

Emirates Group Announces Half Year Performance

- Emirates Group records a 12% increase in revenues to AED 47.5 billion (US\$ 12.9 billion), and 1% increase in net profits to AED 2.2 billion (US\$ 607 million)
- Emirates carried 23.3 million passengers (up 8%), added 13 new aircraft (6% increase in capacity), improved seat load factor to 81.5%, and returned an 8% higher net profit of AED 1.9 billion (US\$ 514 million)
- dnata marked revenues of AED 4.6 billion (US\$ 1.2 billion), with net profits down 26% to AED 339 million (US\$ 92 million)

DUBAI, U.A.E., 12th November 2014: The Emirates Group today announced its half-yearly results which show steady performance and growth, despite a challenging business environment marked by ongoing health pandemic concerns, regional conflicts, and weakening global markets.

The Emirates Group revenues reached AED 47.5 billion (US\$ 12.9 billion) for the first six months of its 2014-15 fiscal year, up 12% from AED 42.3 billion (US\$ 11.5 billion) from the same period last year.

Net profit for the Group rose to AED 2.2 billion (US\$ 607 million) an increase of 1% over the last year's results. The Group's cash position on 30th September 2014 was at AED 16.1 billion (US\$ 4.4 billion), compared to AED 19.0 billion (US\$ 5.2 billion) as at 31st March 2014. This is due to ongoing investments mainly into new aircraft and other airline related infrastructure projects.

"As the biggest operator at Dubai International, we also took the biggest hit to our bottom line from the 80-day runway upgrading works. However, we had anticipated it and made meticulous plans to minimise impact operationally and commercially for both Emirates and dnata. The success of these plans can be seen in our overall growth during this six-month period in spite of the challenge," said His Highness (HH) Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group.

He added: "It is those external threats that we cannot anticipate or directly manage, such as the global economic malaise, the Ebola outbreak, currency fluctuations, and regional conflicts, that could negate our efforts and plans. These issues appear to be piling up, impacting commercial aviation and travel, but show no signs of speedy resolution. Therefore it is critical that we stay agile as we grow. The ability to adapt and act quickly will determine our continued success. Moving forward, we will keep a watchful eye on these challenges, but continue to focus on our long-term goals and invest in the infrastructure of both Emirates and dnata."

In the past six months, the Group continued to develop and expand its employee base, increasing its overall staff count by 5% to over 79,000 compared with 31 March 2014.

Emirates airline

During the first six months of the fiscal year Emirates received 13 wide-body aircraft – 6 A380s, 7 777s, with 11 more new aircraft scheduled to be delivered before the end of the financial year (31st March 2015). Emirates also expanded its global route network by launching services to four new destinations – Abuja, Chicago, Oslo, and Brussels, exponentially increasing the number of city-pair flight options that it provides to customers across the globe with each new city served.

Operating the world's largest fleet of A380s and the largest fleet of Boeing 777s, Emirates continues to provide ever better connections for its customers across the globe with just one stop in Dubai. Emirates flies to 146 destinations in 83 countries as of 30 September, up from 137 cities in 77 countries last year.

Against the backdrop of unprecedented external challenges which led the airline to suspend the highest number of routes in a year and temporarily ground part of its fleet due to the runway closure, and despite a strong performance of the US dollar against other major currencies impacting revenues, Emirates continues to make a profit. In the first half of the 2014-15 fiscal year, Emirates net profit is AED 1.9 billion (US\$ 514 million), up 8% from the same period last year.

On average, fuel prices only softened marginally and towards the end of the six-month period. Fuel remained a large component of the airline's cost, accounting for 38% of operating costs compared with 39% during the first six-month period last year.

In the first half of its financial year 2014-15, Emirates reported continued business growth, both in terms of capacity on offer and traffic carried. Capacity measured in Available Seat Kilometres (ASKM), grew by 6.5%, whilst passenger traffic carried measured in Revenue Passenger Kilometres (RPKM) was up 9.8% with Passenger Seat Factor increasing and averaging at 81.5%, compared with last year's 79.2%. Emirates carried 23.3 million passengers between 1 April and 30 September 2014, up 8.4% from the same period last year. The volume of cargo uplifted was up by 5.4%, a remarkable growth and performance against the market trend.

Emirates revenue, including other operating income, of AED 44.2 billion (US\$ 12.0 billion) was higher by 11% compared with AED 39.8 billion (US\$ 10.8 billion) recorded last year, reflecting strong passenger and cargo demand.

dnata

dnata continued to grow its international business footprint, investing in infrastructure and operations which now span 38 countries. dnata's revenue including other operating income is AED 4.6 billion (US\$ 1.2 billion), compared to AED 3.7 billion (US\$ 1 billion) last year. Overall profit for dnata dropped by 26 % to AED 339 million (US\$ 92 million). This was due to a number of factors including the impact of the runway enhancement works at Dubai International Airport which saw dnata handling fewer aircraft during this period, as well as costs incurred to set up and launch handling operations at Dubai World Central.

dnata's airport operations remained the largest contributor to revenues with AED 1.4 billion (US\$ 388 million), a 3% increase compared to the same period last year. Across its operations, the number of aircraft handled by dnata dropped to 140,582, a reduction of 1%.

dnata's in-flight catering operation, recorded strong growth and contributed AED 1 billion (US\$ 280 million) of its total revenue, up 15%. The number of meals uplifted was at 24.7 million meals for the first half of the fiscal year, up 10% compared to last year.

Revenue from **dnata's Travel Services** operation contributed AED 873 million (US\$ 238 million), up 161% from the same period last year. The travel division expanded its international offering with the acquisition of Gold Medal in the UK, which contributed to a substantial increase in the division's underlying net sales of 29% to AED 3.8 billion (US\$ 1 billion).

dnata's cargo handling division also witnessed upward growth with revenues increasing by 18% to AED 644 million (US\$ 175 million) on account of increased tonnage by 3% to 835,979 tonnes.

Emirates

**INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

	Unaudited 30 Sep 2014 AED m	Unaudited 30 Sep 2013 AED m
Revenue	42,941	39,136
Other operating income	1,235	680
Operating costs	(41,639)	(37,593)
Operating profit	2,537	2,223
Finance income	83	149
Finance costs	(699)	(592)
Share of results of investments accounted for using the equity method	68	54
Profit before income tax	1,989	1,834
Income tax expense	(24)	(18)
Profit for the period	1,965	1,816
Profit attributable to non-controlling interests	77	71
Profit attributable to Emirates' Owner	1,888	1,745

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

Profit for the period	1,965	1,816
Items that will not be reclassified to the consolidated income statement	(3)	(35)
Remeasurement of retirement benefit obligations	(3)	(35)
Items that may be reclassified subsequently to the consolidated income statement	268	84
Currency translation differences	(28)	(44)
Cash flow hedges	296	128
Other comprehensive income	265	49
Total comprehensive income for the period	2,230	1,865
Total comprehensive income attributable to non-controlling interests	77	71
Total comprehensive income attributable to Emirates' Owner	2,153	1,794

Emirates
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Unaudited 30 Sep 2014 AED m	Audited 31 Mar 2014 AED m
ASSETS		
Non-current assets		
Property, plant and equipment	78,558	71,582
Intangible assets	959	928
Investments accounted for using the equity method	506	495
Advance lease rentals	809	812
Loans and other receivables	286	428
Derivative financial instruments	12	5
Deferred income tax asset	5	-
	81,135	74,250
Current assets		
Inventories	1,861	1,706
Trade and other receivables	9,841	9,086
Derivative financial instruments	124	1
Short term bank deposits	6,748	8,754
Cash and cash equivalents	6,759	7,807
	25,333	27,354
Total assets	106,468	101,604

	Unaudited 30 Sep 2014 AED m	Audited 31 Mar 2014 AED m
EQUITY AND LIABILITIES		
Capital and reserves		
Capital	801	801
Other reserves	(366)	(634)
Retained earnings	26,894	25,009
Attributable to Emirates' Owner	27,329	25,176
Non-controlling interests	348	295
Total equity	27,677	25,471
Non-current liabilities		
Trade and other payables	213	287
Borrowings and lease liabilities	42,569	38,500
Deferred revenue	1,476	1,440
Deferred credits	217	234
Derivative financial instruments	510	599
Provisions	3,021	2,643
Deferred income tax liability	2	2
	48,008	43,705
Current liabilities		
Trade and other payables	24,716	27,079
Income tax liabilities	48	30
Borrowings and lease liabilities	4,693	3,931
Deferred revenue	1,257	1,227
Deferred credits	66	66
Derivative financial instruments	3	95
	30,783	32,428
Total liabilities	78,791	76,133
Total equity and liabilities	106,468	101,604

Airline Operating Statistics

Performance Indicators

		Sep-14	Sep-13
Yield	Fils per RTKM	251.3	252.7
Unit cost	Fils per ATKM	166.6	159.9
Unit cost excluding jet fuel	Fils per ATKM	101.3	95.6
Breakeven load factor	%	66.3	63.3

Fleet

Aircraft	number	230	205
Average fleet age	months	76	74

Production

Destination cities	number	146	133
Overall capacity	ATKM million	24,282	22,843
Available seat kilometres	ASKM million	140,859	132,202
Aircraft departures	number	86,048	86,671

Traffic

Passengers carried	number million	23.3	21.5
Passenger seat kilometres	RPKM million	114,847	104,642
Passenger seat factor	%	81.5	79.2
Cargo carried	tonnes '000	1,138	1,080
Overall load carried	RTKM million	16,547	15,001
Overall load factor	%	68.1	65.7

Employee

Average employee strength (including subsidiaries)	number	55,563	51,911
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Operating lease

Future minimum lease payments-Aircraft fleet	AED million	46,414	43,748
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