

**Air Arabia PJSC
and its subsidiaries**

Condensed consolidated interim
financial information
31 March 2018

Air Arabia PJSC and its subsidiaries

Condensed consolidated interim financial information

31 March 2018

<i>Contents</i>	<i>Page</i>
Independent auditors' report on review of condensed consolidated interim financial information	1 - 2
Condensed consolidated statement of financial position	3
Condensed consolidated income statement	4
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 - 17



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

To the Shareholders of Air Arabia PJSC

Introduction

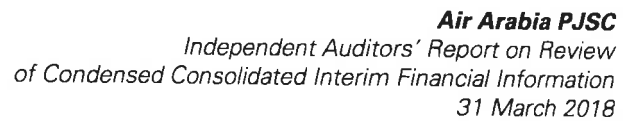
We have reviewed the accompanying 31 March 2018 condensed consolidated interim financial information of Air Arabia PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2018;
- the condensed consolidated income statement for the three month period ended 31 March 2018;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three month period ended 31 March 2018;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2018;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2018; 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.



Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2018 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

Date: 09 MAY 2018

Air Arabia PJSC and its subsidiaries

Condensed consolidated statement of financial position as at 31 March 2018

		31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000
Assets	<i>Note</i>		
Non-current assets			
Property and equipment	8	7,251,530	7,367,980
Advances for new aircraft		172,739	172,739
Investment properties		124,970	124,970
Intangible assets		1,299,303	1,299,050
Deferred charges		27,045	28,013
Investments	9	604,098	691,904
Equity accounted investments		80,710	88,230
Total non-current assets		9,560,395	9,772,886
Current assets			
Inventories		17,114	17,048
Trade and other receivables		587,615	598,569
Other investments	9.1	802,970	527,500
Bank balances and cash	10	1,825,568	2,047,582
Total current assets		3,233,267	3,190,699
Total assets		12,793,662	12,963,585
Liabilities and equity			
Non-current liabilities			
Provision for staff terminal benefits		116,544	111,256
Trade and other payables		1,029,689	1,094,266
Non-current portion of finance lease liabilities	11	3,329,312	3,457,967
Total non-current liabilities		4,475,545	4,663,489
Current liabilities			
Deferred income		267,550	238,177
Trade and other payables		1,840,944	1,472,068
Short term bank borrowings		12,080	63,384
Current portion of finance lease liabilities	11	442,583	423,803
Total current liabilities		2,563,157	2,197,432
Total liabilities		7,038,702	6,860,921
Capital and reserves			
Share capital		4,666,700	4,666,700
Statutory reserve		482,932	482,932
Other reserves		325,676	293,844
Retained earnings		229,427	592,727
Equity attributable to owners of the Company		5,704,735	6,036,203
Non-controlling interests		50,225	66,461
Total equity		5,754,960	6,102,664
Total liabilities and equity		12,793,662	12,963,585

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 and authorised for issue by the Board of Directors on

09 MAY 2018

Chairman

Chief Executive Officer

Director 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 2018

	Note	Three month period ended 31 March 2018 AED'000	Three month period ended 31 March 2017 AED'000
Revenue		877,288	810,395
Direct costs		(724,143)	(673,042)
		-----	-----
Gross profit		153,145	137,353
General and administrative expenses		(38,559)	(47,439)
Selling and marketing expenses		(19,143)	(18,863)
Finance income		40,004	33,151
Share of profit / (loss) on equity accounted investments		1,593	(3,759)
Finance costs		(29,559)	(28,289)
Other income (net)		2,429	30,335
		-----	-----
Profit for the period		109,910	102,489
		=====	=====
Profit attributable to:			
Owners of the company		101,646	97,099
Non-controlling interests		8,264	5,390
		-----	-----
		109,910	102,489
		=====	=====
Basic earnings per share (AED)	13	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 2018

	Three month period ended 31 March 2018 AED'000	Three month period ended 31 March 2017 AED'000
Profit for the period	109,910 -----	102,489 -----
Other comprehensive income:		
<u>Items that will never be subsequently transferred to profit or loss:</u>		
Fair value movement of investments measured at fair value through other comprehensive income ("FVOCI")	(78,530)	(516)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
<i>Cash flow hedge</i>		
Effective portion of change in fair value	112,086 -----	(65,385) -----
<i>Total other comprehensive income</i>	33,556 -----	(65,901) -----
Total comprehensive income for the period	143,466 =====	36,588 =====
Total comprehensive income attributable to:		
Owners of the Company	135,202	31,198
Non-controlling interests	8,264 -----	5,390 -----
	143,466 =====	36,588 =====

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 2018

			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 2017 (audited)	4,666,700	419,869	363,092	65,523	(487,031)	414,891	5,443,044	44,570	5,487,614
Comprehensive income / (loss) 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 / (loss) for the period	-	-	-	(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)	4,666,700	419,869	363,092	65,007	(552,416)	185,321	5,147,573	40,160	5,187,733
Balance at 1 January 2018 (audited)	4,666,700	482,932	426,155	60,351	(192,662)	592,727	6,036,203	66,461	6,102,664
Comprehensive income / (loss) for the period									
Profit for the period	-	-	-	-	-	101,646	101,646	8,264	109,910
Other comprehensive income / (loss)	-	-	-	(78,530)	112,086	-	33,556	-	33,556
Transfers to retained earnings on disposal of investment measured at fair value through other comprehensive income	-	-	-	(1,724)	-	1,724	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	(80,254)	112,086	103,370	135,202	8,264	143,466
Transactions with owners, recorded directly in equity									
Dividend (refer note 17)	-	-	-	-	-	(466,670)	(466,670)	(24,500)	(491,170)
Balance at 31 March 2018 (unaudited)	4,666,700	482,932	426,155	(19,903)	(80,576)	229,427	5,704,735	50,225	5,754,960

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 2018

	Three month period ended 31 March 2018 AED '000	Three month period ended 31 March 2017 AED '000
Operating activities		
Profit for the period	109,910	102,489
<i>Adjustments for:</i>		
Depreciation and amortization	127,161	116,781
Provision for staff terminal benefits	7,633	6,261
Ineffective portion of cash flow hedge	(3,327)	(53,409)
Share of (profit) / loss on equity accounted investments	(1,593)	3,759
Finance income	(40,004)	(33,151)
<i>Operating cash flows before working capital changes</i>	199,780	142,730
<i>Changes in:</i>		
- Trade and other receivables	10,954	(33,417)
- Inventories	(66)	(1,442)
- Trade and other payables	(46,958)	(1,859)
- Deferred income	29,373	53,062
- Staff terminal benefits paid	(2,345)	(1,800)
Net cash from operating activities	190,738	157,274
Investing activities		
Acquisition of property and equipment	(9,743)	(6,771)
Payments in relation to advances for new aircraft	-	(49,510)
Dividend received from joint ventures	9,113	10,000
Proceeds from disposal of investments measured at fair value through other comprehensive income	9,275	-
Acquisition of intangible assets	(253)	(277)
Increase in deferred charges	-	(1,342)
Change in fixed and margin deposits	276,216	410,396
Finance income received	40,004	33,151
Other investments made	(275,470)	-
Net cash from investing activities	49,142	395,647
Financing activities		
Dividend paid to non-controlling interests	(24,500)	(9,800)
Payments of finance lease liabilities	(109,875)	(103,800)
Bank borrowings repaid during the period	(51,304)	(165,656)
Net cash used in financing activities	(185,679)	(279,656)
Net increase in cash and cash equivalents	54,201	273,665
Cash and cash equivalents at the beginning of the period	270,148	172,229
Cash and cash equivalents at the end of the period	324,349	445,894
The details of cash and cash equivalents is as under:		
Bank balances and cash (refer note 10)	1,825,568	1,682,148
Less: fixed deposits with maturity over 3 months	(1,500,011)	(1,235,042)
Less: margin deposits with maturity over 3 months	(1,208)	(1,212)
	324,349	445,894

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 condensed consolidated interim financial information

1. Reporting entity

Air Arabia PJSC (“the Company”) was incorporated on 19 September, 2007 as a Public Joint Stock Company. 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 132, Sharjah, United Arab Emirates.

The condensed consolidated interim financial information as at and for the three month period ended 31 March 2018 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 Interest</u>		<u>Country of incorporation</u>	<u>Principal activities</u>
<u>Subsidiaries</u>	<u>2018</u>	<u>2017</u>		
COZMO Travel LLC and its subsidiaries	51%	51%	United Arab Emirates	Travel and tours, tourism and cargo services.
<u>Subsidiaries of 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%	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</u>		<u>Country of</u>	<u>Principal activities</u>
	<u>Interest</u>		<u>incorporation</u>	
	<u>2018</u>	<u>2017</u>		
Joint ventures				
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.
Associates				
Air Arabia Maroc, S.A.	40%	40%	Morocco	International commercial air transportation.
Air Arabia Jordan LLC	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 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 consolidated financial statements of the Group as at and for the year ended 31 December 2017.

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

The condensed consolidated interim financial information is presented in United Arab Emirates Dirham (“AED”), which is the Group’s functional currency.

3. Significant accounting policies

Except as described below in note 4, 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 2017.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)

4. **Change in significant accounting policy**

IFRS 15 Revenue from contracts with customers

The Group has adopted IFRS 15 from 1 January 2018 and has taken an exemption not to restate comparative information for prior periods with respect to revenue recognition requirements.

The Group's management has assessed the application of IFRS 15 to the Group's revenue streams and concluded that it has not resulted in any significant changes to the timing and amount of revenue recognition from 1 January 2018 onwards.

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.

Rendering of services

The Group is mainly involved in airline operations and related services as well as hotel operations. Passenger revenue and related services revenue is recognised at the time of departure of flight, income from room hire is recognised on a pro-rata basis over the period of occupancy.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

5. **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 2018; however, the Group has not applied following new standards, amendments to standards and interpretations in preparing this condensed consolidated interim financial information:

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.

The above standard is currently being assessed by the management of the Group to determine any material impact on the Group's financial statements.

6. **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 2017.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

7. 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 2017.

8. Property and equipment

Additions, disposals and depreciation (unaudited)

During the three month period ended 31 March 2018, the Group acquired property and equipment amounting to AED 9.74 million (three month period ended 31 March 2017: AED 193.3 million).

Depreciation charge on property and equipment for the current period amounted to AED 126.19 million (three month period ended 31 March 2017: AED 115.8 million).

9. Investments

Non-current assets - investments		31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
	Note		
Investments measured at fair value through other comprehensive income ("FVOCI")	9(a)	236,783	324,589
Investment measured at amortised cost	9(b)	367,315	367,315
		-----	-----
		604,098	691,904
		=====	=====

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

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Quoted	11,012	10,804
Unquoted (refer note 12)	225,771	313,785
	-----	-----
	236,783	324,589
	=====	=====
In UAE	236,783	324,589
	=====	=====

Movement during the period is as follows:

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Opening balance	324,589	329,761
Disposal of investment during the year	(9,276)	-
Change in fair value	(78,530)	(5,172)
	-----	-----
	236,783	324,589
	=====	=====

The market rate as at 31 March 2018 is considered for the calculation of the fair value of the investments that are quoted on the stock exchange.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

9. Investments (continued)

9b. Investment measured at amortised cost

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Unquoted (refer note 12)	367,315 =====	367,315 =====
Outside UAE	367,315 =====	367,315 =====

9.1 Other investments at amortised cost

These comprise amounts placed into short – term investments in order to maximize returns. Other investments are measured at amortized cost.

10. Bank balances and cash

	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000
Bank balances:		
Fixed deposits*	1,500,011	1,776,222
Current accounts	243,190	244,198
Call deposits	72,841	21,561
Margin deposits*	1,208	1,212
	-----	-----
Total bank balances	1,817,250	2,043,193
Cash in hand	8,318	4,389
	-----	-----
Total bank balances and cash	1,825,568 =====	2,047,582 =====

* These carry interest rates ranging from 3% - 4.5% (2017: 2.2% - 4.5%) per annum.

11. Finance lease liabilities

The Group has entered into a leasing arrangement with the 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 with various regulations, restrictions on unapproved subleasing, insurance coverage and maintenance of total debt to equity ratio.

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

12. Balances with related parties

	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000
Due from related parties		
<i>Included in trade and other receivables</i>		
Receivable from associates and joint ventures (net of provision)	68,813 =====	57,262 =====
Due to related parties		
<i>Included in trade and other payables</i>		
Payable to a joint venture	4,078	27,479
Other related parties	72,168 -----	45,108 -----
	76,246 =====	72,587 =====

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 9 and other investments disclosed in note 9.1 represents such investments.

13. Basic earnings per share

	31 March 2018 (unaudited) AED'000	31 March 2017 (unaudited) AED'000
Profit attributable to the owners of the company	101,646 =====	97,099 =====
Number of shares (in`000)	4,666,700 =====	4,666,700 =====
Basic earnings per share (AED)	0.02 ===	0.02 ===

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*

14. Operating lease commitments

14.1 Where the Group is a lessee:

	31 March 2018 (unaudited) AED '000	31 March 2017 (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 =====	3,795 =====

The lease commitments for aircraft were as follows:

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Within one year	15,178	15,178
Between 2 and 5 years	60,713	60,713
Above 5 years	14,377	18,712
	-----	-----
	90,268 =====	94,603 =====

14.2 Where the Group is a lessor:

The Group has leased out 11 (2017: 11) aircraft under non-cancellable operating lease agreements to the related parties and 2 aircraft (2017: 2) to a third party.

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 date but not recognised as receivables, are as follows:

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

14. Operating lease commitments (continued)

14.2 Where the Group is a lessor (continued):

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Within one year	154,131	156,603
Between two and five years	401,544	436,076
Above 5 years	14,326	18,107
	-----	-----
	570,001	610,786
	=====	=====

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

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Net book value	1,310,888	1,336,694
	=====	=====
Accumulated depreciation	650,485	624,679
	=====	=====
Depreciation charge for the period / year	25,806	104,659
	=====	=====

15. Contingent liabilities

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
Letters of credit	73,480	-
Letters of guarantee	101,306	103,760
	=====	=====

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

16. Capital commitments

The Group has entered into the following capital commitments:

	31 March 2018 (unaudited) AED '000	31 December 2017 (audited) AED '000
<i>Authorised and contracted:</i>		
Aircraft fleet	825,168	825,168
	=====	=====

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

17. Segment information

Primary reporting format – business segments

Three month period ended 31 March 2018 (unaudited)	Airline AED '000	Other Segments AED '000	Eliminations AED '000	Total AED '000
Revenue				
External sales	813,777	63,511	-	877,288
Inter-segment sales	-	3,789	(3,789)	-
	-----	-----	-----	-----
Total revenue	813,777	67,300	(3,789)	877,288
	=====	=====	=====	=====
Result				
Segment result	82,952	25,365	-	108,317
Share of profit on equity accounted investments				1,593

Profit for the period				109,910
				=====
Other information				
Additions to property and equipment and deferred charges	8,084	1,660	-	9,744
Depreciation and amortization	123,977	3,184	-	127,161
31 March 2018 (unaudited)				
Assets				
Segment assets	10,082,489	465,360	(240,638)	10,307,211
	-----	-----	-----	-----
Unallocated assets				2,486,897

Total assets				12,794,108
				=====
Liabilities				
Segment liabilities	6,996,854	282,932	(240,638)	7,039,148
	=====	=====	=====	=====

Air Arabia PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

17. Segment information (continued)

Primary reporting format – business segments (continued)

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)	-
	-----	-----	-----	-----
Total revenue	753,401	60,125	(3,131)	810,395
	=====	=====	=====	=====
Result				
Segment result	85,154	21,094	-	106,248
Share of loss on equity accounted investments				(3,759)

Profit for the period				102,489
				=====
Other information				
Additions to property and equipment, investment property and deferred charges	187,105	7,559	-	194,664
Depreciation and amortization	114,745	2,036	-	116,781
31 March 2017 (unaudited)				
Assets				
Segment assets	10,446,319	334,621	(200,226)	10,580,714
	-----	-----	-----	-----
Unallocated assets				1,878,167

Total assets				12,458,881
				=====
Liabilities				
Segment liabilities	7,286,037	185,337	(200,226)	7,271,148
	=====	=====	=====	=====

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 2017. 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.

18. Dividend

At the Annual General Meeting held on 13 March 2018, the shareholders approved a cash dividend of AED 466,670,000 at AED 10 fils per share for the year ended 31 December 2017 (AED 7 fils per share for the year ended 31 December 2016).