee benefits, post-employment benefits and accrual of LTIP related costs.

AL WAHA CAPITAL P.J.S.C.

9 Contingent liabilities and capital commitments

Where applicable, the Group has contingent liabilities in the ordinary course of business in respect of lease maintenance contributions. The Group believes no material liabilities will arise from these contractual arrangements.

As at the balance sheet date, the Group has investment commitments amounting to (AED '000) 407,732 (31 December 2007: (AED '000) 195,853) and capital commitments of (AED '000) Nil (31 December 2007: (AED '000) 82,387).