

Air Arabia PJSC
and its subsidiaries

Condensed consolidated interim
financial information
31 March 2017

Air Arabia PJSC and its subsidiaries

Condensed consolidated interim financial information

31 March 2017

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

To the shareholders of Air Arabia PJSC

Introduction

We have reviewed the accompanying 31 March 2017 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 2017;
- the condensed consolidated income statement for the three month period ended 31 March 2017;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three month period ended 31 March 2017;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2017;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2017; 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 condensed consolidated 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 2017 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 07 MAY 2017

Air Arabia PJSC and its subsidiaries
Condensed consolidated statement of financial position
as at 31 March 2017

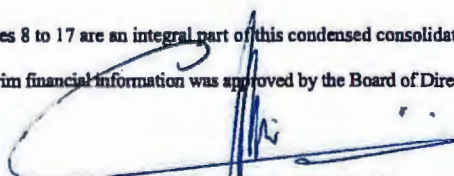
	Note	31 March 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Assets			
Non-current assets			
Property and equipment	7	7,185,679	7,108,134
Advance for new aircraft		283,438	299,269
Investment properties		124,970	124,970
Intangible assets		1,298,052	1,297,775
Deferred charges		30,605	30,268
Investments	8	696,560	697,076
Equity accounted investments		59,265	73,024
Total non-current assets		9,678,569	9,630,516
Current assets			
Inventories		17,766	16,324
Trade and other receivables		621,269	587,852
Other investments		459,129	459,129
Bank balances and cash	9	1,682,148	1,818,879
Total current assets		2,780,312	2,882,184
Total assets		12,458,881	12,512,700
Liabilities and equity			
Non-current liabilities			
Provision for staff terminal benefits		100,330	95,869
Trade and other payables		1,212,469	1,126,264
Non-current portion of finance lease liabilities	10	3,494,205	3,479,689
Total non-current liabilities		4,807,004	4,701,822
Current liabilities			
Deferred income		286,043	232,981
Trade and other payables		1,678,208	1,427,627
Short term bank borrowings		98,814	264,470
Current portion of finance lease liabilities	10	401,079	398,186
Total current liabilities		2,464,144	2,323,264
Total liabilities		7,271,148	7,025,086
Capital and reserves			
Share capital		4,666,700	4,666,700
Statutory reserve		419,869	419,869
Other reserves		(124,317)	(58,416)
Retained earnings		185,321	414,891
Equity attributable to owners of the Company		5,147,573	5,443,044
Non-controlling interests		40,160	44,570
Total equity		5,187,733	5,487,614
Total liabilities and equity		12,458,881	12,512,700

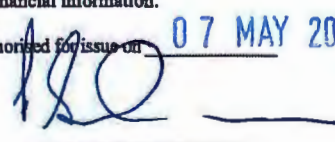
The accompanying notes on pages 8 to 17 are an integral part of this condensed consolidated interim financial information.

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

07 MAY 2017


Chairman


Chief Executive Officer


Director of Finance

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

Air Arabia PJSC and its subsidiaries

Condensed consolidated income statement (unaudited) for the three month period ended 31 March 2017

	<i>Note</i>	Three month period ended 31 March 2017 AED '000	Three month period ended 31 March 2016 AED '000
Revenue		810,395	945,756
Direct costs		(673,042)	(748,704)
		-----	-----
Gross profit		137,353	197,052
General and administrative expenses		(47,439)	(49,626)
Selling and marketing expenses		(18,863)	(17,237)
Finance income		33,151	21,517
Share of loss on equity accounted investments		(3,759)	(1,180)
Finance costs		(28,289)	(20,614)
Other income / (expenses) (net)		30,335	(15,609)
		-----	-----
Profit for the period		102,489	114,303
		=====	=====
Profit attributable to:			
Owners of the Company		97,099	111,100
Non-controlling interests		5,390	3,203
		-----	-----
		102,489	114,303
		=====	=====
Basic earnings per share (in AED)	12	0.02	0.02
		=====	=====

The accompanying notes on pages 8 to 17 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 pages 1 and 2.

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

for the three month period ended 31 March 2017

	Three month period ended 31 March 2017 AED '000	Three month period ended 31 March 2016 AED '000
Profit for the period	102,489	114,303
Other comprehensive income:		
<i><u>Items that will never be subsequently transferred to profit or loss:</u></i>		
Fair value movement of investments measured at fair value through other comprehensive income ("FVOCI")	(516)	(14,479)
<i><u>Items that are or may be reclassified subsequently to profit or loss:</u></i>		
<i>Cash flow hedge</i>		
Effective portion of changes in fair value	(65,385)	10,406
<i>Total other comprehensive loss</i>	(65,901)	(4,073)
Total comprehensive income for the period	36,588	110,230
Total comprehensive income attributable to:		
Owners of the Company	31,198	107,027
Non-controlling interests	5,390	3,203
	36,588	110,230

The accompanying notes on pages 8 to 17 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 pages 1 and 2.

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of changes in equity for the three month period ended 31 March 2017

				Other reserves					
	Share capital AED'000	Statutory reserve AED'000	General 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 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 (loss)/income	-	-	-	(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 (refer note 17)	-	-	-	-	-	(420,003)	(420,003)	(9,800)	(429,803)
Balance at 31 March 2016 (unaudited)	<u>4,666,700</u>	<u>370,827</u>	<u>314,050</u>	<u>18,366</u>	<u>(854,757)</u>	<u>133,652</u>	<u>4,648,838</u>	<u>29,428</u>	<u>4,678,266</u>
Balance at 1 January 2017 (audited)	4,666,700	419,869	363,092	65,523	(487,031)	414,891	5,443,044	44,570	5,487,614
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	97,099	97,099	5,390	102,489
Other comprehensive loss	-	-	-	(516)	(65,385)	-	(65,901)	-	(65,901)
Total comprehensive income	-	-	-	(516)	(65,385)	97,099	31,198	5,390	36,588
Transactions with owners, recorded directly in equity									
Dividend (refer note 17)	-	-	-	-	-	(326,669)	(326,669)	(9,800)	(336,469)
Balance at 31 March 2017 (unaudited)	<u><u>4,666,700</u></u>	<u><u>419,869</u></u>	<u><u>363,092</u></u>	<u><u>65,007</u></u>	<u><u>(552,416)</u></u>	<u><u>185,321</u></u>	<u><u>5,147,573</u></u>	<u><u>40,160</u></u>	<u><u>5,187,733</u></u>

The accompanying notes on pages 8 to 17 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 2017

		Three month period ended 31 March 2017 AED '000	Three month period ended 31 March 2016 AED '000
	Note		
Operating activities			
Profit for the period		102,489	114,303
<i>Adjustments for:</i>			
Depreciation and amortisation	7	116,781	103,596
Provision for staff terminal benefits		6,261	5,307
Ineffective portion of cash flow hedge		(53,409)	32,962
Share of loss on equity accounted investments		3,759	1,180
Interest income from bank deposits		(33,151)	(21,517)
		-----	-----
<i>Operating cash flows before working capital changes</i>		142,730	235,831
<i>Changes in:</i>			
- Trade and other receivables		(33,417)	(31,770)
- Inventories		(1,442)	4
- Trade and other payables		(1,859)	(4,095)
- Deferred income		53,062	13,449
- Staff terminal benefits paid		(1,800)	(1,457)
		-----	-----
Net cash from operating activities		157,274	211,962
		-----	-----
Investing activities			
Acquisition of property and equipment		(6,771)	(37,205)
Payments for advances against new aircraft		(49,510)	(113,745)
Payments for deferred charges		(1,342)	-
Acquisition of intangible assets		(277)	(317)
Dividend received from joint ventures		10,000	-
Change in fixed and margin deposits		410,396	116,143
Interest income from bank deposits		33,151	21,517
		-----	-----
Net cash from/(used in) investing activities		395,647	(13,607)
		-----	-----
Financing activities			
Dividend paid to non-controlling interests		(9,800)	(9,800)
Payments of finance lease liabilities		(103,800)	(87,401)
Payments of bank borrowings		(165,656)	-
		-----	-----
Net cash used in financing activities		(279,256)	(97,201)
		-----	-----
Net increase in cash and cash equivalents		273,665	101,154
Cash and cash equivalents at the beginning of the period		172,229	230,805
		-----	-----
Cash and cash equivalents at the end of the period		445,894	331,959
		=====	=====
The details of cash and cash equivalents is as under:			
Bank balances and cash	9	1,682,148	1,583,570
Fixed deposits with maturity over 3 months		(1,235,042)	(1,249,828)
Margin deposits with maturity over 3 months		(1,212)	(1,783)
		-----	-----
		445,894	331,959
		=====	=====

The accompanying notes on pages 8 to 17 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 pages 1 and 2.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information

(forming part of the consolidated financial statements)

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 2017 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:

<u>Name</u>	<u>Legal ownership</u>		<u>Country of</u>	<u>Principal activities</u>
	<u>Interest</u>		<u>incorporation</u>	
Subsidiaries	2017	2016		
COZMO Travel LLC and its subsidiaries	51%	51%	United Arab Emirates	Travel and tours, tourism and cargo services.
<u>Subsidiaries of</u> <u>COZMO Travel LLC:</u>				
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 Travel World	100%	100%	United Arab Emirates	Travel agent.
COZMO Travel (Private) Limited	100%	100%	India	Travel and tours, tourism and cargo services.
COZMO Travel World (Private) Limited	100%	100%	India	Travel and tours, tourism and cargo services.
Al Sayara Limousine Passengers Transport Per Person Company Owner COZMO Travel LLC*	100%	-	United Arab Emirates	Passengers transport services by rented cars, buses and limousine.
Tune Protection Commercial Brokerage LLC	51%	51%	United Arab Emirates	Commercial brokers.
Information System Associates 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.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

1. Reporting entity (continued)

<u>Name</u>	<u>Legal ownership interest</u>		<u>Country of incorporation</u>	<u>Principal activities</u>
	2017	2016		
<i>Joint ventures</i>				
Alpha Flight Services UAE LLC	51%	51%	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.
<i>Associates</i>				
Air Arabia Maroc, S.A.	40%	40%	Morocco	International commercial air transportation.
Air Arabia Jordan LLC	49%	49%	Jordan	International commercial air transportation.

*incorporated during the current 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 2016.

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.

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 2016.

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 2017; however, the Group has not applied following new standards, amendments to standards and interpretations in preparing this 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.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

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

• 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 early applied by the Group.

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 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 2016.

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 2016.

7. Property and equipment

Additions, disposals and depreciation (unaudited)

During the three month period ended 31 March 2017, the Group acquired property and equipment amounting to AED 193.3 million (*three month period ended 31 March 2016: AED 224.6 million*).

Depreciation charge on property and equipment for the current period amounted to AED 115.8 million (*three month period ended 31 March 2016: AED 102.6 million*).

8 Investments

		31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
	Note		
Investments measured at fair value through other comprehensive income ("FVOCI")	8(a)	329,245	329,761
Investment measured at amortised cost	8(b)	367,315	367,315
		<u>696,560</u>	<u>697,076</u>

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

8 Investments (continued)

8a. Investments measured at fair value through other comprehensive income ("FVOCI")

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Quoted	9,152	10,259
Unquoted (refer note 11)	320,093	319,502
	<u>329,245</u>	<u>329,761</u>
In UAE	<u>329,245</u>	<u>329,761</u>

Movement during the period were as follows:

Balance as 1 January	329,761	297,083
Change in fair value	(516)	32,678
	<u>329,245</u>	<u>329,761</u>

The market rate as at 31 March 2017, is considered for the calculation of the fair value of the investments that are quoted in the stock exchange.

8b. Investment measured at amortised cost

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Unquoted (refer note 11)	<u>367,315</u>	<u>367,315</u>
Outside UAE	<u>367,315</u>	<u>367,315</u>

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

9. Bank balances and cash

	31 March 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Bank balances:		
Fixed deposits *	1,235,042	1,644,850
Current accounts	424,646	155,754
Call deposits	16,546	13,312
Margin deposits *	1,212	1,800
	-----	-----
Total bank balances	1,677,446	1,815,716
Cash in hand	4,702	3,163
	-----	-----
Total bank balances and cash	<u>1,682,148</u>	<u>1,818,879</u>

* These carry interest rates ranging from 1.7% - 4.5% (2016: 1.7% - 4.5%) per annum.

10. Finance lease liabilities

The Group has entered into leasing arrangements with leasing companies to finance the purchase of the aircraft. The terms of the leases are 12 years.

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

11. Balances with related parties

	31 March 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Due from related parties		
<i>Included in trade and other receivables</i>		
Receivable from associate and joint ventures (net of provision)	<u>54,243</u>	<u>50,094</u>
	-----	-----
	31 March 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
Due to related parties		
<i>Included in trade and other payables</i>		
Payable to a joint venture	2,274	903
Other related parties	24,191	46,169
	-----	-----
	<u>26,465</u>	<u>47,072</u>

Amount due from/(to) related parties are unsecured, bear no interest and have no fixed repayment terms. The management considers these to be current assets/current liabilities as appropriate.

The Group also invests cash balances with a related party in order to maximise returns. The investments disclosed in note 8 represent such investments.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

12. Basic earnings per share

	31 March 2017 (unaudited) AED '000	31 March 2016 (unaudited) AED '000
Profit attributable to the owners of the Company (in AED '000)	98,932	111,100
Number of shares (in '000)	4,666,700	4,666,700
Basic earnings per share (AED)	0.02	0.02

13. Operating lease commitments

13.1 Where the Group is a lessee:

	31 March 2017 (unaudited) AED '000	31 March 2016 (unaudited) AED '000
Minimum lease payment under operating leases (excluding variable lease rental on the basis of flying hours) recognised in consolidated income statement for the period	3,795	7,862

The lease commitments for aircraft were as follows:

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Within one year	15,178	15,178
Between two and five years	75,892	60,713
Above 5 years	14,377	33,350
	105,447	109,241

13.2 Where the Group is a lessor:

The Group has leased out 8 (2016: 7) 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:

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

13. Operating lease commitments (continued)

13.2 Where the Group is a lessor (continued):

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Within one year	83,458	66,748
Between two and five years	133,350	69,885
Above 5 years	29,449	33,230
	<u>246,257</u>	<u>169,863</u>

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

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Net book value	<u>731,494</u>	<u>635,090</u>
Accumulated depreciation	<u>393,994</u>	<u>333,620</u>
Depreciation charge for the period/year	<u>14,808</u>	<u>51,690</u>

14. Contingent liabilities

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Letters of credit	113,869	191,006
Letters of guarantee	<u>107,690</u>	<u>106,887</u>

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

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

15. Capital commitments

The Group has entered into the following capital commitments:

	31 March 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
<i>Authorised and contracted:</i>		
Aircraft fleet	<u>1,698,767</u>	<u>1,994,562</u>

16. Segment information

Primary reporting format – business segments

Three month period ended 31 March 2017 (unaudited)	Airline AED '000	Other segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	753,401	56,994	-	810,395
Inter-segment sales	-	3,131	(3,131)	-
	<u>753,401</u>	<u>60,125</u>	<u>(3,131)</u>	<u>810,395</u>
Result				
Segment result	85,154	21,094		106,248
Share of loss on equity accounted investments				(3,759)
Profit for the period				<u>102,489</u>
Other information				
Additions to property and equipment and deferred charges	187,105	7,559	-	194,664
Depreciation and amortisation	114,745	2,036	-	116,781
At 31 March 2017 (unaudited)				
Assets				
Segment assets	10,446,319	334,621	(200,226)	10,580,714
Unallocated group assets				1,878,167
Total assets				<u>12,458,881</u>
Liabilities				
Segment liabilities	<u>7,286,037</u>	<u>185,337</u>	<u>(200,226)</u>	<u>7,271,148</u>

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

16. Segment information (continued)

Primary reporting format - business segments (continued)

<i>Three month period ended 31 March 2016 (unaudited)</i>	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)	-
	<u>891,726</u>	<u>57,646</u>	<u>(3,616)</u>	<u>945,756</u>
Total revenue				
	<u>891,726</u>	<u>57,646</u>	<u>(3,616)</u>	<u>945,756</u>
Result				
Segment result	82,774	32,709		115,483
Share of loss on equity accounted investments				(1,180)
				<u>114,303</u>
Profit for the period				<u>114,303</u>
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
<i>At 31 March 2016 (unaudited)</i>				
Assets				
Segment assets	9,651,466	283,756	(173,476)	9,761,746
				<u>1,809,410</u>
Unallocated group assets				<u>1,809,410</u>
				<u>11,571,156</u>
Total assets				<u>11,571,156</u>
Liabilities				
Segment liabilities	6,953,282	113,084	(173,476)	6,892,890
	<u>6,953,282</u>	<u>113,084</u>	<u>(173,476)</u>	<u>6,892,890</u>

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 2016. Segment result represents the profit earned by each segment without considering share of profit/(loss) on equity accounted investments. 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.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

17. Dividend

At the Annual General Meeting held on 5 March 2017, the shareholders approved a cash dividend of AED 326,669,000 at AED 7 fils per share for the year ended 31 December 2016 (*AED 9 fils per share for the year ended 31 December 2015*).

18. 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.