Air Arabia PJSC
and its subsidiaries

Condensed consolidated interim financial information
for the six month period ended 30 June 2015

Air Arabia PJSC and its subsidiaries

Condensed consolidated interim financial information
30 June 2015

Contents	***Page***
Independent auditors' report on review of condensed consolidated interim financial information	1
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial information	7 - 19

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

The Board of Directors
Air Arabia PJSC

Introduction

We have reviewed the accompanying 30 June 2015 condensed consolidated interim financial information of Air Arabia PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2015;
- the condensed consolidated statement of profit or loss for the three month and six month periods ended 30 June 2015;
- the condensed consolidated statement of comprehensive income for the three month and six month periods ended 30 June 2015;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2015;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2015; and,
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting 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 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 30 June 2015 condensed consolidated interim financial information is not presented, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No.: 793
Dubai, United Arab Emirates

05 AUG 2015

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Condensed consolidated statement of financial position

as at 30 June 2015

	Note	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Assets			
Non-current assets			
Property and equipment	*7*	6,183,513	5,643,598
Advances for new aircraft		377,360	578,817
Investment properties	*8*	170,145	162,147
Intangible assets		1,096,790	1,095,165
Goodwill		198,522	198,522
Deferred charges		33,897	8,446
Aircraft lease deposits		3,675	3,675
Available-for-sale investments	*9*	715,097	703,824
Investment in joint ventures	*10*	38,542	50,152
Investment in associates		17,234	10,417
Long-term portion of investments		150,000	100,000
Total non-current assets		8,984,775	8,554,763
Current assets			
Inventories		17,423	17,423
Due from related parties	*15*	35,881	48,298
Trade and other receivables		495,926	396,053
Short-term portion of investments		183,654	233,654
Bank balances and cash	*11*	1,242,073	1,324,250
Total current assets		1,974,957	2,019,678
Total assets		10,959,732	10,574,441
Liabilities and equity			
Non-current liabilities			
Provision for staff terminal benefits		73,316	65,301
Trade and other payables		759,667	655,004
Non-current portion of finance lease liabilities	*13*	3,048,953	2,635,031
Total non-current liabilities		3,881,936	3,355,336
Current liabilities			
Due to related parties	*15*	12,607	7,040
Deferred income		357,765	254,820
Short-term borrowings	*12*	110,196	183,657
Trade and other payables		1,297,673	1,426,030
Current portion of finance lease liabilities	*13*	313,180	266,542
Total current liabilities		2,091,421	2,138,089
Total liabilities		5,973,357	5,493,425
Capital and reserves			
Share capital	*14*	4,666,700	4,666,700
Statutory reserve		319,702	319,702
General reserve		262,925	262,925
Fair value reserve		59,863	48,590
Cash flow hedge reserve		(606,002)	(692,977)
Retained earnings		253,959	449,585
Equity attributable to owners of the Company		4,957,147	5,054,525
Non-controlling interests		29,228	26,491
Total equity		4,986,375	5,081,016
Total liabilities and equity		10,959,732	10,574,441

The accompanying notes on pages 7 to 19 are an integral part of this condensed consolidated interim financial information.

This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 05 AUG 2015

Chairman

Chief Executive Officer

Director Finance

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of profit or loss (unaudited)

for the six month period ended 30 June 2015

	Note	Three month period ended 30 June 2015	Three month period ended 30 June 2014	Six month period ended 30 June 2015	Six month period ended 30 June 2014
		AED'000	AED'000	**AED'000**	AED'000
Revenue		**860,165**	915,047	**1,746,136**	1,741,656
Direct costs		**(681,937)**	(752,154)	**(1,414,930)**	(1,470,404)
Gross profit		**178,228**	162,893	**331,206**	271,252
General and administrative expenses		**(38,532)**	(69,559)	**(82,953)**	(103,231)
Selling and marketing expenses		**(22,134)**	(16,243)	**(39,462)**	(29,116)
Finance income		**19,499**	9,462	**38,637**	31,995
Finance costs		**(17,368)**	(14,068)	**(35,937)**	(28,973)
Share of profit from joint ventures	*10*	**2,020**	6,837	**2,390**	9,767
Share of loss from an associate		**(6,307)**	-	**(6,307)**	-
Other (expenses)/income (net)	*16*	**36,167**	93,448	**29,340**	95,974
Profit for the period		**151,573**	172,770	**236,914**	247,668
Profit attributable to:					
Owners of the Company		**146,245**	169,257	**224,377**	240,915
Non-controlling interests		**5,328**	3,513	**12,537**	6,753
		151,573	172,770	**236,914**	247,668
Basic earnings per share (AED)	*17*	**0.03**	0.04	**0.05**	0.05

The accompanying notes on pages 7 to 19 are an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of comprehensive income (unaudited)
for the six month period ended 30 June 2015

	Three month period ended 30 June		Six month period ended 30 June	
	2015	2014	**2015**	2014
	AED'000	AED'000	**AED'000**	AED'000
Profit for the period	**151,573**	172,770	**236,914**	247,668
Other comprehensive income:				
Items that are or may be reclassified to profit or loss:				
Fair value reserve (available-for-sale investments)				
Net change in fair value	**3,287**	(21,959)	**11,273**	3,102
Fair valuation reserve reclassified to profit and loss on disposal of available-for-sale investments	**-**	(12,096)	**-**	(12,096)
Cash flow hedge				
Effective portion of change in fair value	**159,065**	-	**114,795**	-
Ineffective portion transferred to consolidated profit or loss	**(36,359)**	-	**(27,820)**	-
Total other comprehensive income/(loss)	**125,993**	(34,055)	**98,248**	(8,994)
Total comprehensive income for the period	**277,566**	138,715	**335,162**	238,674
Total comprehensive income attributable to:				
Owners of the Company	**272,238**	135,202	**322,625**	231,921
Non-controlling interests	**5,328**	3,513	**12,537**	6,753
	277,566	138,715	**335,162**	238,674

The accompanying notes on pages 7 to 19 are an integral part of this condensed consolidated interim financial information.

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Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the six month period ended 30 June 2015

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Cash flow hedge reserve AED'000	Retained Earnings AED'000	Attributable to owners of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2014 (audited)	4,666,700	264,411	207,634	70,922	-	345,591	5,555,258	20,925	5,576,183
Profit for the period	-	-	-	-	-	240,915	240,915	6,753	247,668
Other comprehensive income	-	-	-	(8,994)	-	-	(8,994)	-	(8,994)
Total comprehensive income	-	-	-	(8,994)	-	240,915	231,921	6,753	238,674
Dividend paid	-	-	-	-	-	(338,336)	(338,336)	(7,350)	(345,686)
Balance at 30 June 2014 (unaudited)	4,666,700	264,411	207,634	61,928	-	248,170	5,448,843	20,328	5,469,171
Balance at 1 January 2015 (audited)	4,666,700	319,702	262,925	48,590	(692,977)	449,585	5,054,525	26,491	5,081,016
Profit for the period	-	-	-	-	-	224,377	224,377	12,537	236,914
Other comprehensive income	-	-	-	11,273	86,975	-	98,248	-	98,248
Total comprehensive income	-	-	-	11,273	86,975	224,377	322,625	12,537	335,162
Dividend paid (refer note 22)	-	-	-	-	-	(420,003)	(420,003)	(9,800)	(429,803)
Balance at 30 June 2015 (unaudited)	**4,666,700**	**319,702**	**262,925**	**59,863**	**(606,002)**	**253,959**	**4,957,147**	**29,228**	**4,986,375**

The accompanying notes on pages 7 to 19 are an integral part of this condensed consolidated interim financial information.

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of cash flows (unaudited)

for the six month period ended 30 June 2015

	Note	Six month period ended 30 June 2015 (unaudited) AED '000	2014 (unaudited) AED '000
Operating activities			
Profit for the period		**236,914**	247,668
Adjustments for:			
Depreciation of property and equipment	7	**184,001**	137,871
Depreciation of investment property		**375**	375
Amortisation of deferred charges		**1,950**	1,158
Gain on fair valuation of investment in joint venture acquired		**-**	(4,614)
Gain on disposal of available-for-sale investments		**-**	(12,096)
Provision for employees' end of service indemnity		**8,275**	14,675
Unrealised gain on derivative financial instruments		**-**	(36,787)
Share of profits from joint ventures		**(2,390)**	(9,767)
Share of loss from an associate		**6,307**	-
Interest income from bank deposits		**(38,637)**	(31,995)
Operating cash flows before working capital changes		**396,795**	306,488
Changes in:			
- Trade and other receivables		**(99,873)**	53,857
- Inventories		**-**	(2,566)
- Due from related parties		**12,417**	34,408
- Trade and other payables		**63,281**	85,990
- Deferred income		**102,945**	115,952
- Due to related parties		**5,567**	(2,487)
- Employee's end of service indemnity paid		**(260)**	(2,342)
Net cash from operating activities		**480,872**	589,300
Investing activities			
Acquisition of property and equipment		**(5,940)**	(52,218)
Additions in investment properties		**(8,373)**	-
Receipts/(payments) in relation to advances for new aircraft		**108,542**	(240,656)
Payments for deferred charges		**(27,401)**	(202)
Proceeds from sale of available for sale investments		**-**	56,980
Dividend received from joint ventures	10	**14,000**	10,000
Step acquisition of a subsidiary, net		**-**	(1,395)
Payments for investment in associates		**(13,124)**	-
Acquisition of intangible assets		**(1,625)**	(552)
Change in fixed and margin deposits		**20,250**	559,127
Interest income from bank deposits		**38,637**	31,995
Short term investments made		**-**	(367,308)
Net cash from/(used in) investing activities		**124,966**	(4,229)
Financing activities			
Dividend paid to non-controlling interests		**(9,800)**	(7,350)
Dividend paid to owners of the Company		**(420,003)**	(338,336)
Payments of finance lease liabilities		**(164,501)**	(93,948)
Net cash used in financing activities		**(594,304)**	(439,634)
Net increase in cash and cash equivalents		**11,534**	145,437
Cash and cash equivalents at the beginning of the period		**62,899**	(18,104)
Cash and cash equivalents at the end of the period		**74,433**	127,333
The details of cash and cash equivalents is as under:			
Bank balances and cash	11	**1,242,073**	1,127,360
Fixed deposits with maturity over 3 months		**(1,055,676)**	(697,405)
Margin deposits with maturity over 3 months		**(1,768)**	(2,553)
		184,629	427,402
Bank overdraft	12	**(110,196)**	(300,069)
		74,433	127,333

The accompanying notes on pages 7 to 19 are an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

1. Reporting entity

Air Arabia PJSC (the "Company") was incorporated on 19 June, 2007 as a Public Joint Stock Company in accordance with UAE Federal Law No. 8 of 1984 (as amended). The Company operates in the United Arab Emirates under a trade license issued by the Economic Development Department of the Government of Sharjah and Air Operator's Certificate Number AC 2 issued by the General Civil Aviation Authority, United Arab Emirates.

The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

The registered office address is P.O. Box 8, Sharjah, United Arab Emirates.

The condensed consolidated interim financial information as at and for the six month periods ended 30 June 2015 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The licensed activities of the Group are international commercial air transportation, aircraft trading, aircraft rental, aircraft spare parts trading, travel and tourist agencies, hotels, hotel apartment rentals, airline companies' representative office, passengers transport, cargo services, air cargo agents, documents transfer services, aviation training and aircraft repairs and maintenance.

The extent of the Group's ownership in its various subsidiaries, joint ventures and associates and their principal activities are as follows:

Name	Legal ownership interest 2015	Legal ownership interest 2014	Country of incorporation	Principal Activities
Subsidiaries				
COZMO Travel LLC and its subsidiaries	**51%**	51%	United Arab Emirates	Travel and tours, tourism and cargo services.
Subsidiaries of COZMO Travel LLC:				
COZMO Travel WLL	**100%**	100%	Qatar	Travel and tours, tourism and cargo services.
COZMO Travel Limited Company	**100%**	100%	Kingdom of Saudi Arabia	Travel and tours, tourism and cargo services.
COZMO Travel LLC	**100%**	100%	Kuwait	Travel and tours, tourism and cargo services.
COZMO Travel LLC	**100%**	100%	Bahrain	Travel and tours, tourism and cargo services.
*COZMO World Travel**	**100%**	-	United Arab Emirates	Travel agent.
*Tune Protection Commercial Brokerage LLC**	**51%**	-	United Arab Emirates	Commercial brokers.
Information System Asscoiates FZC	**100%**	100%	United Arab Emirates	IT services to aviation industry
Action Hospitality	**100%**	100%	United Arab Emirates	Hospitality services, tourism, managing and operating restaurants and hotels
Jointly ventures				
Alpha Flight Services UAE LLC	**50%**	50%	United Arab Emirates	Flight and retail catering and ancillary services to the Air Arabia PJSC.
Sharjah Aviation Services LLC	**50%**	50%	United Arab Emirates	Aircraft handling, passenger and cargo services at the Sharjah International Airport.
Air Arabia – Egypt Company S.A.E.	**50%**	50%	Egypt	International commercial air transportation.
Associate				
Air Arabia Maroc, S.A.	**40%**	40%	Morocco	International commercial air transportation.
Air Arabia Jordan*	**49%**	-	Jordan	International commercial air transportation.

(*) Established in the curent period.

2. Basis of preparation

2.1 Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 31 December 2014.

2.2 Basis of measurement

The condensed consolidated interim financial information has been prepared on the historical cost basis except for derivative financial instruments and available-for-sale investments, which are measured at their fair values in the condensed consolidated statement of financial position.

2.3 Functional and presentation currency

This condensed consolidated interim financial information is presented in United Arab Emirates Dirham ("AED"), which is the Group's functional currency.

3. Significant accounting policies

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014 except for new standards, interpretations and amendments adopted by the Group as explained in note 4.

4. Application of new and revised International Financial Reporting Standards (IFRSs)

New and revised standards in issue and effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2015. However, the adoption of these new standards and improvements in IFRSs has not impacted the financial statements of the Group.

- *Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)*
- *Annual Improvements to IFRSs 2010-2012 Cycle- various standards*
- *Annual Improvements to IFRSSs 2011-2013 Cycle- various standards*

New standards and interpretations issued but not effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2015; however, the Group has not applied the following new or amended standards in preparing these condensed consolidated interim financial statements:

- *IFRS 9 Financial Instruments*

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

4. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

New standards and interpretations issued but not effective (continued)

- *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).

The above standards, amendments and interpretation are currently being assessed by management to determine any material impact on the Group's consolidated financial statements.

5. Accounting estimates and judgments

The preparation of condensed consolidated interim financial information in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

6. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

7. Property and equipment

Additions, disposals and depreciation (unaudited)

During the six month period ended 30 June 2015, the Group acquired property and equipment amounting to AED 723.9 million *(six month period ended 30 June 2014: AED 735.5 million).*

Depreciation charge on property and equipment for the current period amounted to AED 184 million *(six month period ended 30 June 2014: AED 137.9 million).*

8. Investment properties

Investment properties comprise a building constructed by the Group on a plot of land, adjacent to Sharjah International Airport, granted by the Government of Sharjah. The Group has accounted for this land at AED 39 million, based on independent valuers' report, engaged for the purpose of applying IFRS3 'Business Combination', at the time of acquisition of Air Arabia LLC (Air Arabia) by the Group.

9. Available-for-sale investments

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Quoted	**12,632**	12,286
Unquoted	**702,465**	691,538
	715,097	703,824
In UAE	**347,782**	336,509
Outside UAE	**367,315**	367,315
	715,097	703,824

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Movement during the period were as follows:		
At 1 January	**703,824**	771,029
Disposed during the period	**-**	(57,003)
Change in fair value	**11,273**	(10,202)
	715,097	703,824

The market rate as at 30 June 2015 is considered for the calculation of the fair value of the available-for-sale investments that are quoted in the stock exchange.

10. Investment in joint ventures

The following summarises the financial information of the joint ventures and reconciles the summarized financial information to the carrying amount of the Group's interest in the joint ventures.

	Alpha Flight Services UAE LLC		Sharjah Aviation Services LLC		Information Systems Asscoiates FZC (ISA) *		Total	
Percentage of interest	50%		50%		51%			
	30 June 2015 (unaudited) AED'000	31 December 2014 (audited) AED '000	**30 June 2015 (unaudited) AED '000**	31 December 2014 (audited) AED '000	**30 June 2015 (unaudited) AED '000**	31 December 2014 (audited) AED '000	**30 June 2015 (unaudited) AED '000**	31 December 2014 (audited) AED '000
Assets	**34,773**	32,590	**121,944**	138,725	-	-	**156,717**	171,315
Liabilities	**(20,791)**	(20,402)	**(58,842)**	(50,609)	-	-	**(79,633)**	(71,011)
Net assets	**13,982**	12,188	**63,102**	88,116	-	-	**77,084**	100,304
Group's share in net assets as presented in the consolidated statement of financial position	**6,991**	6,094	**31,551**	44,058	-	-	**38,542**	50,152
Profit/(loss) for the period/year	**1,794**	9,052	**2,986**	28,497	-	(325)	**4,780**	37,224
Group's share of profit/(loss) for the period/year	**897**	4,526	**1,493**	14,248	-	(166)	**2,390**	18,608
Cash dividends received by the Group	-	(7,500)	**(14,000)**	(10,000)	-	-	**(14,000)**	(17,500)

* During the previous year, ISA was converted into wholly owned subsidiary.

11. Bank balances and cash

	30 June 2015 (unaudited) AED'000	31 December 2014 (audited) AED'000
Bank balances:		
Current accounts	**114,544**	222,870
Call deposits	**65,475**	21,356
Fixed deposits*	**1,055,676**	1,074,392
Margin deposits*	**1,768**	3,303
Total bank balances	**1,237,463**	1,321,921
Cash in hand	**4,610**	2,329
Total bank balances and cash	**1,242,073**	1,324,250

* These carry interest rates ranging from 2% - 5% *(2014: 3% - 5%)* per annum.

12 Short term borrowings

	30 June 2015 (unaudited) AED'000	31 December 2014 (audited) AED'000
Bank overdraft (refer note (i) below)	**110,196**	183,657

(i) The Group has availed overdraft facility from a lending bank. This overdraft facility carries interest at one month LIBOR+0.9% per annum *(2014: one month LIBOR+0.9% per annum).*

13. Finance lease liabilities

The Group has entered into a leasing arrangement with a third party to finance the purchase of 37 aircraft. The term of the lease is 12 years. The finance lease liabilities are secured by these 37 aircraft leased *(2014: 33 aircraft leased).*

The lease agreements are subject to certain financial and operational covenants including compliance with various regulations, restrictions on subleasing, insurance coverage and maintenance of total debt to equity ratio.

14. Share capital

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Authorised, issued and fully paid up share capital (of 4,666,700 thousand shares of AED 1 each)	**4,666,700**	4,666,700

15. Related party balances

	30 June 2015 (unaudited) AED'000	31 December 2014 (audited) AED'000
Due from related parties		
Receivable from associate and joint ventures	**35,881**	48,298

	30 June 2015 (unaudited) AED'000	31 December 2014 (audited) AED'000
Due to related parties		
Sharjah Airport Authority	**10,383**	5,246
Alpha Flight Services UAE LLC	**1,054**	1,731
Others	**1,170**	63
	12,607	7,040

16. Other (expenses)/income (net)

	Three month period ended 30 June		Six month period ended 30 June	
	2015	2014	**2015**	2014
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Unrealised gain on derivative financial instruments classified as cash flow hedge	**36,359**	52,995	**27,820**	36,787
Management fees	**2,148**	2,655	**3,771**	4,356
Gain on fair valuation of investment in joint venture acquired	**-**	-	**-**	4,614
Insurance commission	**1,033**	1,034	**1,954**	1,998
Gain on disposal of available-for-sale investments	**-**	12,096	**-**	12,096
Reversal of an expense charged by a related party	**-**	-	**9,058**	-
Others	**(3,373)**	24,668	**(13,263)**	36,123
	36,167	93,448	**29,340**	95,974

17. Basic earnings per share

	Three month period ended 30 June		Six month period ended 30 June	
	2015	2014	**2015**	2014
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Profit attributable to the owners of the Company (in AED'000)	**146,245**	169,257	**224,377**	240,915
Number of shares (in'000)	**4,666,700**	4,666,700	**4,666,700**	4,666,700
Basic earnings per share (in AED)	**0.03**	0.04	**0.05**	0.05

18. Operating lease arrangements

18.1 Where the Group is a lessee:

	Six month period ended	
	30 June 2015 (unaudited) AED '000	30 June 2014 (unaudited) AED '000
Minimum lease payment under operating leases (excluding variable lease rental on the basis of flying hours) recognised in consolidated profit and loss for the period	**13,953**	36,655

The lease commitments for aircraft were as follows:

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Within one year	**24,846**	52,386
In the second to fifth years inclusive	**-**	7,068
	24,846	59,454

18.2 Where the Group is a lessor:

The Group has leased out 6 *(2014: 4)* aircraft under non-cancellable operating lease agreements to related parties.

Minimum lease payments:

The leases have varying terms and renewal rights. The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting dates but not recognised as receivables, are as follows:

18. Operating lease arrangements

18.2 Where the Group is a lessor (continued):

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Within one year	**65,715**	33,580
In the second to fifth years inclusive	**74,245**	17,111
	139,960	50,691

The carrying amount of the leased aircraft owned by the Group under operating leases at the reporting date are as follows.

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Net book value	**712,354**	492,010
Accumulated depreciation	**256,356**	148,488
Depreciation charge for the period/year	**21,384**	34,177

The Group has leased out 6 aircraft *(2014: 4 aircraft).*

19. Contingent liabilities

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Letters of credit	**14,487**	27,862
Letters of guarantee	**32,711**	30,666

Letters of credit mainly comprise letters of credit issued to lessors of aircraft in lieu of placing deposits against leased aircraft.

20. Capital commitments

The Group has entered into the following capital commitments:

	30 June 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Authorised and contracted:		
Aircraft fleet	**2,107,996**	3,151,956
Authorised but not contracted:		
Aircraft fleet	**1,422,807**	1,422,807

21. Segment information

Six month period ended 30 June 2015 (unaudited)	**Airline AED '000**	**Other segments AED '000**	**Eliminations AED '000**	**Total AED'000**
Revenue				
External sales	**1,643,430**	**102,706**	**-**	**1,746,136**
Inter-segment sales	**-**	**2,946**	**(2,946)**	**-**
Total revenue	**1,643,430**	**105,652**	**(2,946)**	**1,746,136**
Result				
Segment result	**195,625**	**40,986**	**-**	**236,611**
Finance cost	**(35,937)**	**-**	**-**	**(35,937)**
Interest income from bank deposits and other income	**38,384**	**1,773**	**-**	**40,157**
Share of loss on equity accounted entities				**(3,917)**
Profit for the period				**236,914**
Other information				
Additions to property and equipment, investment property and deferred charges	**759,115**	**5,320**	**-**	**764,435**
Depreciation and amortization	**183,700**	**2,626**	**-**	**186,326**
30 June 2015 (unaudited)				
Assets				
Segment assets	**8,532,273**	**232,347**	**(132,086)**	**8,632,534**
Unallocated Group assets				**2,327,198**
Total assets				**10,959,732**
Liabilities				
Segment liabilities	**6,012,736**	**116,985**	**(156,364)**	**5,973,357**

21. Segment information (continued)

Six month period ended 30 June 2014 (unaudited)	Airline AED '000	Other Segments AED '000	Eliminations AED '000	Total AED'000
Revenue				
External sales	1,662,602	79,054	-	1,741,656
Inter-segment sales	-	3,275	(3,275)	-
Total revenue	1,662,602	82,329	(3,275)	1,741,656
Result				
Segment result	106,526	32,379	-	138,905
Finance cost	(28,973)	-	-	(28,973)
Interest income from bank deposits and other income	125,488	2,481	-	127,969
Share of profit on equity accounted entities				9,767
Profit for the period				247,668
Other information				
Additions to property and equipment, investment property and deferred charges	727,513	8,011	-	735,524
Depreciation and amortisation	137,793	1,611	-	139,404
31 December 2014 (audited)				
Assets				
Segment assets	8,117,882	206,133	(79,234)	8,244,781
Unallocated Group assets				2,329,660
Total assets				10,574,441
Liabilities				
Segment liabilities	5,472,472	100,187	(79,234)	5,493,425

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the consolidated financial statements as at and for the year ended 31 December 2014. Segment result represents the profit earned by each segment without considering share of profit/(loss) on equity accounted entities, finance cost, profit from bank deposits and other income. Segment assets do not include fixed deposits, available-for-sale investments, investment properties, investment in joint ventures and associate and short term investment. Goodwill and intangible assets have been allocated to the Airline segment.

22. Dividend

At the Annual General Meeting held on 10 March 2015, the shareholders approved a cash dividend of AED 420,003,000 at AED 9 fils per share.

23 Comparative figures

Comparative information has been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported profit, net assets or equity of the Group.