

ABU DHABI AVIATION

**Review report and interim
financial information
for the period ended
31 March 2015**

ABU DHABI AVIATION

Review report and interim financial information for the period ended 31 March 2015

	Pages
Report on review of interim financial information	1
Condensed consolidated statement of financial position	2
Condensed consolidated statement of income	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated financial statements	7 – 18



KPMG Lower Gulf Limited
Nation Tower 2, Corniche
Abu Dhabi
United Arab Emirates

Telephone +971(2) 4014800
Fax +971(2) 6327612
Website www.ae-kpmg.com

Independent auditors' report on the review of interim financial information

The Shareholders
Abu Dhabi Aviation

Introduction

We have reviewed the accompanying interim financial information of Abu Dhabi Aviation (the "Company") and its subsidiaries (together referred to as the "Group"), consisting of the condensed consolidated statement of financial position as at 31 March 2015, the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2015 and notes to the condensed consolidated financial statements.

The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 2015 interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other matter

The interim financial information for the three-month period ended 31 March 2014 and the consolidated financial statements for the year ended December 31, 2014 were reviewed and audited respectively by another auditor who expressed an unmodified review conclusion on the interim financial information for the three-month period ended 31 March 2014 on 28 April 2014 and an unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2014 on 17 February 2015.

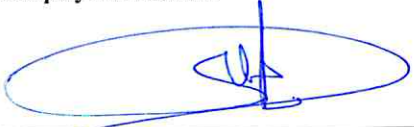
KPMG Lower Gulf Limited
Munther Dajani
Registration No.:268

27 APR 2015

ABU DHABI AVIATION

Condensed consolidated statement of financial position
as at 31 March 2015

	Notes	31 March 2015 AED '000 (unaudited)	31 December 2014 AED '000 (audited)
ASSETS			
Non-current assets			
Property and equipment	4	2,874,288	2,857,449
Investment properties	5	172,415	178,590
Investments	6	91,129	72,888
Investment in a joint venture	7	39,062	38,656
Advances to suppliers		-	3,680
Total non-current assets		3,176,894	3,151,263
Current assets			
Inventories		358,038	352,009
Trade receivables	8	375,543	395,567
Prepayments and other current assets		268,119	210,119
Bank balances and cash		77,997	177,760
Assets classified as held for sale	10	1,079,697	1,135,455
		-	18,228
Total current assets		1,079,697	1,153,683
Total assets		4,256,591	4,304,946
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	444,787	444,787
Share premium		112,320	112,320
Reserves		1,429,195	1,434,163
Retained earnings		209,743	207,835
Equity attributable to owners of the Company		2,196,045	2,199,105
Non-controlling interests		201,006	213,597
Total equity		2,397,051	2,412,702
Non-current liabilities			
Provision for employees' end of service benefits		125,178	120,978
Non-current portion of term loans	12	704,460	673,949
Non-current portion of finance lease liabilities		80,187	83,674
Deferred income		534,252	547,155
Due to a related party		15,876	33,670
Other non-current liability		-	16,916
Total non-current liabilities		1,459,953	1,476,342
Current liabilities			
Trade payables		80,218	103,838
Accrued expenses and other current liabilities		186,188	136,593
Current portion of term loans	12	94,573	139,940
Current portion of finance lease liabilities		38,608	35,531
Total current liabilities		399,587	415,902
Total liabilities		1,859,540	1,892,244
Total equity and liabilities		4,256,591	4,304,946



Nader Ahmed Mohammed Al Hammadi
Chairman



Mohamed Ibrahim Al-Mazrouei
General Manager



Ashraf Fahmy
Chief Financial Office

The accompanying notes are an integral part of these condensed consolidated financial statements.

ABU DHABI AVIATION

**Condensed consolidated statement of income (unaudited)
for the period ended 31 March 2015**

	Note	3 months ended 31 March	
		2015 AED '000	2014 AED '000
Revenue		441,077	352,178
Direct operating costs		(338,655)	(245,984)
Gross profit for the period		102,422	106,194
General and administrative expenses		(46,444)	(54,367)
Amortisation of deferred income		12,903	1,405
Income from investment property		1,498	1,656
Property rental expense		(576)	(630)
Loss on disposal of property and equipment		(620)	(8,430)
Gain on disposal of asset classified as held for sale		1,100	6,182
Share of profit/(loss) of a joint venture		406	(1,380)
Finance income		1,039	257
Finance cost		(6,661)	(5,283)
Other income		4,205	14,746
Profit for the period		69,272	60,350
Profit for the period attributable to:			
Owners of the Company		64,827	53,749
Non-controlling interests		4,445	6,601
Profit for the period		69,272	60,350
Basic and diluted earnings per share	13	AED 0.15	AED 0.12

The accompanying notes are an integral part of these condensed consolidated financial statements.

ABU DHABI AVIATION

**Condensed consolidated statement of comprehensive income (unaudited)
for the period ended 31 March 2015**

	Note	3 months ended 31 March	
		2015	2014
		AED '000	AED '000
Profit for the period		69,272	60,350
Other comprehensive (loss)/income			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference arising on the translation of investment property	5	(6,175)	1,140
Exchange difference on translation of foreign operations		-	(9)
		(6,175)	1,131
Other comprehensive (loss)/income for the period		(6,175)	1,131
Total comprehensive income for the period		63,097	61,481
Total comprehensive income attributable to:			
Owners of the Company		58,652	54,884
Non-controlling interests		4,445	6,597
		63,097	61,481

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the period ended 31 March 2015**

	Share capital AED '000	Bonus shares under issue AED '000	Share premium AED '000	Reserves AED '000	Retained earnings AED '000	Equity attributable to owners of the Company AED '000	Non-controlling interests AED '000	Total AED '000
Balance at 1 January 2014 (audited)	404,352	-	112,320	1,337,442	179,561	2,033,675	181,923	2,215,598
Profit for the period	-	-	-	-	53,749	53,749	6,601	60,350
Other comprehensive (loss)/income for the period	-	-	-	1,135	-	1,135	(4)	1,131
Total comprehensive income for the period	-	-	-	1,135	53,749	54,884	6,597	61,481
Bonus shares (note 14)	-	40,435	-	-	(40,435)	-	-	-
Dividends	-	-	-	-	(40,435)	(40,435)	-	(40,435)
Balance at 31 March 2014 (unaudited)	404,352	40,435	112,320	1,338,577	152,440	2,048,124	188,520	2,236,644
Balance at 1 January 2015 (audited)	444,787	-	112,320	1,434,163	207,835	2,199,105	213,597	2,412,702
Profit for the period	-	-	-	-	64,827	64,827	4,445	69,272
Other comprehensive loss for the period	-	-	-	(6,175)	-	(6,175)	-	(6,175)
Total comprehensive income/(loss) for the period	-	-	-	(6,175)	64,827	58,652	4,445	63,097
Dividends (note 14)	-	-	-	-	(53,374)	(53,374)	-	(53,374)
Acquisition of shares of a non-controlling shareholder	-	-	-	1,207	(9,545)	(8,338)	(17,036)	(25,374)
Balance at 31 March 2015 (unaudited)	444,787	-	112,320	1,429,195	209,743	2,196,045	201,006	2,397,051

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed consolidated statement of cash flows (unaudited)
for the period ended 31 March 2015**

	3 months ended 31 March	
	2015	2014
	AED '000	AED '000
Net cash generated by operating activities	26,385	222,660
Investing activities		
Payments for property and equipment	(63,201)	(32,184)
Payments for advances to suppliers	-	(5,649)
Payments for investments on a joint venture	-	(40,600)
Proceeds from disposal of property and equipment	22	14,115
Proceeds from disposal of assets classified as held for sale	19,328	48,502
Payments for investments	(18,241)	-
Finance income received	1,039	257
Decrease in margin deposit	986	594
Net cash used in investing activities	(60,067)	(14,965)
Financing activities		
Repayments of bank loans	(14,856)	(3,234)
Payments for finance lease liability	(410)	(5,125)
Finance costs paid	(6,661)	(2,579)
Decrease in due to related parties	(43,168)	-
Net cash used in financing activities	(65,095)	(10,938)
Net (decrease)/increase in cash and cash equivalents	(98,777)	196,757
Cash and cash equivalents at the beginning of period	176,774	189,694
Cash and cash equivalents at end of period (note 9)	77,997	386,451

The accompanying notes are an integral part of these condensed consolidated financial statements.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015

1 General information

Abu Dhabi Aviation (the “Company”) is a national shareholding company incorporated in Abu Dhabi, United Arab Emirates by the Decrees and Laws No. 3, No. 10, No. 8, No. 9 and No. 11 of the years 1982, 1985, 1999, 2003 and 2004, respectively. The Company’s shares are listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the “Group”) have been established to own helicopters and fixed wing aircraft for use both within and outside the United Arab Emirates and undertake charter, commercial, air cargo and other related services. The Company’s registered address is P.O. Box 2723, Abu Dhabi, UAE.

2 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

In the current period, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Group’s future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 ‘*Employee Benefits*’ clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

3 Summary of significant accounting policies

Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34, ‘*Interim Financial Reporting*’ and also comply with the applicable requirements of the laws in the U.A.E.

All values are rounded to the nearest thousand (AED ‘000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for the remeasurement of certain financial instruments, investment property at fair value and revaluation of property and equipment.

The accounting policies and estimates used in the preparation of these condensed consolidated financial statements are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2014.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation

The condensed consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it may have power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated statement of income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

The Company has the following subsidiaries over which it exercises effective control.

Name of subsidiary	Ownership interest		Country of incorporation	Principal activity
	31 March 2015	31 December 2014		
Maximus Air L.L.C.*	100%	95%	UAE	Air cargo
Royal Jet L.L.C.	50%	50%	UAE	Commercial air and transportation services
Herbal Hill Gardens Limited	100%	100%	Gibraltar	Investment property ownership
Dhafra Leasing L.L.C	100%	100%	Hungary	Representative office in Europe
ADA Real Estate Management and General Maintenance Ltd	100%	100%	UAE	Real estate and facilities
Maximus Airlines L.L.C.*	100%	95%	Ukraine	Air cargo services

* Effective 1 January 2015, the Company acquired additional 5% ownership interest in Maximus Air L.L.C. and Maximus Airlines L.L.C.

As required by the Securities and Commodities Authority (“SCA”) notification dated 12 October 2008, accounting policies relating to investment properties and financial assets are described below.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the end of reporting period. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Property and equipment

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and any impairment in value. The cost of property and equipment purchased in foreign currencies is stated at the UAE Dirham equivalent at the time of purchase.

The cost of replacing part of an item of property and equipment including major inspections and overhauls is recognised in the carrying amount of the related asset if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The remaining carrying amount of replaced parts is derecognised simultaneously. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Major inspections and overhaul are capitalised as a separate component of property and equipment and are amortised over the period to the next major overhaul.

Depreciation is calculated on a straight-line basis so as to write off the cost of assets over their estimated useful lives, after allowing for estimated residual value.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

3 Summary of significant accounting policies (continued)

Property and equipment (continued)

Residual value is the net amount which the Group expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation of operational property and equipment commences with the commercial use of the asset. Surpluses arising on revaluation are transferred to a revaluation reserve. This reserve is released to distributable reserves when assets are sold or disposed of.

Property and equipment in the course of construction are treated as capital work in progress and carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

The Group had the following financial assets: 'cash and cash equivalents', 'loans and receivables', and 'financial assets at fair value through other comprehensive income' (FVTOCI).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with banks in current accounts and short-term, high liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant changes in value.

Loans and receivables

Trade receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

3 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets at FVTOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue*, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in the 'net investment and other income' line item in profit and loss.

4 Property and equipment

During the period, the Group spent approximately AED 3.0 million on the acquisition of property and equipment relating to helicopters, aircraft and major rotables. Furthermore, two aircraft were transferred from capital work in process.

Depreciation of property and equipment during the three months period ended 31 March 2015 is AED 49.4 million (31 March 2014: AED 29.3 million).

During the period, the Group sold three fully depreciated vehicles with a cost of AED 221,400 for total proceeds of AED 22,500. The Group also sold other assets at a total loss of AED 642,500.

Property and equipment is primarily operated from the Group's base in the U.A.E.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

5 Investment properties

Investment properties represent investments in a property of Royal Jet L.L.C located in Khalifa city, Abu Dhabi and a property of the Company located in London, United Kingdom. Property in London is registered in the name of Herbal Hill Gardens Limited, a company incorporated in Gibraltar for the purpose of owning the investment properties and wholly owned by the Group.

The fair value of the investment property is arrived at on the basis of a valuation carried out by an independent valuer not connected with the Group. The valuer is a member of a professional valuers' association, with appropriate qualifications and recent experience in the valuation of properties at the relevant locations.

Management believes that there is no significant change in fair value of investment property as at 31 March 2015.

	31 March 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
At 1 January	178,590	137,940
Increase in fair value – Khalifa City	-	37,800
Increase in fair value – London	-	10,925
Net foreign currency exchange difference	(6,175)	(8,075)
	<u>172,415</u>	<u>178,590</u>

6 Investments

The movement in investments at FVTOCI is as follows:

	31 March 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Financial assets at fair value through other comprehensive income (FVTOCI)	91,129	72,888
At 1 January	72,888	31
Purchase of investments	18,241	73,034
Decrease in fair value	-	(177)
	<u>91,129</u>	<u>72,888</u>

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

7 Investment in a joint venture

The Group has a 70% equity shareholding with equal voting power in Agusta Westland Aviation Services L.L.C. (AWAS), a joint venture established in the Emirate of Abu Dhabi, UAE as a limited liability company.

The Group's share of the results and assets and liabilities as at 31 March 2015 have been accounted for using the equity method.

8 Trade receivables

	31 March 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Trade receivables	345,834	386,096
Due from related parties	49,177	29,159
	<hr/>	<hr/>
	395,011	415,255
Less: Allowance for impairment losses on trade receivables	(19,468)	(19,688)
	<hr/>	<hr/>
	375,543	395,567
	<hr/>	<hr/>

The change in allowance for impairment losses recognised on trade receivables is as follows:

	31 March 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
At 1 January	19,688	21,527
Charge for the period/year	-	10,111
Write off	-	(1,323)
Recovery	(220)	(10,627)
	<hr/>	<hr/>
	19,468	19,688
	<hr/>	<hr/>

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

9 Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following condensed consolidated statement of financial position amounts:

	31 March 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Short-term deposits	32,585	2,156
Bank current accounts	43,530	173,404
Cash balances	1,882	2,200
	<hr/>	<hr/>
	77,997	177,760
Less: margin deposit	-	(986)
	<hr/>	<hr/>
	77,997	176,774
	<hr/>	<hr/>

Cash and cash equivalents include AED 5.6 million (31 December 2014: AED 5.9 million) held in foreign banks abroad and the remaining balance is held within the U.A.E.

10 Assets classified as held for sale

During the period, the Group has finalised the sale of a commercial aircraft with carrying amount of AED 18.2 million. The proceeds of the commercial aircraft amounted to AED 19.3 million. A gain of AED 1.1 million on sale of the aircraft was recognised in profit or loss during the period.

11 Share capital

The share capital structure is as follows:

	31 March 2015 (unaudited) AED '000	31 December 2014 (audited) AED '000
Issued and fully paid:		
444,787,000 shares of AED 1 each	444,787	444,787
	<hr/>	<hr/>

12 Term loans

Borrowings and repayments made against facilities of the Group are in accordance with the terms disclosed in the financial statements for the year ended 31 December 2014.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

13 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of shares outstanding during the period.

The following reflects the profit and share data used in the earnings per share computations:

	<u>3 months ended 31 March</u>	
	2015	2014
	(unaudited)	(unaudited)
	AED '000	AED '000
Profit attributable to owners of the Company	64,827	53,749
Weighted average number of shares in issue (Restated)	444,787	444,787
Earnings per share (Restated)	0.15	0.12

As at 31 March 2015, the Company has not issued any instruments that have an impact on earnings per share when exercised.

14 Dividends

Cash dividends of AED 0.12 per ordinary share (12% of par value) amounting to AED 53.4 million was approved by the shareholders at the annual general meeting held on 22 March 2015.

15 Contingent liabilities

As at 31 March 2015, the Group had outstanding contingent liabilities in respect of letters of guarantee of AED 93.4 million (31 December 2014: AED 89.1 million).

16 Commitments

Capital commitments

As at 31 March 2015, the Group had commitments for the acquisition of property and equipment of AED 43.9 million (31 December 2014: AED 373.5 million).

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

16 Commitments (continued)

Operating commitments

The Group has a commitment to pay annual maintenance fees of AED 750,000 over the lease term of the related residential complex which falls due as follows:

	3 months ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	AED '000	AED '000
Within one year	750	750
In the second year to fifth year	3,000	3,000
Above fifth year	15,000	16,500
	18,750	20,250

17 Segment information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into four major business segments:

- (i) Helicopter and Fixed Wing Operations, which provides charter flights and third party maintenance;
- (ii) Commercial Aircraft Operations, which provides commercial air transportation and aircraft management;
- (iii) Air Cargo, which provides air cargo services to local and international customers using its fleet of aircraft and chartered aircraft; and
- (iv) Investments, which involves the management of the Group's investment portfolio.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

ABU DHABI AVIATION

Notes to the condensed consolidated financial statements for the period ended 31 March 2015 (continued)

17 Segment information (continued)

Information regarding these segments is presented below:

	Helicopter & Fixed Wing Operations AED '000	Commercial Aircraft Operations AED '000	Air Cargo AED '000	Investments AED '000	Eliminations AED '000	Group AED '000
31 March 2015 (unaudited)						
Revenue	211,843	117,062	112,505	-	(333)	441,077
Profit for the period	41,086	8,892	18,372	922	-	69,272
31 March 2014 (unaudited)						
Revenue	197,752	109,810	44,980	-	(364)	352,178
Profit/(loss) for the period	46,463	13,239	(378)	1,026	-	60,350

The segment assets and liabilities are as follows:

	Helicopter & Fixed Wing Operations AED '000	Commercial Aircraft Operations AED '000	Air Cargo AED '000	Investments AED '000	Eliminations AED '000	Group AED '000
31 March 2015 (unaudited)						
Assets	2,919,052	1,333,798	298,959	263,544	(558,762)	4,256,591
Liabilities	860,850	971,032	30,955	-	(3,297)	1,859,540
31 December 2014 (audited)						
Assets	2,909,427	1,390,415	288,453	251,478	(534,827)	4,304,946
Liabilities	839,859	1,035,100	20,588	-	(3,303)	1,892,244

18 Related parties

The Group, in the ordinary course of business, enters into transactions, at agreed terms and conditions, with related parties. Related parties comprise of the Group's shareholders, directors, senior management and businesses controlled by them and their families or over which they exercise significant management influence as well as key management personnel.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2015 (continued)**

19 Related parties (continued)

Significant transactions with related parties during the period were as follows:

	3 months ended 31 March	
	2015 (unaudited) AED '000	2014 (unaudited) AED '000
Revenue	35,212	45,123
Directors' fees paid	5,634	3,295
Operating lease rentals for aircraft	-	-
Finance cost on finance lease of aircraft	124	251
Key management compensation		
Salaries and other short-term employee benefits	4,218	4,253
Provision for employees' end of service benefits	177	321

20 Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved by management and authorised for issue on 27 APR 2015.