

الواحة كابيتال
WAHA CAPITAL



Q2 REPORT

Management discussion and analysis
for the period ended 30 June 2017

RECALIBRATION OF PERFORMANCE

Al Waha Capital PJSC ("the Company") and its subsidiaries (together referred to as "the Group") reported net profit attributable to owners of the Company of AED 183.1 million for the six month period ended 30 June 2017 compared to net profit of AED 305.9 million during the corresponding period in 2016.

Total income in the first half of 2017 were driven by the following:

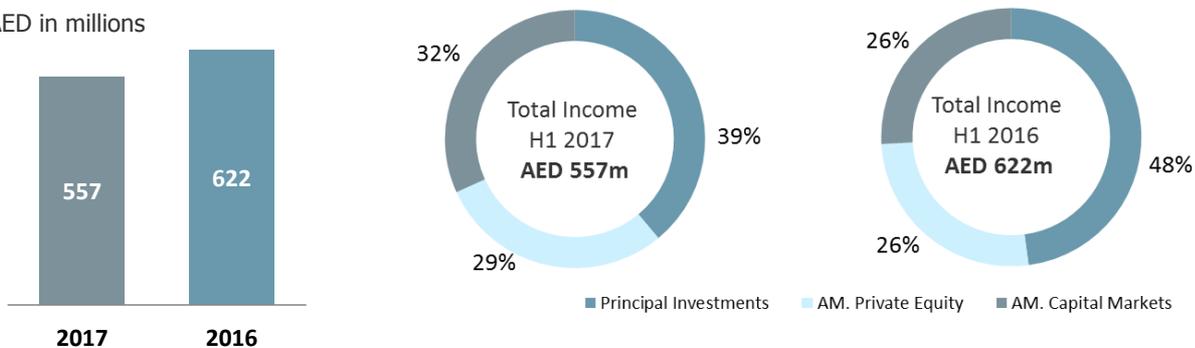
- Principal Investments of AED 216.6 million (39% of total income) compared to AED 297.8 million in 2016 (48% of total income), reflecting an adjustment of AED 125.4 million following a conservative reassessment of Aercap's recoverable amount.
- Asset Management – Capital Markets of AED 176.7 million (32% of total income) compared to AED 160.8 million in 2016 (26% of total income).
- Asset Management – Private Equity of AED 163.2 million (29% of total income) compared to AED 163.5 million in 2016 (26% of total income).

The Group's total income is reasonably balanced between the Principal Investments and Asset Management divisions in-line with its strategy of diversifying its revenue streams.

KEY PERFORMANCE MEASURES

Total income

AED in millions

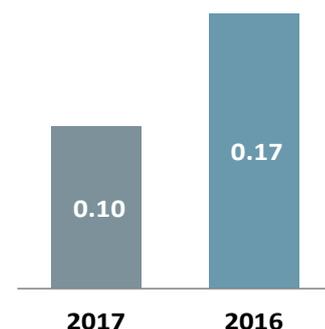


Net profit (attributable to owners of the Company)

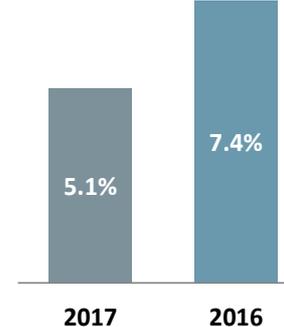
AED in millions



Earnings per share (AED)

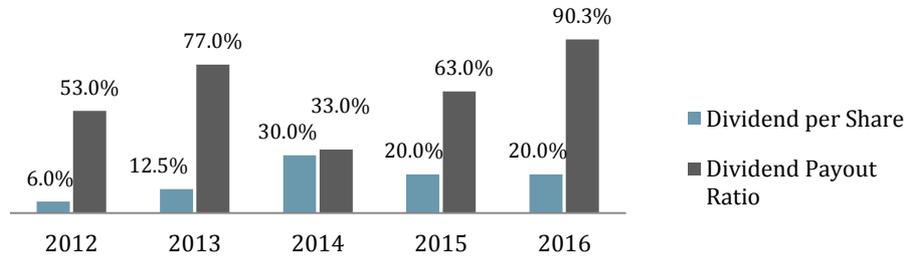


Return on Average Equity (%)



DIVIDEND PROFILE

On 22 March 2017, the shareholders approved a 2016 dividend of 20% which amounts to AED 367.7 million. This represents a dividend payout ratio of 90% of the Group's 2016 net profit. Historically the dividend trend has been as follows:



The Group concluded its share repurchase program in October 2016 acquiring 106.0 million shares, representing 5.45% of outstanding shares acquired at a cost of AED 267.2 million.

KEY FINANCIAL HIGHLIGHTS FOR THE FIRST HALF

Summary income statement AED '000	Six month period ended 30 June		Three month period ended 30 June	
	2017	2016	2017	2016
Revenue from sale of goods and services	166,739	174,949	83,348	88,592
Income from equity-accounted associates and joint ventures, net	166,357	268,685	99,180	132,282
Income from financial investments	207,213	164,152	99,740	60,365
Other income, net	16,332	14,390	5,383	7,551
Total income	556,641	622,176	287,651	288,790
Cost of sale of goods and services	(101,536)	(77,572)	(51,392)	(39,966)
General and administrative expenses - company	(88,828)	(75,838)	(45,579)	(35,677)
General and administrative expenses - subsidiaries	(98,996)	(116,239)	(49,439)	(60,539)
Finance cost, net	(64,290)	(50,043)	(35,618)	(26,242)
Total expenses	(353,650)	(319,692)	(182,028)	(162,424)
Net profit for the period				
Non-controlling interests	(19,855)	3,371	(10,064)	3,644
Net profit attributable to owners of the Company	183,136	305,855	95,559	130,010
Basic and diluted earnings per share (AED)	0.10	0.17	0.05	0.07

TOTAL INCOME ANALYSIS

Six month period ended 30 June 2017

Total income reported by the Group for the first half of 2017 was AED 556.6 million, compared to AED 622.2 million during the corresponding period in 2016, mainly comprised of:

- Revenue from sale of goods and services, amounting to AED 166.7 million mainly represents revenue from the Group's healthcare subsidiary, Anglo Arabian Healthcare. A decrease in revenue of 4.7% from the corresponding period in 2016 was mainly driven by a slowdown in healthcare business; partly offset by ramp up in patient fees from Amina Hospital.
- Income from equity-accounted associates and joint ventures, net, amounting to AED 166.4 million, includes:
 - Aercap Holdings NV: AED 181.0 million (2016: AED 266.9 million), net of an adjustment of AED 125.4 million following a reassessment of the investment's recoverable amount due to its share price trading at lower multiples over a prolonged period, among other relevant factors;
 - NPS Holdings Limited: AED 18.7 million (2016: loss of AED 0.05 million).
- Income from financial investments, amounting to AED 207.2 million, an increase of 26.2% compared to the corresponding period in 2016, mainly due to:
 - Increase of AED 74.0 million due to better performance of the equity securities portfolio and higher assets under management;
 - Increase of AED 21.7 million due to better performance of the fixed income securities portfolio and higher assets under management; offset by

- Decrease of AED 14.2 million due to higher losses on derivative contracts due to effective hedging of the fixed income portfolio and higher losses associated with total return swaps in the equity portfolio.
- Lower dividend income from unquoted fund by AED 4.9 million; and
- Lower income by AED 33.6 million driven by lower income from private transactions offset by higher fees earned on assets under management.

Three month period ended 30 June 2017

Total income reported by the Group for the quarter ended 30 June 2017 was AED 287.7 million, compared to AED 288.8 million during the corresponding period in 2016, mainly comprised of:

- a) **Revenue from sale of goods and services**, amounting to AED 83.3 million mainly represents revenue from the Group's healthcare subsidiary, Anglo Arabian Healthcare. A decrease in revenue of 5.9% from the corresponding period in 2016 was mainly driven by a slowdown in healthcare business; partly offset by ramp up in patient fees from Amina Hospital.
- b) **Income from equity-accounted associates and joint ventures**, amounting to AED 99.2 million, includes:
 - AerCap Holdings NV: AED 101.5 million (2016: AED 142.5 million), net of an adjustment of AED 66.6 million following a reassessment of the investment's recoverable amount due to its share price trading at lower multiples over a prolonged period, among other relevant factors;
 - NPS Holdings Limited: AED 7.3 million (2016: loss of AED 3.0 million).
- c) **Income from financial investments**, amounting to AED 99.7 million, an increase of 65.2% compared to the corresponding period in 2016, mainly due to:
 - Increase of AED 41.5 million due to better performance of the equity securities portfolio and higher assets under management;
 - Increase of AED 9.6 million due to better performance of the fixed income securities portfolio and higher assets under management; offset by
 - Decrease of AED 10.9 million due to higher losses on derivative contracts due primarily to total return swaps in the equity portfolio.

TOTAL EXPENSE ANALYSIS

Six month period ended 30 June 2017

Total expenses reported by the Group for the first half of 2017 was AED 353.7 million, compared to AED 319.7 million during the corresponding period in 2016, mainly comprised of:

- a) **Cost of sale of goods and services**, amounting to AED 101.5 million mainly represents cost of sales of the Group's healthcare subsidiary, Anglo Arabian Healthcare. An increase of 30.9% from the corresponding period in 2016 was mainly driven by pre-operating expenses incurred on expansion of Health Bay Polyclinic and Amina Hospital, launch of the In-Vitro-Fertilization (IVF) business; and restructuring of Sharjah Corniche Hospital.
- b) **General and administrative expenses - company**, amounting to AED 88.8 million, an increase of 17.1% from the corresponding period in 2016, mainly on account of legal and professional fees incurred on expansion of the asset management business, set up of new funds and partnership structures.
- c) **General and administrative expenses - subsidiaries**, amounting to AED 99.0 million, a decrease of 14.8% from the corresponding period in 2016, resulting from prior year cost saving initiatives taken across healthcare subsidiaries.
- d) **Finance costs**, amounting to AED 64.3 million, compared to AED 50.0 million, an increase of 28.5%, from the corresponding period in 2016, mainly due to higher interest costs of AED 7.0 million following replacement of a portion of the equity price collar hedges in 2016, AED 2.0 million due to higher utilisation of the Corporate Revolving facility and AED 3.8 million due to higher utilisation of the repurchase liabilities.

Three month period ended 30 June 2017

Total expenses reported by the Group for the quarter ended 30 June 2017 was AED 182.0 million, compared to AED 162.4 million during the corresponding period in 2016, mainly comprised of:

- a) **Cost of sale of goods and services**, amounting to AED 51.4 million mainly represents cost of sales of the Group's healthcare subsidiary, Anglo Arabian Healthcare. An increase of 28.6% from the corresponding period in 2016 was mainly driven by pre-operating expenses incurred on expansion of Health Bay Polyclinic and Amina Hospital, launch of the In-Vitro-Fertilization (IVF) business; and restructuring of Sharjah Corniche Hospital.
- b) **General and administrative expenses - company**, amounting to AED 45.6 million, an increase of 27.8% from the corresponding period in 2016, mainly on account of legal and professional fees incurred on expansion of the asset management business, set up of new funds and partnership structures.
- c) **General and administrative expenses - subsidiaries**, amounting to AED 49.4 million, a decrease of 18.3% from the corresponding period in 2016, resulting from prior year cost saving initiatives taken across healthcare subsidiaries.
- d) **Finance costs**, amounting to AED 35.6 million, compared to AED 26.2 million, an increase of 35.7%, from the corresponding period in 2016, mainly due to higher interest costs of AED 3.6 million following replacement of a portion of the equity price collar hedges in 2016, AED 1.4 million due to higher utilisation of the Corporate Revolving facility and AED 3.0 million due to higher utilisation of the repurchase liabilities.

Balance sheet highlights

AED '000	As at 30-Jun-17	As at 31-Dec-16
Investments in equity-accounted associates and joint ventures	5,200,130	5,033,561
Investment property	773,251	680,569
Financial investments	3,248,484	2,820,952
Investments in finance leases and loans	246,215	244,351
Other assets	816,858	662,286
Cash and cash equivalents	541,753	572,262
Total assets	10,826,691	10,013,981
Borrowings	6,462,935	5,464,877
End of service benefit provision	32,334	29,268
Trade and other liabilities	386,518	334,271
Total equity	3,944,904	4,185,565
Total liabilities and equity	10,826,691	10,013,981

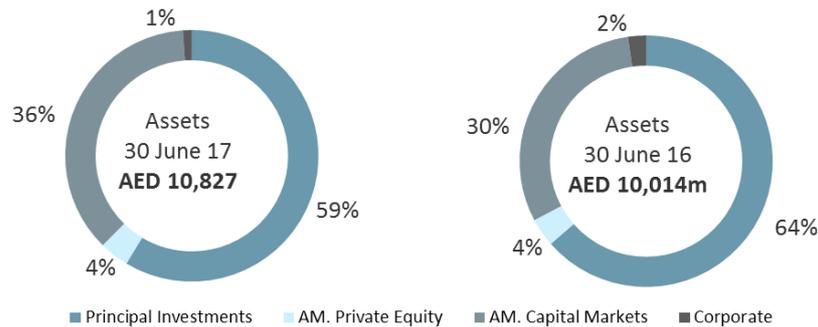
The Group's total assets of AED 10,826.7 million as at 30 June 2017, compared to AED 10,014.0 million as at 31 December 2016, an increase of AED 812.7 million, comprised of:

- Investments in equity-accounted associates and joint ventures**, an increase of AED 166.6 million represents the net share of income mainly from AerCap, NPS and Dunia Group during the first half of 2017.
- Investment property**, an increase of AED 92.7 million; mainly representing additional investments of AED 100.4 million during the first half of 2017 in Waha Land on account of additional construction of small industrial units on Stage 2A of Phase 1 of industrial real estate.
- Financial investments**, an increase of AED 427.5 million; mainly representing an increase of AED 698.5 million in Capital Market funds (mainly Fixed income fund); AED 47.8 million in Principal Investments; offset by a revaluation reduction of AED 318.8 million in fair value of equity price collars in AerCap.
- Other assets**, a net increase of AED 154.6 million; mainly represents increase in receivables of Capital Markets due from brokers on settlement of trades.
- Cash and cash equivalents**, decrease of AED 30.5 million; mainly includes the following investing and financing cashflows:
 - Corporate: payments of AED 367.7 million for 2016 dividends offset by loan drawdown of AED 404.6 million.
 - Capital markets: investments of AED 528.4 million offset by net loan drawdowns of AED 490.8 million and contributions from non-controlling interest holders of AED 228.2 million.
 - Principal Investments: investment of AED 89.0 million in Waha Land funded by a loan of AED 79.6 million and investment in equity securities of AED 21.2 million.

The Group's total liabilities of AED 6,881.8 million as at 30 June 2017 compared to AED 5,828.4 million as at 31 December 2016, an increase of AED 1,053.4 million, comprised of:

- Borrowings**, an increase of AED 998.1 million mainly represents net loan drawdowns of AED 975.0 million from Corporate, Capital markets and Principal Investments amounting to AED 404.6 million, AED 490.8 million and AED 79.6 million respectively.
- Trade and other liabilities**, an increase of AED 52.2 million; mainly represents increase in payables of Capital Markets due to brokers on settlement of trades.

Total assets composition



BUSINESS AND PORTFOLIO COMPANIES ANALYSIS

The Group's business comprises two primary divisions: Principal Investments and Asset Management.

The Principal Investments division comprises the Group's direct investments. The Asset Management division comprises the Group's Capital Markets and Private Equity businesses.

Principal Investments

Waha Capital's Principal Investments business includes direct equity and loan investments in public and private companies. The Principal Investments portfolio holds five core investments: (a) AerCap Holdings NV (AerCap), (b) Waha Land, (c) NPS Holdings Limited, (d) Dunia Group and (e) MENA Infrastructure Fund.

Principal Investments reported total income of AED 216.6 million and net profit of AED 200.0 million for the first half of 2017, compared to total income of AED 297.8 million and net profit of AED 288.8 million during the corresponding period in 2016. Total income from Principal Investments represented 39% of the Group's total income for the year 30 June 2017 compared to 48% during the corresponding period in 2016.

AerCap

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

During the first half of 2017, AerCap carried out a share buyback program, which the Group did not participate in. Consequently, the Group's beneficial ownership increased from 15.23% to 15.81%.

During the first half of 2017, the Group recorded an impairment of AED 125.4 million against the share of income from its investment in AerCap of AED 306.3 million.

Waha Capital continues to retain two seats on AerCap's Board of Directors, as well as representations on the various Board sub-committees.

The key highlights of AerCap for the first half of 2017 were as follows:

- 213 aircraft transactions executed, as follows:
 - Signed lease agreements for 134 aircraft.
 - Purchased 22 aircraft.
 - Executed sale transactions for 57 aircraft
- Signed an agreement with Boeing for an order of 30 787-9 aircraft.

As of 30 June 2017, AerCap's portfolio consisted of 1,539 aircraft that were owned, on order or managed. The average age of owned fleet was 7.3 years and the average remaining contracted lease term was 6.4 years.

For the first half of 2017, AerCap has contributed 32.5% of the Group's total income and its carrying value of AED 4,731.0 million represents 43.7% of the Group's total assets.

Waha Land

Waha Land, a wholly owned subsidiary of Waha Capital, is currently engaged in developing ALMARKAZ, an integrated mixed-use industrial development with Grade "A" industrial/logistics facilities and first class infrastructure. The project is located in Al Dhafra, approximately 35 km from central Abu Dhabi, and is well located to access the multi-modal industrial and logistics infrastructure (land, sea, air, and future rail) of the U.A.E. The ALMARKAZ development is on a 6 km² area of land, which was granted by the Government of Abu Dhabi.

Phase 1 of the project occupies 25% of the total land area (1.5 km²). Stage 1 of Phase 1 involved the construction of roads and services infrastructure for the 1.5 km² of land and 90,000 m² of small industrial units (SIU's). The SIU's are fully leased out with a range of tenants from diverse industry segments in the SME space such as plastic and paper manufacturing, food preparation, oil & gas, defence and logistics.

In June 2016, Waha Land signed a AED 426 million financing with a local bank for further development of Phase 1 within ALMARKAZ, following the successful leasing of existing facilities. This expansion, called Stage 2, will add 187,000 m² of premium industrial and logistics facilities and will also include retail and commercial amenities to enhance the business park experience of ALMARKAZ. Stage 2 is being constructed in two packages, with the initial 92,500 m² of built up area available for occupancy commencing early 2018. The construction of Stage 2 commenced in June 2016.

The Stage 2 development will include flexible industrial buildings, as well as ready to occupy industrial units, warehouse and storage facilities, commercial office and retail units to serve the growing working population at ALMARKAZ. This expansion is in line with the Waha Land's underlying ethos to execute a consistent and disciplined investment approach with emphasis on flexible assets to suit a variety of uses and support a diverse range of tenants and industry segments.

Waha Land's growth strategy with respect to ALMARKAZ is focused on continuing to grow and diversify its tenant base, developing new products and services for its existing and prospective tenants, and providing exceptional services with the ultimate aim of meeting the needs of UAE SMEs as well as manufacturing and logistics players.

During the first half of 2017, Waha Land reported:

- Rental revenue and other income of AED 19.3 million (2016: AED 19.3 million)
- Net profit of AED 12.9 million (2016: AED 11.4 million)

The carrying value of Waha Land was AED 735.5 million as at 30 June 2017.

NPS Holdings Limited

The Group acquired a 20.15% stake in NPS Holdings Limited in June 2014, as part of a consortium, including Fajr Capital and APICORP. During first quarter of 2016, the Group acquired an additional stake equivalent to 0.57% which increased the Group's total ownership to 20.7%.

NPS Holdings Limited, through its various subsidiaries and joint ventures, has presence in Saudi Arabia, Qatar, United Arab Emirates, Brunei, India, Libya, Bahrain, Iraq, Algeria and Malaysia. Its principal activities include well services (such as cementing, coiled tubing, stimulation and other), drilling and workover, well testing and wireline services.

During the first half of 2017, NPS Holdings Limited reported the following:

- Secured & extended contracts worth AED 138.5 million (2016: AED 1,120.4 million), taking current contracts-in-progress to AED 2,088.0 million (2016: AED 1,927.9 million) – the remaining value as of 30 June 2017;
- Invested AED 50.7 million in capital expenditure (2016: AED 147.9 million);
- Available banking facilities with regional banks for a limit of AED 734.0 million bearing a competitive interest. The undrawn balance of the facility was AED 136.6 million as at 30 June 2017 (2016: AED 94.2 million);
- Reported revenue of AED 452.6 million (2016: AED 379.5 million); and
- Reported a gross book value of property, plant and equipment as at 30 June 2017 of AED 1,631.5 million (2016: AED 1,525.2 million).

The Group's carrying value of NPS Holdings Limited was AED 289.4 million as at 30 June 2017.

Dunia Group

The Group owns a 25% stake in Dunia Finance and a 25% stake in Dunia Services (together "Dunia Group").

Dunia Finance is a finance company regulated by the Central Bank of the U.A.E. and offers a range of financial solutions including personal loans, auto loans, credit cards, guarantees and deposits to its customers in the U.A.E. Dunia Finance has demonstrated impressive growth, stable net interest margins and healthy profits over the last few years. The company serves predominantly the salaried mass market and mass affluent segments in the UAE and has successfully grown its loan book at a 34% CAGR over 2009 to 2017.

During the first half of 2017, Dunia Finance reported the following:

- Net interest income of AED 254.5 million, a decrease of 12.6% over the corresponding period in 2016;
- Customer base expanded to 274,000 customers, an increase of 17% compared to 30 June 2016;
- Loan portfolio consciously reduced to AED 1.9 billion due to macro stress environment (2016: AED 2.0 billion);
- Cost to income ratio of 23.5%, compared to 16.9% in the corresponding period in 2016;
- Customer deposits of AED 1.3 billion as at 30 June 2017, an increase of 5.1% compared to 30 June 2016. Customer deposits comprise a mix of deposits pledged for the issue of guarantees, interbank sources, regular time deposits and deposits without pre-termination ability;
- Prudent impairment reserve of 4.3% of total loans and advances, providing a non-performing loan cover of 1.3x;
- Liquidity position with bank facility at AED 515.0 million and bank placements of AED 184.1 million.

Dunia Services FZ LLC was established in 2012 under the Dubai Technology and Media Free Zone Authority. Dunia Services' principal activity is to offer a range of services including strategy and management consulting and knowledge and business process outsourcing to a range of customers including commercial banks, finance companies and insurance companies.

During the first half of 2017, Dunia Services reported a revenue of AED 42.6 million, compared to AED 49.3 million in corresponding period in 2016.

The carrying value of Dunia Group was AED 165.2 million as at 30 June 2017.

MENA Infrastructure Fund

MENA Infrastructure Fund (the "Fund") was launched in 2007 as a private equity fund that invests in infrastructure development projects across MENA with a total capital commitment of AED 1,103.4 million (US\$ 300 million) from its Limited Partners (LP).

The Group originally committed to fund AED 197.7 million (17.9% of total commitment) as an LP and held a 33.3% stake in the GP (General Partner).

Since inception, the Fund has invested US\$ 223.6 million in four projects:

- a) Alexandria International Container Terminals (AICT): Held concession to operate and maintain two container terminals in Egypt. The Fund's ownership in the project was 30.3%. The investment was exited in first quarter of 2016.
- b) Qurayyah Independent Power Project (IPP): Owns and operates a 3.9GW gas-fired IPP in KSA in partnership with ACWA Power and Samsung C&T. The Fund's ownership in the project is 15%.
- c) United Power Company (UPC): Owned and operated a 270MW single-cycle gas-fired Manah IPP in Oman. The Fund's ownership in the project was 38.1%. The investment was exited in first quarter of 2016.
- d) Sohar Power Company: Owns and operates a 585MW of combined-cycle gas-fired power generation and 150,000m³ of water desalination capacity in Oman. The Fund's ownership in the project is 20%.

During first quarter of 2016, the Fund successfully exited from AICT and UPC for which Waha Capital received gross distributions of AED 81.8 million including dividend and capital repayment.

The Fund's dividend yield is c. 6.4%. The Group invested a total of AED 167 million (US\$ 45.5 million) for its LP (17.9%) and GP (33.3%) stakes, and received c. AED 162.2 million in distributions.

As at 30 June 2017, the Group carried its LP stake in the Fund at AED 67.4 million.

Asset Management

The Asset Management division comprises the Group's Capital Markets and Private Equity businesses.

Asset Management - Capital Markets

Total income from capital markets from private and public transactions was AED 176.7 million for the first half of 2017 (32% of total income) compared to AED 160.8 million during the corresponding period in the first half of 2016 (26% of total income). Capital Markets generated a net profit of AED 140.8 million during the first half of 2017 (AED 108.6 million attributable to the owners of the Group) compared to AED 133.4 million during the corresponding period in 2016 (AED 126.8 million attributable to the owners of the Group).

The Group's Capital Markets business primarily comprises investment in publicly traded securities. Capital Markets has achieved a solid five-plus-year track record of managing a portfolio of global credit market investments and three-plus-year track record of managing a portfolio of regional equities.

During the first half of 2017, the Capital Markets business has outperformed its indices for all portfolios – fixed income and equities. The investment process is complemented by dedicated in-house research and robust risk management.

Capital Markets invest in securities such as bonds, sukuku, convertibles, equities, hybrids, IPOs and pre-IPOs. Capital Markets manages three separate portfolios and focuses on credit investments primarily comprising US\$-denominated corporate bonds issued in the emerging markets with a focus on Central and Eastern Europe, Middle East and Africa (CEEMEA) and in local and Middle Eastern and North African (MENA) equities.

Capital Markets launched the Waha CEEMEA Fixed Income Fund SP, Waha MENA Equity Fund SP, and MENA Value Fund SP on 26 June 2015, 3 July 2015, and 22 November 2015 respectively, which are now being offered to third party investors. The Funds are domiciled in the Cayman Islands and regulated and supervised by the Cayman Islands Monetary Authority. HSBC Bank Middle East Limited acts as Fund Administrator and Global Custodian for the underlying assets. The Funds are managed by Waha Investment PrJSC, an investment manager licensed by the UAE Central Bank and the Securities & Commodities Authority. Total assets managed by Waha Investment PrJSC, including third party subscriptions, amount to AED 1.8 billion as of 30 June 2017.

In addition to the above, since 2008, Capital Markets has also 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.

Capital Markets strengthened the sales team and is now focused on actively marketing the funds to investors as well as focusing on continuing the growth of current Assets Under Management.

Asset Management - Private Equity

Waha Capital's Asset Management – Private Equity business portfolio holds the Group's investment in Anglo Arabian Healthcare.

Total income from Private Equity was AED 163.2 million for the first half of 2017 (29% of total income) compared to AED 163.5 million during the corresponding period in 2016 (26% of total income). Private Equity segment recorded a loss of AED 36.7 million during the first half of 2017 (AED 24.3 million attributable to the owners of the Group) compared to AED 28.3 million during the corresponding period in 2016 (AED 18.2 million attributable to the owners of the Group).

Anglo Arabian Healthcare

In 2013, the Group made its first investment in the healthcare sector by acquiring Anglo Arabian Healthcare (AAH), a group established to deliver healthcare services throughout the United Arab Emirates. AAH owns and operates more than 30 business assets, employs more than 1,000 people and serves over 540,000 registered outpatients.

AAH's operating assets consist of 17 clinics, 6 pharmacies, 8 diagnostics centres, 1 medical education provider, 1 day-hospital and 1 new hospital which opened in Q4 2015. Subsequent to the launch of the new hospital, the inpatient capacity of 1,872 per annum has increased to c. 23,400 per annum. The launch of the new hospital, which is offering inpatient and outpatient services, was a significant milestone in the history of AAH.

During the first half of 2017, AAH has achieved the following:

- Consolidated revenue of AED 152.1 million, a 4.3% decrease on AED 159.0 million in the corresponding period in 2016;
- Consolidated revenue is comprised of AED 61.2 million (2016: AED 89.2 million) from laboratory services, AED 72.7 million (2016: AED 57.4 million) from patient fees and AED 18.2 million (2016: AED 12.4 million) from sale of pharmaceuticals; and
- Shareholders' equity base attributable to owners of AED 247.0 million as at 30 June 2017 compared to AED 215.9 million as at 31 December 2016

The Group's carrying value of AAH's net assets was AED 201.3 million as at 30 June 2017.

Outlook

Waha Capital's first half of 2017 results show that the Company continues to perform well and in-line with its strategy of diversifying its revenue streams. Earnings were driven by solid performance across the business and, in particular, by key assets in Waha Capital's Principal Investments division and a robust performance from the Company's capital markets portfolio.

The Company has successfully streamlined its divisional structure to enhance its recurring revenues and has invested in developing and growing new lines of fee-generating businesses. Waha Capital now offers its investment expertise to third-party investors and its funds have continued to outperform their benchmarks, having established an excellent track-record over the last four years. The Asset Management division is central to the Group's future growth strategy and the new structure enables Waha Capital to capitalise on a wider pool of potential investment opportunities.

With a strong balance sheet in place, Waha Capital remains well positioned to deliver steady and sustained growth that will add to shareholder value and generate attractive returns.



Salem Rashid Al Noaimi

CEO & Managing Director, Al Waha Capital PJSC
13 August 2017