



Emirates Group Announces 26th Consecutive Year of Profit

- **Group** records AED 4.1 billion (US\$ 1.1 billion) profit; makes largest-ever investment in the business at AED 22.0 billion (US\$ 6.0 billion)
- **Emirates** makes profit of AED 3.3 billion (US\$ 887 million), as revenue increases 13% to AED 82.6 billion (US\$ 22.5 billion)
 - Largest-ever capacity increase of 5.9 billion ATKM in airline's history
- **dnata** makes profit of AED 829 million (US\$ 226 million), as revenue increases 14% to AED 7.6 billion (US\$ 2.1 billion)
 - dnata invests a record AED 850 million (US\$ 232 million)

DUBAI, UAE, 8 May 2014 - The Emirates Group today announced its 26th consecutive year of profit and company-wide growth, ending the year in a strong position despite competitive pressure and a global economic environment that is only slowly recovering. The financial year ending 31 March 2014 also marked an unprecedented level of investment across the Group, continued expansion of its global footprint, and the achievement of new capacity milestones.

Released today in its [2013-14 Annual Report](#), the Emirates Group posted an AED 4.1 billion (US\$ 1.1 billion) profit, up 32% from last year. The Group's revenue reached AED 87.8 billion (US\$ 23.9 billion), an increase of 13% over last year's results, and the Group's cash balance remained strong at AED 19.0 billion (US\$ 5.2 billion).

"Achieving our 26th consecutive year of profit in a financial year marked by record increases in capacity and significant business investments across the Group, is testimony to the strength of our brands and our business fundamentals," said His Highness (H.H.) Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group.

"Throughout 2013-14 the Group has collectively invested over AED 22.0 billion (US\$ 6.0 billion), the highest amount ever in one financial year. We know that to be a sustainable and profitable business we have to keep adding value to our stakeholders, our customers, partners and employees. To do this, we need efficient new aircraft, quality products and services, and cutting-edge facilities. Every dirham invested has been carefully considered

against short and long-term goals - be it enhancing our capabilities, improving our product, or expanding our business footprint.”

The Group also continued to invest in and expand on its employee base, increasing its overall staff count by 11% to over 75,000-strong representing over 160 different nationalities, across its more than 80 subsidiaries and companies. Revenue per airline employee increased by 4% to AED 1.9 million (US\$ 0.5 million).

“We are moving into the new financial year with confidence, and a strong foundation for continued profitability with our strong balance sheet, solid track record, diverse global portfolio and international talent pool,” said Sheikh Ahmed. “Operating in a dynamic and highly-competitive environment means we have to stay agile, and work even harder to meet and exceed our customers’ expectations. With the help of our 75,000 strong multicultural workforce, we have no doubt that we will be able to capitalise on the opportunities in the year ahead.”

Similar to the last financial year, the Group declared a dividend of AED1 billion (US\$ 280 million) to the Investment Corporation of Dubai.

Emirates performance

In 2013-14, Emirates increased capacity by 5.9 billion Available Tonne Kilometres (ATKMs), the largest capacity increase in the airline's history in a single year. This brings Emirates’ total passenger and cargo capacity to 46.8 billion ATKMs at the end of the financial year. The airline also marked a new record of over 1 million block hours in terms of fleet production.

Emirates received 24 new aircraft during the year, including 16 A380s, six Boeing 777-300ERs and two Boeing 777Fs, bringing its total fleet count to 217. The airline remains the world’s largest operator of the Boeing 777 and A380 – both aircraft being amongst the most modern and efficient wide-bodied jets in the sky today.

With the delivery of new aircraft, Emirates launched nine new destinations: Boston, Clark, Conakry, Haneda, Kabul, Kiev, Sialkot, Stockholm and Taipei, as well as a new service between Milan and New York.

Emirates revenue for the first time surpassed AED 80 billion, at a new record of AED 82.6 billion (US\$ 22.5 billion). While the average price of jet fuel remained high, it was slightly lower compared to last year and has supported Emirates' bottom line improvement. Emirates' fuel bill increased by 10% over last year to reach AED 30.7 billion (US\$ 8.4 billion). Total operating costs increased by 12%, compared to a revenue increase of 13% over the 2012-13 financial year.

The airline successfully managed increased competitive pressure across all markets to record a profit of AED 3.3 billion (US\$ 887 million), an increase of 43% over last year's results, and a healthy profit margin of 3.9%.

Carrying a record 44.5 million passengers, up 13% from last year, Emirates maintained a robust Passenger Seat Factor at 79.4%, nearly consistent with last year's results in spite of a 15% increase in seat capacity by Available Seat Kilometres (ASKMs). This highlights the strong consumer desire to fly on Emirates' state-of-the-art aircraft.

Passenger yield remained steady at 30.4 fils (8.3 US cents) per Revenue Passenger Kilometre (RPKM).

Emirates also improved its premium seat factor despite lingering economic uncertainty and strong competition in many markets. Premium and overall seat factor for the airline's flagship [A380](#) aircraft outperformed the network, underscoring the popularity of Emirates' premium and A380 product amongst passengers.

Over 18 million passengers had flown on an Emirates A380 when the airline marked its fifth anniversary of A380 operations in August 2013. In 2013-14, Emirates introduced A380 services to Barcelona, Brisbane, London-Gatwick, Los Angeles, Mauritius and Zurich, bringing to 27 the total number of destinations served by its popular flagship aircraft. Emirates' Los Angeles service is also the world's longest A380 flight at 16 hours and 20 minutes.

Highlighting its sound financials and investor confidence, Emirates raised a total of AED 12.0 billion (US\$ 3.3 billion) through a variety of financing structures, mainly to secure its ongoing fleet expansion. Further, eight of the aircraft delivered in the financial year were funded

through two corporate bonds issued in early 2013 which raised AED 6.4 billion (US\$ 1.8 billion) in funding.

Significant financing milestones achieved during the year include the issue of a second Enhanced Equipment trust Certificate through a lessor, which tapped into the US capital market to fund four A380s. Another major landmark was achieved through the refinancing of two A380s through the first ever floating rate capital market bond backed by a COFACE (the French Export Credit Agency) guarantee. Emirates closed the financial year with a healthy AED 12.7 billion (US\$ 3.4 billion) cash flow generated from operating activities.

Revenue generated from across Emirates' six regions continues to be well balanced, with no region contributing more than 30% of overall revenues. East Asia and Australasia remained the highest revenue contributing region with AED 23.8 billion (US\$ 6.5 billion), up 14% from 2012-13. Gulf and Middle East revenue increased 17% to AED 8.3 billion (US\$ 2.3 billion), and Europe revenue increased 16% to AED 23.4 billion (US\$ 6.4 billion), reflecting new destinations as well as increased frequency and capacity to these regions.

Across the rest of the globe Emirates saw strong revenue increases from Africa up 15% to AED 7.7 billion (US\$ 2.1 billion), The Americas up 11% to AED 9.2 billion (US\$ 2.5 billion) and West Asia and Indian Ocean with AED 8.3 billion (US\$ 2.3 billion) in revenue, up 3%.

Focusing on customer touch points, Emirates opened a new dedicated airport lounge in Rome, and upgraded its lounges in Paris Charles De Gaulle, London Gatwick and Bangkok. Emirates also announced plans for a new 300-seat contact centre in Budapest to support future growth and supplement its language and response capability, and continued to invest in its onboard product including the installation of Wi-Fi and "live" TV.

In its first full year of operations, the newly commissioned Concourse A at Dubai airport for Emirates' growing A380 fleet witnessed a significant passenger throughput with 37% or 8.2 million Emirates passengers departing Dubai enjoying the new state-of-the art facilities, spacious lounge areas to board 27,000 flights.

Looking forward to 2014-15, Emirates has to date announced five new passenger routes including Abuja, Brussels, Chicago, Kano and Oslo.

Defying the industry trend, the 2013-14 financial year has been a strong one for **Emirates SkyCargo** who for the first time reported a revenue over US\$ 3 billion to reach AED 11.3 billion (US\$ 3.1 billion) mark, a 9% increase over last year.

Contributing 15% of the airline's total transport revenue Emirates SkyCargo continues to play an integral role in the company's expanding operations.

Emirates SkyCargo's tonnage strongly increased by 8% to reach a remarkable 2.3 million tonnes in a flat and challenging airfreight market, highlighting its ability to grow revenues against the industry norm. This year, freight yield per Freight Tonne Kilometre (FTKM) decreased by 1%.

At the end of the financial year, the Emirates SkyCargo freighter fleet had grown to 12 aircraft – ten on operating lease and two on wet lease.

Emirates' **Destination and Leisure Management including hotels** recorded revenue of AED 623 million (US\$ 170 million), an impressive increase of 35% over last year. This positive development was supported by the first full year of operation of the JW Marriott Marquis Hotel in Dubai, the world's tallest hotel. The second tower of the hotel will be fully operational later this year.

dnata performance

In its 55 years of operation, 2013-14 has been dnata's most successful yet, building on its very strong results in the previous year. dnata grew its revenue to AED 7.6 billion (US\$ 2.1 billion), an increase of 14%, through organic growth and as well as strategic international acquisitions. For the first time in the company's history, dnata's international business accounted for 50% of its revenue.

dnata also outperformed last year's record profit to reach AED 829 million (US\$ 226 million).

In 2013-14, dnata invested a record AED 850 million (US\$ 232 million) into its business, laying the foundations for future growth.

Its key investments included: the development of dnata City – a 20-acre cargo logistics centre at London Heathrow Airport, additional warehousing capacity at seven airports across the UK, and capacity expansion of Freight Gate 3 at Dubai airport.

dnata's international growth continued with the addition of several new companies in its portfolio including the acquisition of Broadlex, an aircraft cleaning service provider in Australia, and Gold Medal Travel Group, one of the leading distributors of long-haul travel products in the UK. dnata also acquired Air Chefs in Italy, by taking over the remaining 50% stake from Servair.

Revenue from **dnata's airport operations** increased strongly by 15% to reach AED 2.8 billion (US\$ 774 million). It remains dnata's largest revenue stream. The year's performance was primarily driven by strong volume growth in the UK and Dubai, including first time handling operations at Dubai World Central where commercial passenger flights began in October, and also in a number of dnata's other global operations including new services from Broadlex. dnata today handles 250 airlines at 27 airports in nine countries and is the world's largest ground handler of the A380.

dnata's cargo handling division grew revenue by 8% to AED 1.2 billion (US\$ 318 million), on account of increasing business volumes in the UK and additional road feeder services between both airports in Dubai. Dubai World Central now accounts for 30% of dnata's cargo handling activities in Dubai.

dnata's catering business accounted for AED 1.8 billion (US\$ 478 million) of its total revenue, up 25%. The inflight catering business uplifted more than 41 million meals during the year, a sharp rise of 44% on account of dnata's consolidated operation in Italy as well as its growth in the UK and Australia.

Revenue from **dnata's travel services** division also saw strong growth of 22% to reach AED 662 million (US\$ 180 million). This is mainly attributed to business growth in the UK through Travel Republic and the newly integrated business of the Gold Medal Travel Group as of March. The underlying travel services related turnover, measured by net sales value, increased 10% to AED 5.9 billion (US\$ 1.6 billion).

In 2013-14, dnata's operating costs increased by 15% to AED 6.7 billion (US\$ 1.8 billion), reflecting the first months of integrating the newly acquired companies across its airport, catering and travel businesses.

Similar to last year, dnata's cash balance of AED 2.4 billion (US\$ 663 million) remains strong and the business delivered a solid AED 1.1 billion (US\$ 307 million) operating cash flow in 2013-14.

dnata's employee strength increased to 23,000, a 14% growth which includes employees from its newly acquired companies. The majority of dnata's staff, 60%, are based in UAE.

The full 2013-14 Annual Report of the Emirates Group – comprising Emirates, dnata and their subsidiaries – is available at: www.theemiratesgroup.com/annualreport

-ENDS-

US\$ figures are converted at 1US\$ = 3.67AED and are based on the full AED figures before rounding.

Photo Captions:

- 1 . His Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group
2. Emirates announces profits, and largest ever capacity increase in airline's history in its financial year ending 31 March 2014
3. dnata announces profits, and record investment levels in its financial year ending 31 March 2014

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Emirates**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014	2013
		AED m	AED m
Revenue	5	80,717	71,159
Other operating income	6	1,919	1,954
Operating costs	7	(78,376)	(70,274)
Operating profit		4,260	2,839
Finance income	8	247	406
Finance costs	8	(1,179)	(900)
Share of results of investments accounted for using the equity method	13	136	127
Profit before income tax		3,464	2,472
Income tax expense	9	(47)	(64)
Profit for the year		3,417	2,408
Profit attributable to non-controlling interests		163	125
Profit attributable to Emirates' Owner		3,254	2,283

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014**

Profit for the year		3,417	2,408
Items that will not be reclassified to the consolidated income statement			
Remeasurement of retirement benefit obligations	25	(148)	(70)
Items that may be reclassified subsequently to the consolidated income statement			
Currency translation differences	19	(48)	9
Cash flow hedges	19	182	56
Other comprehensive income		(14)	(5)
Total comprehensive income for the year		3,403	2,403
Total comprehensive income attributable to non-controlling interests		163	125
Total comprehensive income attributable to Emirates' Owner		3,240	2,278

Notes 1 to 39 form an integral part of these consolidated financial statements.

Emirates
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Note	2014 AED m	2013 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	11	71,582	57,039
Intangible assets	12	928	910
Investments accounted for using the equity method	13	495	485
Advance lease rentals	14	812	807
Loans and other receivables	15	428	508
Derivative financial instruments	35	5	92
Deferred income tax asset	29	-	15
		74,250	59,856
Current assets			
Inventories	16	1,706	1,564
Trade and other receivables	17	9,086	8,744
Derivative financial instruments	35	1	67
Short term bank deposits	33	8,754	18,048
Cash and cash equivalents	33	7,807	6,524
		27,354	34,947
Total assets		101,604	94,803

	Note	2014 AED m	2013 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	18	801	801
Other reserves	19	(634)	(768)
Retained earnings		25,009	22,729
Attributable to Emirates' Owner		25,176	22,762
Non-controlling interests		295	270
Total equity		25,471	23,032
Non-current liabilities			
Trade and other payables	30	287	269
Borrowings and lease liabilities	20	38,500	35,483
Deferred revenue	27	1,440	1,460
Deferred credits	28	234	294
Derivative financial instruments	35	599	1,016
Provisions	24	2,643	1,930
Deferred income tax liability	29	2	-
		43,705	40,452
Current liabilities			
Trade and other payables	30	27,079	25,013
Income tax liabilities		30	24
Borrowings and lease liabilities	20	3,931	5,042
Deferred revenue	27	1,227	1,147
Deferred credits	28	66	87
Derivative financial instruments	35	95	6
		32,428	31,319
Total liabilities		76,133	71,771
Total equity and liabilities		101,604	94,803

The consolidated financial statements were approved on 1 May 2014 and signed by:

Notes 1 to 39 form an integral part of these consolidated financial statements.

Sheikh Ahmed bin Saeed Al-Maktoum
Chairman and Chief Executive

Timothy Clark
President