Emirates Hits New High with Record Half Year Results

- *AED 3.4 billion (US$ 925 million) net profits, up 351 percent*
- *Significant business growth with 15.5 million passengers carried, up 17.3 percent*
- *Passenger seat factor at 81.2 percent, the highest ever for a first six month reporting period*
- *62 new aircraft ordered to further drive airline's growth*

Dubai, U.A.E. 1st November 2010: Emirates produced a net profit of AED 3.4 billion (US$ 925 million), for the first six months of its current financial year ending 30th September 2010. This represents an outstanding 351.2 percent increase compared to AED 752 million (US$ 205 million), for the same period in 2009.

"The results for the first half of the 2010-11 financial year are incredibly robust, and reflect Emirates' success in growing customer demand, supported by investment in new aircraft, products and customer service. We continue to invest our profits in growing the business and our healthy financial position enables us to successfully meet all of our financial commitments and raise financing for future aircraft deliveries. Our strong position today is reflective of our ability to adapt, returning us to a vigorous period of growth. With 62 new state-of-the-art aircraft ordered in the first half, we remain well positioned to capitalise on this growth," said HH Sheikh Ahmed bin Saeed Al-Maktoum, Chairman and Chief Executive, Emirates Airline and Group.

Highlighting a positive shift in the aviation sector, Emirates airline has seen a marked increase in passenger traffic, carrying 15.5 million passengers and recording a strong passenger seat factor at 81.2 percent, the highest ever for a first six month reporting period. Premium class seat factors have also risen by 2.6 percentage points, reflecting an encouraging change in the global economic outlook.

Emirates SkyCargo has also seen a strong half year performance across the network, posting an increase in revenue of 48.4 percent to AED 4.4 billion, with cargo tonnage up by 23.7 percent to 897 thousand tonnes, compared with 725 thousand tonnes for the same period last year. SkyCargo continues to post steady revenue growth contributing around 17.8 percent of the airline's transport revenue.

Emirates' cash balances grew to AED 12.5 billion (US$ 3.4 billion) at the end of September, a significant improvement of 18.5 percent or AED 1.9 billion (US$ 529 million) when compared to 31st March 2010. This increase in the cash balance was achieved after settling capital outflows of AED 2.4 billion, primarily towards aircraft pre-delivery payment and other aircraft assets. During the first half, the airline has also successfully raised financing of AED 4.6 billion (US$ 1.3 billion). Fuel continues to be the most significant expenditure for the airline with operating costs up 22.6 percent to AED 23 billion (US$ 6.3 billion).

"Investing in the future and adapting our operations when required is an integral part of our corporate strategy. This flexibility affords us the option of increasing passenger and cargo services on high demand sectors. By following these positive spikes in regional economies we have been able to maximize the use of our fleet to further stimulate revenue," added Sheikh Ahmed.

Emirates' revenue, including other operating income, of AED 26.4 billion (US$ 7.2 billion) for the half-year represented a strong growth of 35.5 percent compared to revenue of AED 19.5 billion (US$ 5.3 billion) during the same period last year.

Fueling growth in the aviation and tourism industry globally, Emirates has launched six new destinations since April this year - Amsterdam, Prague, Madrid, Dakar (passenger operations) in addition to Almaty and Bagram (freighter only operations). Existing markets have also been given a boost with increased frequencies and capacity - through larger aircraft.

Building on its current A380 network Emirates launched two new A380 destinations, Manchester and Beijing. The A380 continues to be popular in all destinations that it serves and has become the airline's flagship in terms of passenger comfort, innovation, operating and environmental efficiency and revenue generation.

Emirates continued to invest heavily in its product in the first half with the delivery of six new wide-body aircraft, five Airbus A380s and one Boeing 777 and the opening of a new dedicated lounge at Shanghai Pudong International Airport. A further two new aircraft are scheduled to be delivered before the end of the financial year (31 March 2011).

Capacity measured in Available Seat Kilometres (ASKM), grew by 13.9 percent, whilst passenger traffic carried measured in Revenue Passenger Kilometres (RPKM) was up 19.4 percent.

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Emirates

Consolidated financial statements

for the six months ended 30 September 2010 (unaudited)

Emirates

Consolidated income statement

for the six months ended 30 September 2010 (unaudited)

	Sep 2010 AED m	Sep 2009 AED m
Revenue	25,698	18,990
Other operating income	749	534
Operating costs	(23,008)	(18,768)
Operating profit	**3,439**	**756**
Other gains and losses	(4)	82
Finance income	248	158
Finance costs	(251)	(219)
Share of results in associated companies and joint ventures	41	36
Profit before income tax	**3,473**	**813**
Income tax expense	(42)	(27)
Profit for the period	**3,431**	**786**
Profit attributable to non-controlling interests	**38**	**34**
Profit attributable to Emirates' Owner	**3,393**	**752**

Consolidated statement of comprehensive income

for the six months ended 30 September 2010 (unaudited)

Profit for the period	**3,431**	**786**
Currency translation differences	24	107
Cash flow hedges	(678)	(391)
Other comprehensive income	**(654)**	**(284)**
Total comprehensive income for the period	**2,777**	**502**
Total comprehensive income attributable to non-controlling interests	**38**	**34**
Total comprehensive income attributable to Emirates' Owner	**2,739**	**468**

Comparative figures have been reclassified to conform with the current period's presentation.

Emirates

Consolidated statement of financial position

as at 30 September 2010 (unaudited)

	Sep 2010 AED m	Mar 2010 AED m
ASSETS		
Non-current assets		
Property, plant and equipment	37,782	33,753
Intangible assets	919	927
Investments in associated companies and joint ventures	464	461
Advance lease rentals	208	233
Loans and other receivables	1,554	1,432
Derivative financial instruments	47	64
	40,974	**36,870**
Current assets		
Inventories	1,255	1,084
Trade and other receivables	6,805	7,008
Derivative financial instruments	-	74
Short term bank deposits	6,852	1,176
Cash and cash equivalents	5,601	9,335
	20,513	**18,677**
Total assets	**61,487**	**55,547**

	Sep 2010 AED m	Mar 2010 AED m
EQUITY AND LIABILITIES		
Capital and reserves		
Capital	801	801
Retained earnings	20,187	16,794
Other reserves	(975)	(321)
Attributable to Emirates' Owner	**20,013**	**17,274**
Non-controlling interests	**191**	**201**
Total equity	**20,204**	**17,475**
Non-current liabilities		
Borrowings and lease liabilities	19,084	16,753
Provisions	409	364
Deferred revenue	1,590	1,483
Deferred credits	460	460
Deferred income tax liability	2	4
Trade and other payables	31	21
Derivative financial instruments	921	467
	22,497	**19,552**
Current liabilities		
Trade and other payables	14,665	15,475
Income tax liabilities	24	19
Borrowings and lease liabilities	3,787	2,852
Deferred credits	173	162
Derivative financial instruments	137	12
	18,786	**18,520**
Total liabilities	**41,283**	**38,072**
Total equity and liabilities	**61,487**	**55,547**

Comparative figures have been reclassified to conform with the current period's presentation.