Air Arabia PJSC
and its subsidiaries

Condensed consolidated interim financial information
for the three month period ended 31 March 2016

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Condensed consolidated interim financial information
31 March 2016

Contents | ***Page***

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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 31 March 2016 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 31 March 2016;
- the condensed consolidated statement of profit or loss for the three month period ended 31 March 2016;
- the condensed consolidated statement of comprehensive income for the three month period ended 31 March 2016;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2016;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2016; 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 31 March 2016 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, *"Interim Financial Reporting"*.

KPMG

08 MAY 2016

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

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of financial position

as at

	Note	31 March 2016 (unaudited) AED'000	31 December 2015 (audited) AED'000
Assets			
Non-current assets			
Property and equipment	7	**6,475,678**	6,353,710
Advance for new aircraft		**393,979**	344,067
Investment properties	8	**170,385**	170,572
Intangible assets		**1,098,004**	1,097,687
Goodwill		**198,522**	198,522
Deferred charges		**32,246**	33,078
Investments	9	**649,919**	664,398
Investment in joint ventures	10	**43,207**	43,436
Investment in associates		**14,431**	15,382
Total non-current assets		**9,076,371**	8,920,852
Current assets			
Inventories		**17,150**	17,154
Due from related parties	14	**41,217**	25,774
Trade and other receivables		**519,194**	502,867
Other investments		**333,654**	333,654
Bank balances and cash	11	**1,583,570**	1,598,559
Total current assets		**2,494,785**	2,478,008
Total assets		**11,571,156**	11,398,860
Liabilities and equity			
Non-current liabilities			
Provision for staff terminal benefits		**83,505**	79,655
Trade and other payables		**1,227,177**	951,465
Non-current portion of finance lease liabilities	12	**3,198,838**	3,173,589
Total non-current liabilities		**4,509,520**	4,204,709
Current liabilities			
Due to related parties	14	**17,516**	6,953
Deferred income		**281,803**	268,354
Trade and other payables		**1,750,542**	1,598,352
Current portion of finance lease liabilities	12	**333,509**	322,653
Total current liabilities		**2,383,370**	2,196,312
Total liabilities		**6,892,890**	6,401,021
Capital and reserves			
Share capital	13	**4,666,700**	4,666,700
Statutory reserve		**370,827**	370,827
General reserve		**314,050**	314,050
Cumulative change in fair value of investments measured at fair value through other comprehensive income (FVOCI)		**18,366**	32,845
Cash flow hedge reserve		**(854,757)**	(865,163)
Retained earnings		**133,652**	442,555
Equity attributable to owners of the Company		**4,648,838**	4,961,814
Non-controlling interests		**29,428**	36,025
Total equity		**4,678,266**	4,997,839
Total liabilities and equity		**11,571,156**	11,398,860

The accompanying notes on pages 7 to 18 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 08 MAY 2016

Chairman	Chief Executive Officer	Director of Finance

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 profit or loss (unaudited)

for the three month period ended 31 March 2016

	Note	**Three month period ended 31 March 2016 (unaudited) AED '000**	Three month period ended 31 March 2015 (unaudited) AED '000
Revenue		**945,756**	885,971
Direct costs		**(748,704)**	(750,071)
Gross profit		**197,052**	135,900
Selling and marketing expenses		**(17,237)**	(17,328)
General and administrative expenses		**(49,626)**	(44,421)
Finance income		**21,517**	19,138
Finance costs		**(20,614)**	(18,569)
Share of (loss)/profit from joint ventures	*10*	**(229)**	370
Share of loss of investment in associates		**(951)**	-
Other (loss)/income (net)	*15*	**(15,609)**	10,251
Profit for the period		**114,303**	85,341
Profit attributable to:			
Owners of the Company		**111,100**	78,132
Non-controlling interests		**3,203**	7,209
		114,303	85,341
Basic earnings per share (in AED)	*16*	**0.02**	0.02

The accompanying notes on pages 7 to 18 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 three month period ended 31 March 2016

	Three month period ended 31 March 2016 (unaudited) AED '000	Three month period ended 31 March 2015 (unaudited) AED '000
Profit for the period	**114,303**	85,341
Other comprehensive income:		
Items that will never be subsequently transferred to consolidated profit or loss:		
Fair value movement of investments measured at fair value through other comprehensive income ("FVOCI")	**(14,479)**	-
Items that are or may be reclassified subsequently to consolidated profit or loss:		
Fair value reserve (available-for-sale investments)		
Net change in fair value	-	7,986
Cash flow hedge		
Effective portion of changes in fair value	**10,406**	(35,731)
Total other comprehensive loss	**(4,073)**	(27,745)
Total comprehensive income for the period	**110,230**	57,596
Total comprehensive income attributable to:		
Owners of the Company	**107,027**	50,387
Non-controlling interests	**3,203**	7,209
	110,230	57,596

The accompanying notes on pages 7 to 18 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 three month period ended 31 March 2016

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Cumulative change in FVOCI 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 2015 (audited)	4,666,700	319,702	262,925	48,590	-	(692,977)	449,585	5,054,525	26,491	5,081,016
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	78,132	78,132	7,209	85,341
Other comprehensive income/(loss)	-	-	-	7,986		(35,731)	-	(27,745)	-	(27,745)
Total comprehensive income	-	-	-	7,986	-	(35,731)	78,132	50,387	7,209	57,596
Transactions with owners, recorded directly in equity										
Dividend declared (refer note 21)	-	-	-	-	-	-	(420,003)	(420,003)	(9,800)	(429,803)
Other movement	-	-	-	-	-	-	-	-	(82)	(82)
Balance at 31 March 2015 (unaudited)	4,666,700	319,702	262,925	56,576	-	(728,708)	107,714	4,684,909	23,818	4,708,727
Balance at 1 January 2016 (audited)	4,666,700	370,827	314,050	-	32,845	(865,163)	442,555	4,961,814	36,025	4,997,839
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	111,100	111,100	3,203	114,303
Other comprehensive income/(loss)	-	-	-	-	(14,479)	10,406	-	(4,073)	-	(4,073)
Total comprehensive income					(14,479)	10,406	111,100	107,027	3,203	110,230
Transactions with owners, recorded directly in equity										
Dividend declared (refer note 21)	-	-	-	-	-	-	(420,003)	(420,003)	(9,800)	(429,803)
Balance at 31 March 2016 (unaudited)	**4,666,700**	**370,827**	**314,050**	-	**18,366**	**(854,757)**	**133,652**	**4,648,838**	**29,428**	**4,678,266**

The accompanying notes on pages 7 to 18 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 three month period ended 31 March 2016

	Note	Three month period ended 31 March 2016 AED '000	2015 AED '000
Operating activities			
Profit for the period		**114,303**	85,341
Adjustments for:			
Depreciation and amortisation		**103,596**	89,833
Provision for staff terminal benefits		**5,307**	5,232
Ineffective portion of cash flow hedge		**32,962**	(8,539)
Share of profit/loss from associates and joint ventures		**1,180**	(370)
Finance income		**(21,517)**	(19,138)
Operating cash flows before working capital changes		**235,831**	152,359
Changes in:			
- Trade and other receivables		**(16,327)**	(31,307)
- Inventories		**4**	93
- Due from related parties		**(15,443)**	(8,958)
- Trade and other payables		**(14,658)**	(11,925)
- Deferred income		**13,449**	24,481
- Due to related parties		**10,563**	6,413
- Staff terminal benefits paid		**(1,457)**	(676)
Net cash from operating activities		**211,962**	130,480
Investing activities			
Acquisition of property and equipment		**(37,205)**	(5,584)
(Payments)/receipts in relation to advances for new aircraft		**(113,745)**	111,000
Payments for deferred charges		**-**	(27,401)
Payments for investment in associates		**-**	(3,327)
Acquisition of intangible assets		**(317)**	(704)
Change in fixed and margin deposits		**116,143**	(17,194)
Finance income received		**21,517**	19,138
Net cash (used in)/from investing activities		**(13,607)**	75,928
Financing activities			
Dividend paid to non-controlling interests		**(9,800)**	(9,800)
Payments of finance lease liabilities		**(87,401)**	(67,195)
Change in non-controlling interest		**-**	(82)
Net cash used in financing activities		**(97,201)**	(77,077)
Net increase in cash and cash equivalents		**101,154**	129,331
Cash and cash equivalents at the beginning of the period		**230,805**	62,899
Cash and cash equivalents at the end of the period		**331,959**	192,230
The details of cash and cash equivalents is as under:			
Bank balances and cash	*11*	**1,583,570**	1,580,971
Fixed deposits with maturity over 3 months		**(1,249,828)**	(1,093,516)
Margin deposits with maturity over 3 months		**(1,783)**	(1,372)
		331,959	486,083
Bank overdraft		**-**	(293,853)
		331,959	192,230

The accompanying notes on pages 7 to 18 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 September, 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 three month period ended 31 March 2016 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and joint ventures.

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		Country of incorporation	Principal activities
	2016	2015		
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%**	100%	United Arab Emirates	Travel agent.
COZMO Travel (Private) Limited	**100%**	100%	India	Travel and tours, tourism and cargo services.
Tune Protection Commercial Brokerage LLC	**51%**	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.
Joint 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%**	49%	Jordan	International commercial air transportation.

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 2015.

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 Investments measured at fair value through other comprehensive income ("FVOCI"), which are measured at their fair values in the 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 2015.

4. New standards, amendments to standards and interpretations issued but not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2016; however, the Group has not applied following new standards, amendments to standards and interpretations in preparing these condensed consolidated interim financial information:

- *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 2018, with early adoption permitted.

- *IFRS 16 Leases*

  IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases. Under this revised guidance, leases will be brought onto the lessee's statement of financial position, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test. The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

  IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted provided IFRS 15 Revenue from Contract with Customers is also applied by the Group.

4. New standards, amendments to standards and interpretations issued but not adopted (continued)

The above standards, amendments to standards and interpretations are currently being assessed by the management of the Group to determine any material impact on the Group's 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 2015.

6. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

7. Property and equipment

Additions, disposals and depreciation (unaudited)

During the three month period ended 31 March 2016, the Group acquired property and equipment amounting to AED 224.6 million *(three month period ended 31 March 2015: AED 529.5 million).*

Depreciation charge on property and equipment for the current period amounted to AED 102.6 million *(three month period ended 31 March 2015: AED 89.3 million).*

8. Investment properties

Investment properties includes a building constructed by the Group on a plot of land granted by the Government of Sharjah, adjacent to Sharjah International Airport. The Group has accounted for this land at AED 39 million, based on independent valuers' report, engaged for the purpose of applying IFRS 3 'Business Combination', at the time of acquisition of Air Arabia LLC (Air Arabia) by the Group.

Investment property also comprise a building under construction located in Dubai, UAE.

9 Investments

With effect from 1 July 2015, the Group had adopted IFRS 9 and elected an irrevocable option to designate certain investments as investments measured at fair value through other comprehensive income ("FVOCI") as these investments were not held for trading. The Group had also classified an investment in preference shares at amortised cost. These investments were previously classified as available-for-sale investments under IAS 39.

	Note	**31 March 2016 (unaudited) AED '000**	31 December 2015 (audited) AED '000
Investments measured at fair value through other comprehensive income ("FVOCI")	*9(a)*	**282,604**	297,083
Investment measured at amortised cost	*9(b)*	**367,315**	367,315
		649,919	664,398

9a. Investments measured at fair value through other comprehensive income ("FVOCI")

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Quoted	**10,713**	9,751
Unquoted	**271,891**	287,332
	282,604	297,083
In UAE	**282,604**	297,083

Movement during the period were as follows:

Opening balance	**297,083**	347,782
Disposed during the period/year	**-**	(27,650)
Change in fair value	**(14,479)**	(23,049)
	282,604	297,083

The market rate as at 31 March 2016, is considered for the calculation of the fair value of the investments that are quoted in the stock exchange.

9b. Investment measured at amortised cost

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Unquoted	**367,315**	367,315
Outside UAE	**367,315**	367,315

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. Investment in Air Arabia Egypt is fully impaired at the reporting date.

	Alpha Flight Services UAE LLC		Sharjah Aviation Services LLC		Total	
Percentage of interest	50%		50%			
	31 March 2016 (unaudited) AED'000	31 December 2015 (audited) AED '000	**31 March 2016 (unaudited) AED '000**	31 December 2015 (audited) AED '000	**31 March 2016 (unaudited) AED '000**	31 December 2015 (audited) AED '000
Assets	**46,038**	40,806	**121,405**	119,052	**167,443**	159,858
Liabilities	**(26,236)**	(23,126)	**(54,793)**	(49,860)	**(81,029)**	(72,986)
Net assets	**19,802**	17,680	**66,612**	69,192	**86,414**	86,872
Group's share in net assets as presented in the consolidated statement of financial position	**9,901**	8,840	**33,306**	34,596	**43,207**	43,436
Profit/(loss) for the period/year	**2,122**	5,490	**(2,580)**	9,078	**(458)**	14,568
Group's share of profit/(loss) for the period/year	**1,061**	2,745	**(1,290)**	4,539	**(229)**	7,284
Cash dividends received by the Group	-	-	-	(14,000)	-	(14,000)

11. Bank balances and cash

	31 March 2016 (unaudited) AED'000	31 December 2015 (audited) AED'000
Bank balances:		
Current accounts	**304,705**	181,224
Call deposits	**23,457**	47,554
Fixed deposits *	**1,249,828**	1,365,987
Margin deposits *	**1,783**	1,767
Total bank balances	**1,579,773**	1,596,532
Cash in hand	**3,797**	2,027
Total bank balances and cash	**1,583,570**	1,598,559

* These carry interest rates ranging from 1.2% - 3.8% *(2015: 1.2% - 3.8%)* per annum.

12. Finance lease liabilities

The Group has entered into a leasing arrangement with a third party to finance the purchase of the aircraft. The term of the lease is 12 years.

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.

13. Share capital

	31 March 2016 (unaudited) AED '000	31 December 2015 (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

14. Related party balances

	31 March 2016 (unaudited) AED'000	31 December 2015 (audited) AED'000
Due from related parties		
Receivable from associate and joint ventures (net of provision)	**41,217**	25,774

	31 March 2016 (unaudited) AED'000	31 December 2015 (audited) AED'000
Due to related parties		
Payable to a joint venture and others	**17,516**	6,953

15. Other (loss)/income (net)

	Three month period ended	
	31 March 2016 (unaudited) AED '000	31 March 2015 (unaudited) AED '000
This mainly includes:		
Ineffective portion on cash flow hedges	**(32,962)**	8,539
Simulator and pilot/crew training income	**4,614**	3,660
Exchange rate variance	**4,332**	3,490
Management fees	**3,723**	1,622
Gain/(loss) on foreign currency transactions	**2,185**	(18,628)
Insurance commission	**921**	920
Reversal of an expense charged from a related party	**-**	9,058

16. Basic earnings per share

	31 March 2016 (unaudited) AED '000	31 March 2015 (unaudited) AED '000
Profit attributable to the owners of the Company (in AED '000)	**111,100**	78,132
Number of shares (in '000)	**4,666,700**	4,666,700
Basic earnings per share (AED)	**0.02**	0.02

17. Operating aircraft lease commitments

17.1 Where the Group is a lessee:

	Three month period ended	
	31 March 2016 (unaudited) AED '000	31 March 2015 (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	**7,862**	21,890

The lease commitments for aircraft were as follows:

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Within one year	**16,346**	7,068
Between two and five years	**60,713**	-
Above 5 years	**44,734**	-
	121,793	7,068

17.2 Where the Group is a lessor:

The Group has leased out 7 *(2015: 6)* aircraft under non-cancellable operating lease agreements to the 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:

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Within one year	**82,852**	59,676
Between two and five years	**105,332**	45,917
Above 5 years	**44,573**	-
	232,757	105,593

17. Operating lease arrangements (continued)

17.2 Where the Group is a lessor (continued):

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

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Net book value	**673,928**	686,780
Accumulated depreciation	**294,782**	281,930
Depreciation charge for the period/year	**12,852**	51,690

18. Contingent liabilities

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Letters of credit	**374,417**	300,954
Letters of guarantee	**38,652**	36,420

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

19. Capital commitments

The Group has entered into the following capital commitments:

	31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
Authorised and contracted:		
Aircraft fleet	**1,149,781**	1,518,581
Authorised but not contracted:		
Aircraft fleet	**1,422,807**	1,422,807

20. Segment information

Primary reporting format – business segments

Three month period ended 31 March 2016 (unaudited)	**Airline AED '000**	**Other segments AED '000**	**Eliminations AED '000**	**Total AED'000**
Revenue				
External sales	**891,726**	**54,030**	**-**	**945,756**
Inter-segment sales	**-**	**3,616**	**(3,616)**	**-**
Total revenue	**891,726**	**57,646**	**(3,616)**	**945,756**
Result				
Segment result	**115,375**	**14,814**	**-**	**130,189**
Finance cost	**(20,614)**	**-**	**-**	**(20,614)**
Interest income from bank deposits and other income	**19,649**	**17,895**	**(31,636)**	**5,908**
Share of loss on equity accounted entities				**(1,180)**
Profit for the period				**114,303**
Other information				
Additions to property and equipment and deferred charges	**222,512**	**2,032**	**-**	**224,544**
Depreciation and amortisation	**101,764**	**1,832**	**-**	**103,596**
At 31 March 2016 (unaudited)				
Assets				
Segment assets	**9,651,466**	**283,756**	**(173,476)**	**9,761,746**
Unallocated Group assets				**1,809,410**
Total assets				**11,571,156**
Liabilities				
Segment liabilities	**6,953,282**	**113,084**	**(173,476)**	**6,892,890**

20. Segment information (continued)

Primary reporting format - business segments (continued)

Three month period ended 31 March 2015 (unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED'000
Revenue				
External sales	819,586	66,385	-	885,971
Inter-segment sales	-	2,201	(2,201)	-
	819,586	68,586	(2,201)	885,971
Result				
Segment result	46,391	27,760	-	74,151
Finance cost	(18,569)	-	-	(18,569)
Interest income from bank deposits and other income	38,184	1,405	(10,200)	29,389
Share of profit on equity accounted entities				370
Profit for the period				85,341
Other information				
Additions to property and equipment and deferred charges	556,394	2,578	-	558,972
Depreciation and amortisation	88,007	1,826	-	89,833
At 31 March 2015 (unaudited)				
Assets				
Segment assets	8,682,581	216,968	(92,312)	8,807,237
Unallocated Group assets				2,356,582
Total assets				11,163,819
Liabilities				
Segment liabilities	6,482,199	65,205	(92,312)	6,455,092

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 2015. 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, investments, investment properties and investment in subsidiaries, joint ventures and associate. Goodwill and intangible assets have been allocated to the Airline segment.

21. Dividend

At the Annual General Meeting held on 13 March 2016, the shareholders approved a cash dividend of AED 420,003,000 at AED 9 fils per share *(2015: AED 9 fils per share)*.

22. Comparative figures

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