

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



الواحة كابيتال  
Waha Capital

**Reports and condensed consolidated interim financial statements  
for the nine month period ended 30 September 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**

Waha Capital continued its efforts to create a strong investment base in various sectors by identifying investment opportunities, especially in Abu Dhabi and across the UAE during the nine month period ended 30 September 2010. Waha Capital has followed a path of strategic diversification that has enhanced revenue streams and brought exceptional growth. Most importantly, this diversification has brought significant long-term value for Waha Capital's stakeholders.

During the nine month period ended 30 September 2010, the net profit has increased to AED 76.7 million from AED 22.7 million in the corresponding period in the previous year.

During this period, Waha Capital successfully arranged the financing of nine advanced military transport aircraft on behalf of the UAE Armed Forces for AED 6.7 billion (USD 1.8 billion). In addition, Waha capital also arranged USD 1.5 billion in bonds for UAE armed forces.

The Group continues to move forward with its plans of developing Al Markaz, an industrial project in the Emirate of Abu Dhabi. Waha commenced enabling and ground levelling works in 2010 on a 1.5 million square meter plot. This will be followed by infrastructure installation, building and facilities construction at the project.

The Group strengthened its marine operating arm by acquiring an additional vessel thereby increasing its existing fleet to three vessels. Waha Maritime is looking to reposition its business by improving its fleet profile among other things and expanding within the GCC.

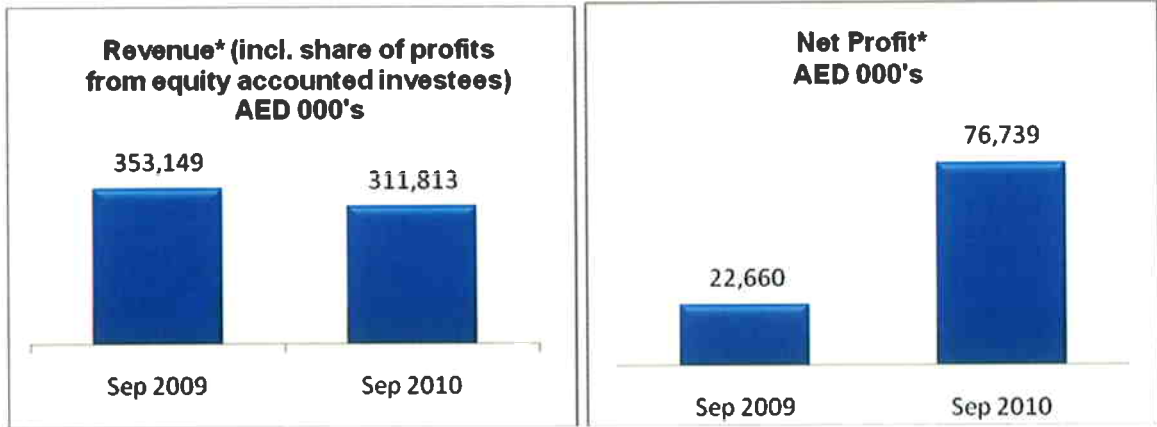
The Group's revenues (including share of profits from investment in equity accounted investees) for the nine month period of this year were AED 311.8 million compared to AED 353.2 million for the same period of the previous year.

The Group managed to significantly reduce the operating costs during the first nine months which has contributed favourably to the results achieved. The operating costs have reduced to AED 184.7 million as compared to AED 309.9 million in the corresponding period of the previous year.

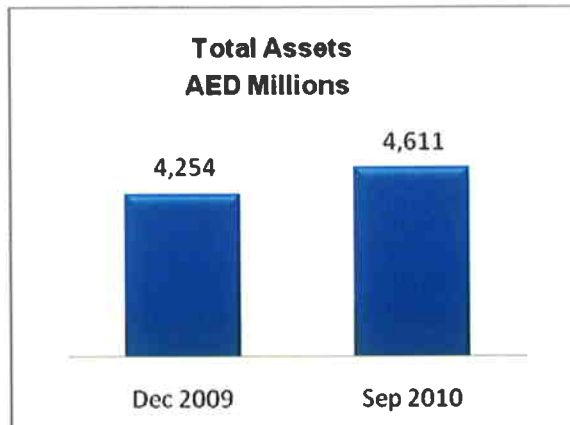
At 30 September 2010, the Group's total assets were AED 4.6 billion compared to AED 4.2 billion at 31 December 2009. Further, at 30 September 2010, the Group has investment commitments of AED 133 million and capital commitments of AED 317 million.

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

## Operations and financial review (continued)



*\* for nine months period ended*



Chief Executive Officer



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## **Independent auditors' 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 30 September 2010 and the related condensed consolidated statement of comprehensive income (comprising of a condensed consolidated income statement and a separate condensed consolidated statement of comprehensive income), condensed consolidated statement of changes in equity and cash flows for the nine month period then ended ("the condensed consolidated interim financial information"). The Board of Directors of the Group is responsible for the preparation and presentation of this condensed 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 condensed consolidated 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 condensed consolidated interim financial information as at and for the nine month period ended 30 September 2010 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Sharad Bhandari

Registration no.267

21 OCT 2010

KPMG

# Al Waha Capital P.J.S.C

## Condensed consolidated income statement

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

	Note	Nine month period ended 30 September 2010  (Reviewed)	Nine month period ended 30 September 2009  (Reviewed)	Three month period ended 30 September 2010  (Reviewed)	Three month period ended 30 September 2009  (Reviewed)
Revenue		261,789	290,097	111,006	96,518
Share of profit from equity accounted investees	8	50,024	63,052	(5,637)	8,342
Other operating income		19,718	27,254	17,442	3,121
Operating costs		(184,676)	(309,879)	(59,277)	(91,566)
Administrative and other expenses		(68,793)	(63,061)	(26,497)	(19,761)
<b>Operating profit / (loss)</b>		<b>78,062</b>	7,463	<b>37,037</b>	(3,346)
Other (loss) / income		(1,323)	15,197	296	5,360
<b>Profit for the period</b>		<b>76,739</b>	22,660	<b>37,333</b>	2,014
<b>Basic and diluted earnings per share (AED)</b>	5	<b>0.044</b>	0.013	<b>0.022</b>	0.001

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

# Al Waha Capital P.J.S.C

## Condensed consolidated statement of comprehensive income

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

	<i>Note</i>	<b>Nine month period ended 30 September 2010 (Reviewed)</b>	Nine month period ended 30 September 2009 (Reviewed)	<b>Three month period ended 30 September 2010 (Reviewed)</b>	Three month period ended 30 September 2009 (Reviewed)
<b>Profit for the period</b>		<b>76,739</b>	22,660	<b>37,333</b>	2,014
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets		<b>51</b>	2,842	<b>5,442</b>	(59)
Directors' fees		<b>(9,000)</b>	(3,000)	-	-
<b>Total comprehensive income for the period</b>		<b>67,790</b>	22,502	<b>42,775</b>	1,955

The notes numbered 1 to 17 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 30 September 2010 (Reviewed)	As at 31 December 2009 (Audited)
<b>ASSETS</b>			
Investment property	6	208,660	177,889
Operating lease assets	7	1,953,357	1,762,688
Vessels		90,419	60,056
Investments in finance leases		42,941	45,651
Loan investments		610,215	430,942
Investments in equity accounted investees	8	1,236,636	1,085,608
Investments available-for-sale		66,409	65,398
Project costs		13,899	11,746
Furniture and equipment		9,566	5,052
Financial assets at fair value through profit or loss		6,832	122,068
Cash-encumbered		90,809	96,696
Trade and other receivables	9	175,198	64,544
Cash and cash equivalents		106,013	325,266
<b>Total assets</b>		<b>4,610,954</b>	<b>4,253,604</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	1,732,500	1,575,000
Statutory reserve		64,610	64,610
Available-for-sale equity reserve		1,383	1,332
Retained earnings		167,733	296,869
		<b>1,966,226</b>	<b>1,937,811</b>
<b>Liabilities</b>			
Borrowings		2,455,917	2,088,762
Trade and other payables	12	188,811	227,031
		<b>2,644,728</b>	<b>2,315,793</b>
<b>Total equity and liabilities</b>		<b>4,610,954</b>	<b>4,253,604</b>

These condensed consolidated interim financial statements were authorised for issue by the board of directors on 21 October 2010 and signed on their behalf by:



Chairman



Chief Executive Officer

The notes numbered 1 to 17 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 nine month period ended 30 September 2010

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

	Note	Share capital	Statutory reserve	Available -for- sale equity reserve	Retained earnings	Total
At 1 January 2009 (Audited)		1,575,000	42,932	(3,575)	183,513	1,797,870
Total comprehensive income		-	-	2,842	19,660	22,502
Dividend	11	-	-	-	(78,750)	(78,750)
<b>At 30 September 2009 (Reviewed)</b>		<b>1,575,000</b>	<b>42,932</b>	<b>(733)</b>	<b>124,423</b>	<b>1,741,622</b>
At 1 January 2010 (Audited)		1,575,000	64,610	1,332	296,869	1,937,811
Total comprehensive income		-	-	51	67,739	67,790
Bonus shares issued	11	157,500	-	-	(157,500)	-
Dividend	11	-	-	-	(39,375)	(39,375)
<b>At 30 September 2010 (Reviewed)</b>		<b>1,732,500</b>	<b>64,610</b>	<b>1,383</b>	<b>167,733</b>	<b>1,966,226</b>

The notes numbered 1 to 17 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 nine month period ended 30 September

(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 for the period	76,739	22,660
<i>Adjustments for:</i>		
Depreciation	88,932	114,274
Interest on borrowings	49,015	89,759
Net loss on derivative financial instruments	6,716	-
Interest on bank deposits	(573)	(5,013)
Interest income from loan investments	(25,223)	(21,610)
Interest income from investments in finance leases	(3,108)	(55,714)
Share of profit from investments in equity accounted investees	(50,024)	(63,052)
Impairment loss on operating lease assets	-	6,620
Directors' fees	(9,000)	(3,000)
Provision for doubtful receivables	2,054	32,596
Amortization and write off of project costs	4,649	12,557
Write off on development work in progress	1,039	-
Reversal of deferred tax asset	-	4,499
Loss on sale of operating lease assets	-	1,829
Loss / (gain) on valuation of financial assets at fair value through profit or loss	2,018	(8,052)
Payments received from loan investments	75,253	60,351
Payments received from investment in finance leases	5,818	88,390
Distribution from equity accounted investees	5,330	3,647
Interest paid on borrowings	(49,688)	(90,690)
Changes in working capital:		
Change in trade and other receivables	(7,291)	181,102
Change in trade and other payables	(59,092)	(85,891)
<b>Net cash generated from operating activities</b>	<b>113,564</b>	<b>285,262</b>

# Al Waha Capital P.J.S.C

## Condensed consolidated statement of cash flows (continued)

For the nine month period ended 30 September

(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	(294,503)	(2,575)
Purchase of vessels	(33,012)	(61,570)
Investments in equity accounted investees	(106,662)	(521,438)
Proceeds from sale of operating lease assets	-	191,256
Proceeds from sale of financial assets at fair value through profit or loss	1,586	11,976
Loan investments	(7,178)	(237,997)
Purchase of investments available-for-sale	(632)	(26,692)
Amount paid for development work in progress	(31,810)	-
Project costs incurred	(6,802)	(10,401)
Purchase of other fixed assets	(6,914)	(774)
Movement in cash-encumbered	5,887	(432)
Interest received	748	5,114
<b>Net cash used in investing activities</b>	<b>(479,292)</b>	<b>(653,533)</b>
<b>Cash flows from financing activities</b>		
Loans obtained	1,127,325	437,682
Loans repaid	(980,850)	(229,474)
<b>Net cash from financing activities</b>	<b>146,475</b>	<b>208,208</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(219,253)</b>	<b>(160,063)</b>
Cash and cash equivalents at 1 January	325,266	226,794
<b>Cash and cash equivalents at 30 September</b>	<b>106,013</b>	<b>66,731</b>

The notes numbered 1 to 17 form an integral part of the condensed consolidated interim financial statement

# AL 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") was incorporated on 12 July 1997 as 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.

The condensed consolidated interim financial statements for the nine month period ended 30 September 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, investments in 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.