

**AL WAHA CAPITAL P.J.S.C.**



الواحة كابيتال  
Waha Capital

**Reports and condensed consolidated interim financial statements  
for the three month period ended 31 March 2010**

# AL WAHA CAPITAL P.J.S.C

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# AL WAHA CAPITAL P.J.S.C.

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## Company Information

### Board of Directors

<b>Chairman</b>	H.E. Hussain Al Nowais
<b>Vice chairman</b>	H.E. Saif Al Hajeri
<b>Directors</b>	Mr. Abubaker Khouri Mr. Carlos Obeid Mr. Fahad Saeed Al Raqbani Mr. Khaled Al Mass Mr. Mansour Al Mulla

**Chief executive officer** Mr. Salem Rashid Al Noaimi

**Head office** P O Box 28922  
4th Floor, Aseel Building  
Six Towers, Al Bateen  
Abu Dhabi  
UAE

**Auditors** KPMG Lower Gulf Limited  
P O Box 7613  
16<sup>th</sup> Floor, Falcon Tower  
Al Nasr Street  
Abu Dhabi  
UAE

# AL WAHA CAPITAL P.J.S.C.

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## Operations and financial review

The first quarter of this year witnessed Waha Capital's continuous efforts to create a strong investment base in various sectors by identifying investment opportunities, especially in Abu Dhabi and across the UAE.

During the quarter Waha Capital successfully arranged the financing of nine advanced military transport aircraft on behalf of the UAE Armed Forces amounting to AED 6.7 billion (USD 1.8 billion).

The Group is going forward with its plans in developing Al Markaz, a multiuse real estate project in the Emirate of Abu Dhabi. Waha has commenced ground preparation works in the first quarter of 2010 on a 1.5 million square meter plot. This will be followed by infrastructure installation, building and facilities construction at the project. Waha estimates to deliver residential and industrial units from the first phase of Al Markaz by the end of this year and beginning of 2011.

Another significant event during the quarter was Waha General Assembly Meeting, where the board's suggestion to issue mandatory convertible bonds or Sukuk of AED 1 billion was approved by the shareholders. This initiative will help leverage the overall financial position of Waha and will support its expansion plans.

During the first quarter of 2010 the Group attained a significant increase in its net profit which rose to AED 33.4 million for the three month period ended 31 March 2010.

The Group's revenues (including share of profits from investment in equity accounted investees) for the three month period were at AED 109.1 million, an increase of 11% as compared to the same period in the previous year.

The Group managed to reduce the operating costs during the quarter which has contributed favourably to results achieved. The operating costs have reduced to AED 58.7 million representing a decrease of 50% as compared to the same period in the previous year.

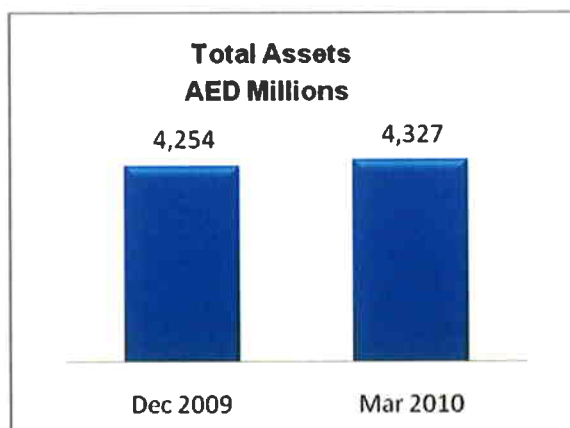
At 31 March 2010, the Group's total assets were at AED 4.3 billion, reflecting a growth of 2% compared to the assets value as at 31 December 2009. Further, as at 31 March 2010, the Group has investment commitments of AED 133 million and capital commitments of AED 628 million.

# AL WAHA CAPITAL P.J.S.C.

## Operations and financial review (continued)



*\* for three months period ended*



Chief Executive Officer



KPMG Lower Gulf Limited  
Abu Dhabi Branch  
P. O. Box 7613  
Abu Dhabi  
United Arab Emirates

Telephone +971 (2) 6343 318  
Telefax +971 (2) 6327 612  
Website www.ae-kpmg.com

## **Independent report on review of condensed consolidated interim financial information**

The shareholders  
Al Waha Capital PJSC

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Al Waha Capital PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2010 and the related condensed consolidated interim statement of comprehensive income (comprising of a condensed consolidated interim statement of comprehensive income and a separate condensed consolidated interim income statement), condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-month period then ended (interim financial information). The Board of Directors of the Group is responsible for the preparation and presentation of the 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 the 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 as at and for the three-month period ended 31 March 2010 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Sharad Bhandari  
Registration no. 267

28 APR 2010

# Al Waha Capital P.J.S.C

## Condensed consolidated income statement

For the three month period ended 31 March

(All amounts in thousands of AED, unless otherwise stated)

	Note	2010 <u>(Reviewed)</u>	2009 <u>(Reviewed)</u>
Revenue		74,119	97,831
Share of profit from equity accounted investees		34,990	245
Other operating income		3,088	-
Operating costs		(58,725)	(117,860)
Administrative and other expenses		(20,770)	(19,323)
<b>Operating profit / (loss)</b>		<b>32,702</b>	<b>(39,107)</b>
Other income		716	323
<b>Profit / (loss) for the period</b>		<b>33,418</b>	<b>(38,784)</b>
<b>Basic and diluted earnings per share (AED)</b>	5	<b>0.02</b>	<b>(0.02)</b>

The notes numbered 1 to 16 are an integral part of these condensed consolidated interim financial statements

# Al Waha Capital P.J.S.C

## Condensed consolidated statement of comprehensive income

For the three month period ended 31 March

(All amounts in thousands of AED, unless otherwise stated)

	Note	2010 <u>(Reviewed)</u>	2009 <u>(Reviewed)</u>
<b>Profit / (loss) for the period</b>		<b>33,418</b>	<b>(38,784)</b>
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial assets		(748)	(80)
Directors' fees		<u>(9,000)</u>	<u>(3,000)</u>
<b>Total comprehensive income / (loss) for the period</b>		<b><u>23,670</u></b>	<b><u>(41,864)</u></b>

The notes numbered 1 to 16 are an integral part of these condensed consolidated interim financial statements



# Al Waha Capital P.J.S.C

## Condensed consolidated statement of financial position

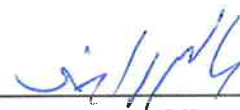
(All amounts in thousands of AED, unless otherwise stated)

	Note	As at 31 March 2010 (Reviewed)	As at 31 December 2009 (Audited)
<b>ASSETS</b>			
Investment property	6	203,195	177,889
Operating lease assets	7	1,718,612	1,762,688
Vessels		59,309	60,056
Investments in finance leases		44,768	45,651
Loan investments		415,441	430,942
Investments in equity accounted investees	8	1,226,197	1,085,608
Investments available-for-sale		63,332	65,398
Project costs		11,457	11,746
Furniture and equipment		7,438	5,052
Financial assets at fair value through profit or loss		120,831	122,068
Cash-encumbered		72,572	96,696
Trade and other receivables		64,201	64,544
Cash and cash equivalents		319,390	325,266
<b>Total assets</b>		<b>4,326,743</b>	<b>4,253,604</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	1,575,000	1,575,000
Bonus shares reserve	11	157,500	-
Statutory reserve		64,610	64,610
Available-for-sale equity reserve		584	1,332
Retained earnings		124,412	296,869
		<b>1,922,106</b>	<b>1,937,811</b>
<b>Liabilities</b>			
Borrowings		2,151,341	2,088,762
Trade and other payables	10	253,296	227,031
		<b>2,404,637</b>	<b>2,315,793</b>
<b>Total equity and liabilities</b>		<b>4,326,743</b>	<b>4,253,604</b>

These condensed consolidated interim financial statements were authorised for issue by the board of directors on 28 April 2010 and signed on their behalf by:



Chairman



Chief Executive Officer

The notes numbered 1 to 16 are an integral part of these interim condensed consolidated financial statements

## Al Waha Capital P.J.S.C

### Condensed consolidated statement of changes in equity

For the three month period ended 31 March 2010

(All amounts in thousands of AED, unless otherwise stated)

	Share capital	Bonus shares reserve	Statutory reserve	Available -for-sale equity reserve	Retained earnings	Total
At 1 January 2009	1,575,000	-	42,932	(3,575)	183,513	1,797,870
Total comprehensive loss	-	-	-	(80)	(41,784)	(41,864)
Dividend	-	-	-	-	(78,750)	(78,750)
At 31 March 2009 (Reviewed)	<u>1,575,000</u>	<u>-</u>	<u>42,932</u>	<u>(3,655)</u>	<u>62,979</u>	<u>1,677,256</u>
At 1 January 2010	1,575,000	-	64,610	1,332	296,869	1,937,811
Total comprehensive income	-	-	-	(748)	24,418	23,670
Dividend (Refer to Note 11)	-	157,500	-	-	(196,875)	(39,375)
<b>At 31 March 2010 (Reviewed)</b>	<b><u>1,575,000</u></b>	<b><u>157,500</u></b>	<b><u>64,610</u></b>	<b><u>584</u></b>	<b><u>124,412</u></b>	<b><u>1,922,106</u></b>

The notes numbered 1 to 16 are an integral part of these condensed consolidated interim financial statements

## Al Waha Capital P.J.S.C

### Condensed consolidated statement of cash flows

For the three month period ended 31 March

(All amounts in thousands of AED, unless otherwise stated)

	2010 <i>(Reviewed)</i>	2009 <i>(Reviewed)</i>
<b>Cash Flows from operating activities</b>		
Profit/(loss) for the period	33,418	(38,784)
<i>Adjustments for:</i>		
Depreciation	30,160	39,917
Interest on borrowings	14,931	31,701
Loss on derivatives	5,912	-
Interest on bank deposits	(484)	(2,323)
Interest income from loan investments	(8,648)	(5,673)
Interest income from investments in finance leases	(1,057)	(18,789)
Share of profit from investments in equity accounted investees	(34,990)	(245)
Impairment loss on operating lease assets	-	6,620
Directors' fees	(9,000)	(3,000)
Provision for doubtful receivables	2,260	9,636
Amortisation and write off of project costs	1,429	9,061
(Gain) / Loss on valuation of financial assets at fair value through profit or loss	(111)	3,105
Payments received from loan investments	29,727	23,848
Payments received from investment in finance leases	1,940	29,403
Distribution from equity accounted investees	1,063	1,747
Interest paid on borrowings	(16,132)	(36,013)
Changes in working capital:		
Change in trade and other receivables	(7,694)	125,736
Change in trade and other payables	(1,018)	36,941
<b>Net cash generated from operating activities</b>	<b>41,706</b>	<b>212,888</b>

## Al Waha Capital P.J.S.C

### Condensed consolidated statement of cash flows (continued)

For the three month period ended 31 March

(All amounts in thousands of AED, unless otherwise stated)

	2010 <i>(Reviewed)</i>	2009 <i>(Reviewed)</i>
<b>Cash flows from investing activities</b>		
Purchase of operating lease assets	-	(2,575)
Investments in equity accounted investees	<b>(106,662)</b>	(79,342)
Loan investments	-	(65,152)
Refund / (purchase) of investments available-for-sale	<b>1,318</b>	(986)
Costs incurred for development work in progress	<b>(25,306)</b>	-
Project costs incurred	<b>(1,140)</b>	(4,379)
Purchase of other fixed assets	<b>(3,178)</b>	(72)
Movement in cash-encumbered	<b>24,124</b>	(79,119)
Interest received	<b>683</b>	1,642
<b>Net cash used in investing activities</b>	<b>(110,161)</b>	(229,983)
<b>Cash flows from financing activities</b>		
Loans obtained	<b>774,403</b>	14,712
Loans repaid	<b>(711,824)</b>	(39,012)
<b>Net cash from / (used in) financing activities</b>	<b>62,579</b>	(24,300)
<b>Net decrease in cash and cash equivalents</b>	<b>(5,876)</b>	(41,395)
Cash and cash equivalents at 1 January	<b>325,266</b>	226,794
<b>Cash and cash equivalents at 31 March</b>	<b>319,390</b>	185,399

The notes numbered 1 to 16 form an integral part of the condensed consolidated interim financial statement

# Waha Capital PJSC

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## Notes to the condensed consolidated interim financial statements

(All amounts in thousands of AED, unless otherwise stated)

### 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 was incorporated on 12 July 1997.

The condensed consolidated interim financial statements for the three month period ended 31 March 2010 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and jointly controlled entities.

The Group is engaged in big-ticket asset leasing, maritime sector, real estate development and financial services.

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 are available upon request from the Company's registered office at P.O Box 28922, fourth floor, Aseel building, Six Towers, Al Bateen, Abu Dhabi, UAE.

### 2 Statement of compliance

These condensed consolidated interim 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 2009.

### 3 Significant accounting policies

The accounting policies, significant judgements and estimates, risk management principles and methods of computation applied by the Group in these condensed consolidated interim 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 2009.