

DIRECTORS' REPORT

The directors are pleased to present their report and the reviewed condensed consolidated financial statements of the Group for the period ended 31 March 2019.

Abu Dhabi Aviation (ADA) is the largest commercial helicopter operator in the Middle East, operating fifty (50) helicopters (16 Augusta Westland AW139s, 22 Bell 412s and 12 Bell 212s) and 4 fixed-wing aircraft (DHC-8).

ADA's strategic view is to diversify its activities within the aviation and non-aviation sectors. ADA provides services to the following aviation sectors:

- Flight Operations (Dry and Wet Lease).
- Flight Charter (Oil & Gas Support, Firefighting, Photography, Aerial Application, Pipeline Patrols, Long Line Missions and VVIP Flights for Heads of States).
- Medical Evacuation (24/7 HEMS and MEDEVAC – Offshore and Desert Evacuations).
- Search and Rescue support to the Armed Forces of the UAE.
- Fixed Wing passenger transport.



ADA provides state-of-the-art technical support through its 612 m² MRO facility at Abu Dhabi Airport: - (GCAA, FAA, EASA, CARC and GACA)

- Heavy Maintenance (*Rotary and Fixed Wing*)
- Overhaul and Component Workshop
- Engine Support (*change, inspection and build up*)
- Avionics Support
- Structures Workshop
- Wheels and Brakes
- Refurbishment and Paintshop



- Floats and Rafts Inspection and Overhaul
- Battery Workshop



Continuing Airworthiness Management Organization (CAMO)

Approved CAMO under GCAA, CAR M, CARC and JCAR-Part M for a number of RW and FW aircraft types.

ADA has 100% ownership in **Abu Dhabi Aviation Training Centre LLC (ADATC)** for simulator training. The facility has nine bays scalable to eighteen bays at phase two. ADATC holds the following FFS simulators:

- AW139
- Bell 412
- King Air 350
- Embraer ERJ 145

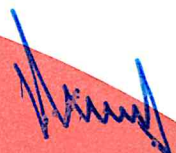
ADATC provides also the following courses:

- Pilot Initial and Type Rating (*Ground and Flight*)
- Recurrent and Refresher (*Ground and Flight*)
- LOFT
- Airframe and Avionics
- GCAA EASA and GACA approved courses
- GCAA EASA and GACA Examiners
- NVG Training
- CRM, First Aid, Fire Fighting, Dangerous Goods and others



AgustaWestland Aviation Services LLC is a joint venture between ADA (70%) and the aircraft manufacturer Leonardo Helicopter (30%) to provide the following services:

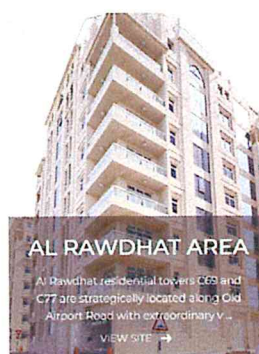
- Helicopter MRO and Logistics
- Spare Parts Distribution Centre
- Component Repair and Overhaul
- Floats and Rafts Inspection, Repair and Overhaul



ADA has established **ADA International Real Estate LLC (ADAIRE)** to manage the Group's land and properties in the UAE and overseas.

The scope of work of ADAIRE includes:

- Asset Management
- Property Management
- Leasing Services
- Joint Ventures
- Private Equity
- Facilities Management Services
- Development Management Services
- Investments



ADA has 100% ownership in Maximus Air L.L.C. (MAX), the largest air cargo operator in the UAE and among the largest in the Middle East. It has a fleet of Antonov AN-124-100 and Ilyushin IL-76TD. The company provides end to end outsized cargo solutions including dangerous goods, equestrian and live animals.



Royal Jet L.L.C. (RJ) is jointly owned by Abu Dhabi Aviation PJSC (50%) and Presidential Flight Authority (50%).

The fleet includes eleven (11) aircraft:

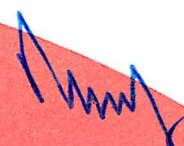
- Boeing Business Jets BBJ
- Global 5000
- Gulf Stream G300



The company's core offerings are:

- Luxury VIP Aircraft Charter
- Medical Evacuation Services
- Charter Brokerage
- Aircraft Management and Acquisition Consultancy
- Fixed Base Operations (FBO)/VIP Terminal at Abu Dhabi International Airport and Seychelles

Other subsidiaries include ADA Real Estate Management and General Maintenance LLC (REMCO) and ADA Millennium Consulting – Owned by Abu Dhabi Aviation Sole Proprietorship LLC (ADAME).



FINANCIAL AND OPERATIONAL REVIEW

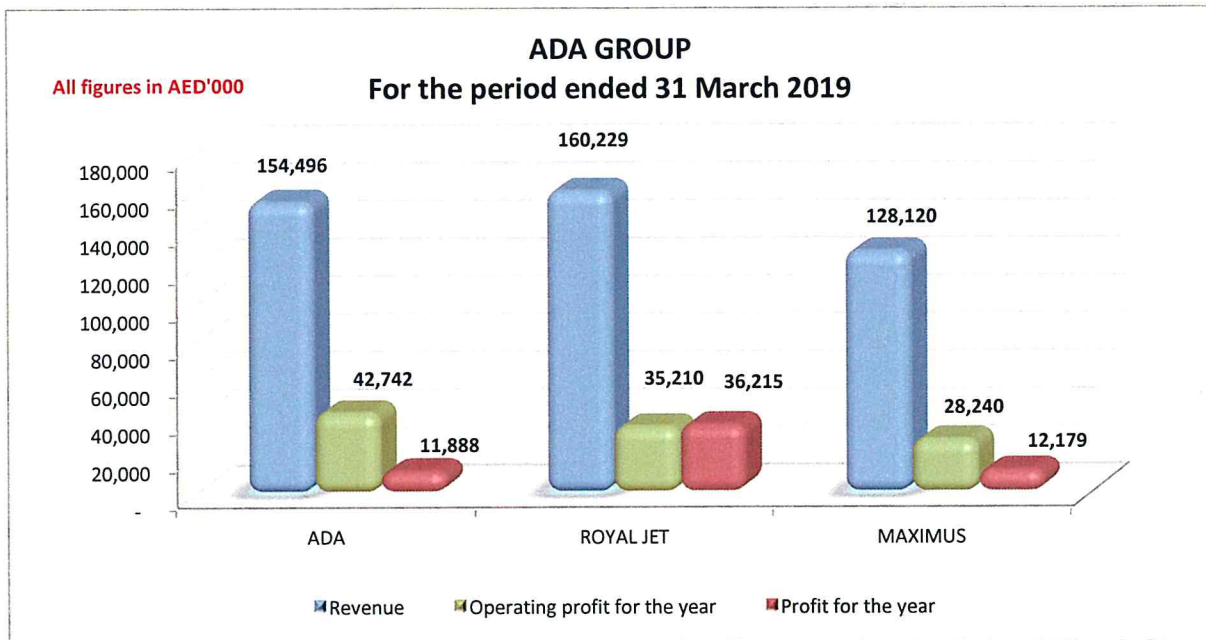
Financial performance for the period ended 31 March 2019 is as follows:

	For the period ended 31 March 2019	For the period ended 31 March 2018	Increase/ (decrease)
Turnover	442,845	381,127	16%
Operating Profit	106,192	92,373	15%
Operating Profit - %	24%	24%	
Net profit	60,282	58,299	3%
Net profit - %	14%	15%	
EPS for the period	0.09	0.11	(18%)
	As at 31 March 2019	As at 31 December 2018	Increase/ (decrease)
Total Assets	4,767,484	4,809,339	(1%)
Total Liabilities	1,593,054	1,610,468	(1%)
Total Equity	3,174,430	3,198,871	(1%)

Abu Dhabi Aviation parent company's (including ADATC, ADAIRE, ADAME and REMCO) revenue for the period ended 31 March 2019 amounted to **AED 154.50m** compared with **AED 153.87m** for the same period in 2018 (**0.41% increase**). During the period, the company faced significant challenges as a result of the global economic slowdown and fluctuating oil prices where clients negotiated down their contracts and reduced the scope of work in addition to the difficulty in placing aircraft from expired contracts immediately into new opportunities. Net profit for the period ended 31 March 2019 was **AED 11.89m** compared with **AED 19.43m** for the same period in 2018 (**38.81% decrease**).

Royal Jet L.L.C. (RJ) made **AED 160.23** revenue for the period ended 31 March 2019 compared with **AED 134.86m** for the same period in 2018 (**18.81% increase**). The increase was due to growth in flight demand for all segments, more efficient utilisation of the fleet and less sub-chartering. RJ made **AED 36.22m** net profit for the period ended 31 March 2019 compared with **AED 19.91m** net profit for the same period in 2018 (**81.89% increase**).

Maximus Air L.L.C. (MAX) made **AED 128.12m** revenue for the period ended 31 March 2019 compared with **AED 92.40m** for the same period in 2018 (**38.67% increase**). This growth in revenue was due to more business from the Government and related entities. Net profit for the period ended 31 March 2019 **AED 12.18m** compared with **AED 18.96m** for the same period in 2018 (**35.77% decrease**). Though revenue had increased, net profit decreased significantly due to impairment loss on property and equipment amounting to AED 10.1m.



ADA signifies the symbol of progress and reputation in working ambitiously to achieve the milestone following the principle of providing high quality services to its respected clients. Presently the market situation of the industry is very challenging and volatile. But with the prudent team of expertise and good reputation in the market, ADA has maintained steady growth. Having significant bank facilities and strong statement of financial position, ADA is very much confident and capable of exploring new opportunities for enhancing the profit in the days to come.

Nader Ahmed Mohammad Al Hammadi
Chairman

Date: 28 April 2019

