

Emirates Group announces half-year performance for 2015-16

- Group: Profit up 65% to AED 3.7 billion (US\$ 1.0 billion), revenue of AED 46.1 billion (US\$ 12.6 billion) negatively impacted by the strong US dollar
- Emirates: Continued profitability and growth with 25.7 million passengers carried (up 10%); fleet expanded by nine new aircraft (14% increase in capacity)
- dnata: Double-digit revenue and profit growth driven by first time consolidation of major international acquisitions Stella Group and Toll dnata

DUBAI, U.A.E., 5th November 2015: The Emirates Group today announced its half-year results for 2015-16, showing continued business growth and a strong performance.

The Emirates Group revenue reached AED 46.1 billion (US\$ 12.6 billion) for the first six months of its 2015-16 financial year, down 2.3% from AED 47.2 billion (US\$ 12.9 billion) during the same period last year, reflecting the impact of the strong US dollar against major currencies.

The Group marked one of its best half-year profit performances ever, with net profit rising to AED 3.7 billion (US\$ 1.0 billion), up 65% over the last year's results. The Group's cash position on 30th September 2015 was at AED 14.8 billion (US\$4.0 billion), compared to AED 20.0 billion (US\$ 5.5 billion) as at 31st March 2015. This is due to ongoing investments mainly into new aircraft, airline related infrastructure projects, and business acquisitions.

His Highness (HH) Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group, said: "Our top-line figures were hit hard by the strong US dollar against other major currencies. The currency exchange situation, combined with ongoing regional conflict and weak economic outlook in many parts of the world, dampened the positive impact of lower fuel prices during the first half of our 2015-16 financial year. However, we made a calculated decision not to hedge our fuel purchases, which paid off as fuel prices continued to soften. Emirates also made the decision to pass on savings from the lower fuel prices to our customers by cutting passenger fuel surcharges, and lowering fares across the network."

He added: "That the Group is reporting one of its most profitable first half-year performances ever, speaks to the strength of our underlying business. In first six months of this year, Emirates and dnata grew in terms of capacity, capability and global reach - organically, and for dnata through strategic acquisitions as well. Looking ahead, we will continue to build on our core strengths by investing in new ways to improve efficiencies and deliver the best customer outcomes. At the same time, we will keep an eye out for strategic growth opportunities, and stay agile so that we can respond effectively to external challenges."

In the past six months, the Group continued to develop and expand its employee base, increasing its overall staff count by 4% to over 87,000 compared with 31st March 2015.

Emirates airline

During the first six months of the financial year Emirates received 13 wide-body aircraft – 8 A380s, and 5 Boeing 777s. It also retired 4 older aircraft, resulting in a net increase of nine new aircraft for its fleet, with 16 more new aircraft scheduled to be delivered before the end of the financial year (31st March 2016). Emirates also expanded its global route network by launching services to four

new destinations – Bali, Multan, Orlando, and Mashhad. As of 30 September, Emirates' global network spanned 147 destinations in 79 countries. Bologna came online on 3rd November, and Panama City will be launched on 1st February 2016.

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.

In the first half of the 2015-16 financial year, Emirates net profit is AED 3.1 billion (US\$ 849 million), up 65% from the same period last year. This performance reflects the impact of lower fuel prices, and also the airline's continued ability to grow passenger demand in line with significant capacity growth, despite external challenges such as continued regional unrest and economic malaise in many regions, and increased competition adding downward pressure on yields.

On average, fuel prices were 41% lower compared to the same period last year. Fuel remained the largest component of the airline's cost, accounting for 28% of operating costs compared with 38% in the first six months of last year.

Capacity measured in Available Seat Kilometres (ASKM), grew by 16%, whilst passenger traffic carried measured in Revenue Passenger Kilometres (RPKM) was up 11% with average Passenger Seat Factor dropping slightly to 78.3%, compared with last year's 81.5%. Emirates carried 25.7 million passengers between 1 April and 30 September 2015, up 10% from the same period last year. The volume of cargo uplifted was up by 10% to reach 1.25 million tonnes, a solid performance that continues to buck the market trend.

This performance shows the airline's continued business growth, both in terms of capacity on offer and traffic carried, even accounting for the fact that during the same period last year, the airline had temporarily reduced capacity when it parked 17 aircraft due to the runway closure at Dubai International.

Emirates revenue, including other operating income, of AED 42.3 billion (US\$ 11.5 billion) was slightly down by 4% compared with AED 44.2 billion (US\$ 12.0 billion) recorded last year. This is due to the combined effect of an unfavourable currency environment - where the US dollar strengthened significantly against most other major currencies; and lower average fares reflecting the airline's decision to pass on some of its fuel cost savings to customers.

dnata

dnata continued to grow its international business footprint, investing in infrastructure and operations which now span 74 countries. In the first half of 2015-16, dnata's international operations accounted for over 67% of its total revenue.

dnata's revenue, including other operating income, is AED 5.2 billion (US\$ 1.4 billion), a strong 27% increase compared to AED 4.1 billion (US\$ 1.1 billion) last year. Overall profit for dnata increased by 64% to AED 557 million (US\$ 152 million). This outstanding performance was underpinned by the first full year contribution of dnata's major acquisitions Stella Group, and Toll dnata. Also, on a comparable basis, last year's performance had suffered significantly due to the one off runway closure at Dubai International Airport.

dnata's airport operations remained the largest contributor to revenue with AED 2.4 billion (US\$ 645 million), a 21% increase compared to the same period last year. This reflects the internal alignment of dnata's airport services and cargo handling divisions, its growing international operations with the acquisitions in Australia and Europe, and as mentioned earlier, a rebound from the impact of the runway closure at Dubai International airport during the same period last year.

Across its operations, the number of aircraft handled by dnata increased by 21% to 169,951, and it handled 917,065 tonnes of cargo, and increase of 10% over last year.

Boosted by its major international acquisitions in the past 18 months, revenue from dnata's Travel Services operation contributed AED 1.7 billion (US\$ 469 million), up 90% from the same period last year. The travel division expanded its international offering with the acquisition of Stella Group, which contributed to a substantial increase in the division's underlying net sales of 62% to AED 6.2 billion (US\$ 1.7 billion).

dnata's flight catering operation, contributed AED 0.9 billion (US\$ 257 million) to its total revenue, down 8%. The number of meals uplifted* was at 32.7 million meals for the first half of the financial year, up 4% compared to last year's figure of 31.4m.

*Definition of 'meals uplifted' has been adjusted for 2015-16 to align with industry standards, and also for the same period last year.

Emirates

**INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	Note	Unaudited Sep 2015	Unaudited Sep 2014
		AED m	AED m
Revenue	7	41,876	42,941
Other operating income	8	442	1,235
Operating costs	9	(38,568)	(41,639)
Operating profit		3,750	2,537
Finance income	10	95	83
Finance costs	10	(691)	(699)
Share of results of investments accounted for using the equity method		66	68
Profit before income tax		3,220	1,989
Income tax expense		(21)	(24)
Profit for the period		3,199	1,965
Profit attributable to non-controlling interests		82	77
Profit attributable to Emirates' Owner		3,117	1,888

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

Profit for the period		3,199	1,965
Items that will not be reclassified to the consolidated income statement			
Remeasurement of retirement benefit obligations		-	(3)
Items that may be reclassified subsequently to the consolidated income statement			
Currency translation differences	14	(18)	(28)
Cash flow hedges	14	(257)	296
Other comprehensive income		(275)	265
Total comprehensive income for the period		2,924	2,230
Total comprehensive income attributable to non-controlling interests		82	77
Total comprehensive income attributable to Emirates' Owner		2,842	2,153

Notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Emirates
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	Note	Unaudited Sep 2015	Audited Mar 2015
		AED m	AED m
ASSETS			
Non-current assets			
Property, plant and equipment	12	83,881	80,544
Intangible assets		1,070	975
Investments accounted for using the equity method		561	544
Advance lease rentals		1,402	920
Loans and other receivables		549	619
Derivative financial instruments		13	21
Deferred income tax asset		3	4
		87,479	83,627
Current assets			
Inventories		2,017	1,919
Trade and other receivables		8,339	8,589
Derivative financial instruments		211	342
Short term bank deposits		4,722	8,488
Cash and cash equivalents		7,176	8,397
		22,465	27,735
Total assets		109,944	111,362

	Note	Unaudited Sep 2015	Audited Mar 2015
		AED m	AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	13	801	801
Other reserves	14	(443)	(168)
Retained earnings		30,370	27,253
Attributable to Emirates' Owner		30,728	27,886
Non-controlling interests		404	400
Total equity		31,132	28,286
Non-current liabilities			
Trade and other payables		221	202
Borrowings and lease liabilities	15	38,905	42,426
Deferred revenue		1,614	1,650
Deferred credits		185	207
Derivative financial instruments		510	521
Provisions	19	3,884	3,589
		45,319	48,595
Current liabilities			
Trade and other payables		22,939	27,770
Income tax liabilities		25	34
Borrowings and lease liabilities	15	8,981	5,382
Deferred revenue		1,375	1,244
Deferred credits		46	49
Derivative financial instruments		127	2
		33,493	34,481
Total liabilities		78,812	83,076
Total equity and liabilities		109,944	111,362

The interim condensed consolidated financial statements were approved and signed by:

Notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Timothy Clark
President

Nigel Hopkins
Executive Vice President - Service Departments

Airline Operating Statistics

Performance Indicators

		Sep-15	Sep-14	Change
Yield	Fils per RTKM	220.7	251.3	-12.2%
Unit cost	Fils per ATKM	135.2	166.6	-18.8%
Unit cost excluding jet fuel	Fils per ATKM	95.5	101.3	-5.7%
Breakeven load factor	%	61.3	66.3	-5.0 % point

Fleet

Aircraft	number	240	230	4.3%
Average fleet age	months	75	76	-1.3%

Production

Destination cities	number	147	146	0.7%
Overall capacity	ATKM million	27,642	24,282	13.8%
Available seat kilometres	ASKM million	162,666	140,859	15.5%
Aircraft departures	number	98,641	86,048	14.6%

Traffic

Passengers carried	number million	25.7	23.3	10.3%
Passenger seat kilometres	RPKM million	127,322	114,847	10.9%
Passenger seat factor	%	78.3	81.5	-3.2 %point
Cargo carried	tonnes '000	1,254	1,138	10.2%
Overall load carried	RTKM million	18,358	16,547	10.9%
Overall load factor	%	66.4	68.1	-1.7 %point

Employee*

Average employee strength (including subsidiaries)	number	59,838	56,725*	5.5%
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Operating lease

Future minimum lease payments-Aircraft fleet	AED million	52,693	46,414	13.5%
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* employee position as of 31-Mar-15