

ABU DHABI AVIATION

**Review report and interim
financial information
for the period ended
30 June 2010**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Abu Dhabi Aviation
Abu Dhabi, UAE

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Abu Dhabi Aviation and its subsidiaries (together referred to as the "Group") as at 30 June 2010 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 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 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 interim financial information is not prepared, in all material respects in accordance with IAS 34, "Interim Financial Reporting".

Deloitte & Touche



Ahmad Nimer
Registration Number 380
14 July 2010



**Condensed consolidated statement of financial position
as at 30 June 2010**

	Notes	30 June 2010 AED '000 (unaudited)	31 December 2009 AED '000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,022,588	2,238,329
Investment property	5	96,829	102,350
Investments	6	37,209	46,291
Non-current portion of finance lease receivable		8,006	9,045
Total non-current assets		2,164,632	2,396,015
Current assets			
Inventories		221,817	186,538
Trade receivables	7	287,065	400,909
Current portion of finance lease receivable		3,430	3,624
Prepayments and other current assets		153,892	118,696
Bank balances and cash	9	196,766	60,780
Assets classified as held for sale	8	862,970 144,206	770,547 -
Total current assets		1,007,176	770,547
Total assets		3,171,808	3,166,562
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	404,352	404,352
Share premium		112,320	112,320
Reserves		668,061	682,665
Retained earnings		185,618	139,969
Equity attributable to owners of the Company		1,370,351	1,339,306
Non-controlling interests		146,803	152,340
Total equity		1,517,154	1,491,646
Non-current liabilities			
Provision for end of service benefits		85,072	79,261
Non-current portion of term loan	11	715,742	722,210
Deferred income		443,386	453,024
Due to a related party		86,253	86,253
Total non-current liabilities		1,330,453	1,340,748
Current liabilities			
Trade payables		68,211	85,205
Accrued expenses and other current liabilities		126,257	78,430
Current portion of term loan	11	66,525	66,525
Bank overdrafts	9	63,208	104,008
Total current liabilities		324,201	334,168
Total liabilities		1,654,654	1,674,916
Total equity and liabilities		3,171,808	3,166,562



Director



General Manager

**Condensed consolidated statement of income (unaudited)
for the period ended 30 June 2010**

	Note	<u>3 months ended 30 June</u>		<u>6 months ended 30 June</u>	
		2010 AED '000	2009 AED '000	2010 AED '000	2009 AED '000
Revenue		338,718	320,754	707,596	645,979
Operating expenses		(257,276)	(283,537)	(547,647)	(522,104)
Operating profit for the period		81,442	37,217	159,949	123,875
General and administrative expenses		(39,876)	(19,464)	(75,796)	(64,696)
Impairment loss on available-for-sale financial assets		-	(2,859)	-	(10,595)
Impairment loss on property, plant and equipment		(9,200)	-	(9,200)	-
Amortisation of deferred income		4,819	4,819	9,638	9,638
Income from investment property		1,340	1,714	2,707	2,936
Property rental expense		(440)	(413)	(952)	(1,066)
Finance income		7	2,314	553	4,979
Finance cost		(9,427)	(11,338)	(18,169)	(23,054)
Other income		3,678	703	3,810	2,248
Profit for the period		32,343	12,693	72,540	44,265
Profit for the period attributable to:					
Owners of the Company		35,916	13,354	77,325	43,667
Non-controlling interests		(3,573)	(661)	(4,785)	598
Profit for the period		32,343	12,693	72,540	44,265
Basic and diluted earnings per share	12	0.09	0.03	0.19	0.11

**Condensed consolidated statement of comprehensive income (unaudited)
for the period ended 30 June 2010**

	Notes	<u>3 months ended 30 June</u>		<u>6 months ended 30 June</u>	
		2010 AED '000	2009 AED '000	2010 AED '000	2009 AED '000
Profit for the period		32,343	12,693	72,540	44,265
Other comprehensive income					
Exchange difference arising on the translation of investment property	5	1	13,571	(5,521)	11,988
Loss/(gain) arising on fair valuation of investments at fair value through other comprehensive income	6	(9,170)	6,658	(9,082)	2,672
Exchange difference on translation of foreign operations		-	-	(2)	-
Impairment loss on available-for-sale financial assets		-	2,859	-	10,595
Directors' remuneration		-	-	(1,350)	(1,350)
Other comprehensive (loss)/income for the period		(9,169)	23,088	(15,955)	23,905
Total comprehensive income for the period		23,174	35,781	56,585	68,170
Total comprehensive income attributable to:					
Owners of the Company		26,747	36,442	61,371	67,572
Non-controlling interests		(3,573)	(661)	(4,786)	598
Total comprehensive income for the period		23,174	35,781	56,585	68,170