

**ALAFCO AVIATION LEASE AND FINANCE  
COMPANY K.S.C.P.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

**31 DECEMBER 2013**



Building a better  
working world

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND  
FINANCE COMPANY K.S.C.P.**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C.P. (the "parent company") and its subsidiaries (together, the "group") as at 31 December 2013, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated 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 condensed consolidated 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 condensed consolidated financial information is not prepared in accordance with International Accounting Standard 34.

**Report on other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Commercial Companies Law No 25 of 2012, as amended, or of the Memorandum of Incorporation and Articles of Association of the parent company during the period ended 31 December 2013 that might have had a material effect on the business of the parent company or on its financial position.

WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
EY  
(AL AIBAN, AL OSAIMI & PARTNERS)

DR. SAUD HAMAD AL-HUMAIDI  
LICENSE NO. 51 A  
OF DR. SAUD HAMAD AL-HUMAIDI &  
PARTNERS  
MEMBER OF BAKER TILLY  
INTERNATIONAL

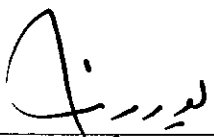
15 January 2014  
Kuwait

ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 December 2013

		31 December 2013 KD	(Audited) 30 September 2013 KD	31 December 2012 KD
	<i>Notes</i>			
<b>ASSETS</b>				
Aircraft, engines and equipment	4	545,266,238	566,539,954	502,151,560
Capital advances	5	27,784,225	20,747,716	20,746,538
Receivables	9	13,579,273	19,729,926	20,237,328
Cash and balances with financial institutions and short term murabahas	6	66,034,921	62,778,235	41,410,562
<b>TOTAL ASSETS</b>		<u>652,664,657</u>	<u>669,795,831</u>	<u>584,545,988</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	7	77,977,157	77,977,157	77,977,157
Share premium		1,162,500	1,162,500	1,162,500
Statutory reserve		15,708,494	15,708,494	13,536,119
Foreign currency translation reserve		(650,113)	(162,742)	(1,014,138)
Retained earnings		90,510,625	86,157,743	82,732,502
<b>Total equity</b>		<u>184,708,663</u>	<u>180,843,152</u>	<u>174,394,140</u>
<b>LIABILITIES</b>				
Due to financial institutions	8	382,445,140	401,836,345	344,381,739
Security deposits		15,065,653	15,105,708	14,782,015
Maintenance reserve		62,290,764	57,262,368	44,345,809
Other liabilities		8,154,437	14,748,258	6,642,285
<b>Total liabilities</b>		<u>467,955,994</u>	<u>488,952,679</u>	<u>410,151,848</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>652,664,657</u>	<u>669,795,831</u>	<u>584,545,988</u>

  
 Yousef Ahmad Alhumaidi  
 Chairman of the Board

  
 Ahmad Abdullah Alzabin  
 Vice Chairman and CEO

ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(UNAUDITED)

For the period ended 31 December 2013

	Notes	<i>Three months ended</i>	
		<i>31 December</i>	
		<i>2013</i>	<i>2012</i>
		<i>KD</i>	<i>KD</i>
Operating lease income		13,999,037	14,120,794
Consultancy and service income		236,789	43,361
Murabaha income		397,107	249,802
Gain on sale of slots	9	-	7,119,167
Other income		57,867	372,799
Staff costs		(508,849)	(405,021)
Depreciation	4	(6,968,094)	(6,732,583)
Other operating expenses		(269,320)	(231,929)
Finance costs		(2,391,313)	(2,874,852)
<b>PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT</b>		<b>4,553,224</b>	<b>11,661,538</b>
Contribution to KFAS		(40,979)	(104,954)
NLST		(113,831)	(291,538)
Zakat		(45,532)	(116,615)
<b>PROFIT FOR THE PERIOD</b>		<b>4,352,882</b>	<b>11,148,431</b>
Basic and diluted earnings per share	3	<b>5.58 Fils</b>	<b>14.30 Fils</b>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P.  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
 COMPREHENSIVE INCOME (UNAUDITED)  
 For the period ended 31 December 2013

	<i>Three months ended</i>	
	<i>31 December</i>	
	<i>2013</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>
<b>Profit for the period</b>	4,352,882	11,148,431
<b>Other comprehensive income:</b>		
<i>Other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods</i>		
Foreign currency translation adjustment	(487,371)	83,490
<b>Other comprehensive (loss) income for the period</b>	(487,371)	83,490
<b>Total comprehensive income for the period</b>	<u>3,865,511</u>	<u>11,231,921</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 December 2013

	Share capital KD	Share premium KD	Statutory reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD
Balance at 1 October 2013	77,977,157	1,162,500	15,708,494	(162,742)	86,157,743	180,843,152
Profit for the period	-	-	-	-	4,352,882	4,352,882
Other comprehensive loss for the period	-	-	-	(487,371)	-	(487,371)
<b>Total comprehensive (loss) income for the period</b>	-	-	-	(487,371)	4,352,882	3,865,511
<b>Balance at 31 December 2013</b>	<b>77,977,157</b>	<b>1,162,500</b>	<b>15,708,494</b>	<b>(650,113)</b>	<b>90,510,625</b>	<b>184,708,663</b>
Balance at 1 October 2012	77,977,157	1,162,500	13,536,119	(1,097,628)	71,584,071	163,162,219
Profit for the period	-	-	-	-	11,148,431	11,148,431
Other comprehensive income for the period	-	-	-	83,490	-	83,490
<b>Total comprehensive income for the period</b>	-	-	-	83,490	11,148,431	11,231,921
<b>Balance at 31 December 2012</b>	<b>77,977,157</b>	<b>1,162,500</b>	<b>13,536,119</b>	<b>(1,014,138)</b>	<b>82,732,502</b>	<b>174,394,140</b>

ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 December 2013

	Notes	Three months ended 31 December	
		2013 KD	2012 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		4,352,882	11,148,431
Adjustments for:			
Depreciation	4	6,968,094	6,732,583
Murabaha income		(397,107)	(249,802)
Finance costs		2,391,313	2,874,852
		<u>13,315,182</u>	<u>20,506,064</u>
Changes in operating assets and liabilities:			
Receivables		6,280,290	(7,736,662)
Payables		(6,419,309)	(1,148,033)
Maintenance reserve		5,180,230	4,252,269
		<u>18,356,393</u>	<u>15,873,638</u>
Cash from operations		(2,526,722)	(3,131,076)
Finance cost payments			
Net cash from operating activities		<u>15,829,671</u>	<u>12,742,562</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of aircraft, engines and equipment	4	(1,531)	(1,306)
Disposal of aircraft, engines and equipment	4	12,817,500	-
Capital advances for purchase of aircraft and engines	5	(7,091,523)	(6,498,030)
Murabaha income received		216,163	253,950
Blocked bank account movement		-	43
Net cash from (used in) investing activities		<u>5,940,609</u>	<u>(6,245,343)</u>
<b>FINANCING ACTIVITIES</b>			
Financing facilities repaid		(18,325,703)	(8,979,755)
Net cash used in financing activities		<u>(18,325,703)</u>	<u>(8,979,755)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Foreign currency translation adjustment		3,444,577	(2,482,536)
Cash and cash equivalents at 1 October		(187,891)	17,209
		<u>62,778,235</u>	<u>42,973,830</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	6	<u>66,034,921</u>	<u>40,508,503</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

## 1 INCORPORATION AND PRINCIPAL ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C.P. (ALAFCO) (the "parent company") is a shareholding company registered and incorporated in Kuwait on 21 March 2000 under the Companies Law No 25 of 2012 and amendments thereto. The parent company is engaged in the business of aircraft leasing and providing of management, marketing and consultancy services to aviation related businesses in line with the Islamic Shariah principles. The parent company is a subsidiary of Kuwait Finance House K.S.C.P. (the "ultimate parent company") and its registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Third Floor, Abdul Aziz Hamid Alsagar Street, Al-Mirqab, Kuwait.

The shares of the parent company and the ultimate parent company are listed on the Kuwait Stock Exchange.

The interim condensed consolidated financial information includes transactions and balances of the parent company and wholly owned Special Purpose Companies ("SPC") (its subsidiaries), together referred to as the "group". All the transactions of SPC's are entered on behalf of ALAFCO and are guaranteed by ALAFCO.

The interim condensed consolidated financial information of the group for the three months period ended 31 December 2013 was authorised for issue in accordance with a resolution of the board of directors 15 January 2014.

Subsequent to the period, the annual consolidated financial statements of the group for the year ended 30 September 2013 were approved by the shareholders of the parent company in the Annual General Assembly meeting held on 6 January 2014.

The New Companies Law issued on 26 November 2012 by Decree Law no. 25 of 2012 (the "Companies Law"), cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no. 97 of 2013 (the Decree). The Executive Regulations of the new amended law issued on 29 September 2013 was published in the official Gazette on 6 October 2013. As per article three of the executive regulations, companies have one year from the date of publishing the executive regulations to comply with the new amended law.

## 2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group is prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. For more details, please refer to the audited consolidated financial statements for the year ended 30 September 2013. In addition, results for the three months period ended 31 December 2013 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2014.

The functional currency of the group is US dollars. The interim condensed consolidated financial information has been presented in Kuwaiti Dinars.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 30 September 2013, except for the adoption of the following new standards / amendments to IFRS effective as of 1 October 2013:



ALAFCO Aviation Lease and Finance Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

At 31 December 2013

**2 BASIS OF PREPARATION (continued)**

*IAS 1 Financial Statement Presentation*

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be reclassified. The adoption of this standard has resulted in presentation changes in interim condensed consolidated statement of comprehensive income.

*IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7*

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The adoption of this amendment did not have any material impact on the interim condensed consolidated financial information of the group and the relevant disclosures will be made in the annual consolidated financial statements of the group.

*IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements*

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 requires management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. IFRS 10 did not have any impact on the currently retained investments of the group.

*IFRS 11 Joint Arrangements*

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The amendment had no impact on the interim condensed consolidated financial information of the group.

*IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial information, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the group has not made such disclosures.

*IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)*

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments and presentation of fair value hierarchy in the interim financial statements. Adoption of this amendment has resulted in additional disclosure being presented in the interim condensed consolidated financial information of the group.

ALAFCO Aviation Lease and Finance Company K.S.C.P.  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

At 31 December 2013

**3 EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>	
	<i>31 December</i>	
	<u>2013</u>	<u>2012</u>
Profit for the period (KD)	4,352,882	11,148,431
Weighted average number of ordinary shares	779,771,570	779,771,570
Basic and diluted earnings per share	<u>5.58 Fils</u>	<u>14.30 Fils</u>

**4 AIRCRAFT, ENGINES AND EQUIPMENT**

	<i>Aircraft and engines KD</i>	<i>Furniture and fixtures KD</i>	<i>Office equipment KD</i>	<i>Total KD</i>
<b>Cost</b>				
At 1 October 2013	696,301,854	214,162	63,189	696,579,205
Additions	-	-	1,531	1,531
Disposal	(27,925,355)	-	-	(27,925,355)
Foreign currency adjustment	(1,846,301)	(567)	(168)	(1,847,036)
<b>At 31 December 2013</b>	<u>666,530,198</u>	<u>213,595</u>	<u>64,552</u>	<u>666,808,345</u>
<b>Depreciation</b>				
At 1 October 2013	129,847,431	136,205	55,615	130,039,251
Depreciation charge for the period	6,956,944	10,147	1,003	6,968,094
Disposal	(15,107,855)	-	-	(15,107,855)
Foreign currency adjustment	(356,854)	(379)	(150)	(357,383)
<b>At 31 December 2013</b>	<u>121,339,666</u>	<u>145,973</u>	<u>56,468</u>	<u>121,542,107</u>
<b>Net carrying amount</b>				
<b>At 31 December 2013</b>	<u>545,190,532</u>	<u>67,622</u>	<u>8,084</u>	<u>545,266,238</u>
At 30 September 2013 (audited)	<u>566,454,423</u>	<u>77,957</u>	<u>7,574</u>	<u>566,539,954</u>
At 31 December 2012	<u>502,032,561</u>	<u>107,935</u>	<u>11,064</u>	<u>502,151,560</u>

Aircraft with carrying value of KD 521,560,355 (30 September 2013: KD 540,314,718 and 31 December 2012: KD 461,207,332) are under finance lease arrangements and are mortgaged against the financing facilities and registered in the name of the lenders (Note 8).

ALAFCO Aviation Lease and Finance Company K.S.C.P.  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

At 31 December 2013

**5 CAPITAL ADVANCES**

	<i>31 December</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2013</i> <i>KD</i>	<i>31 December</i> <i>2012</i> <i>KD</i>
At 1 October	20,747,716	16,436,729	16,436,729
Additions	7,091,524	6,420,695	6,498,030
Capital advances refundable on cancellation of aircraft purchase agreements (Note 9)	-	(2,209,095)	(2,196,990)
Foreign currency adjustment	(55,015)	99,387	8,769
	<u>27,784,225</u>	<u>20,747,716</u>	<u>20,746,538</u>

Capital advances represent progress payments made towards the purchase of aircraft and engines. The commitments in this respect are disclosed in Note 10.

**6 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following statement of financial position amounts:

	<i>31 December</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2013</i> <i>KD</i>	<i>31 December</i> <i>2012</i> <i>KD</i>
Cash and balances with financial institutions	2,683,204	547,364	3,556,115
Short-term murabahas	63,351,717	62,230,871	37,854,447
Cash and balances with financial institutions and short term murabahas	66,034,921	62,778,235	41,410,562
Less: blocked bank account (Note 8)	-	-	(902,059)
Cash and cash equivalents	<u>66,034,921</u>	<u>62,778,235</u>	<u>40,508,503</u>

In accordance with Islamic Sharia'a, no profit is receivable on cash and balances with financial institutions.

Short-term murabahas represent short-term deals in international commodity transactions which earn a profit rate of 2.5% per annum (30 September 2013: 2.5% per annum, 31 December 2012: 2.5% per annum).

Blocked bank account represents cash and bank balances with financial institutions which are blocked against the financing facilities obtained (Note 8).

ALAFCO Aviation Lease and Finance Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2013

**7 SHARE CAPITAL AND DIVIDENDS**

The authorised, issued and fully paid share capital as at 31 December 2013 comprises 779,771,570 ordinary shares (30 September 2013: 779,771,570 ordinary shares, 31 December 2012: 779,771,570 ordinary shares) of 100 fils each.

Subsequent to the period, the Annual General Assembly held on 6 January 2014 approved cash dividend of 5% for the year ended 30 September 2013 (30 September 2012: 5%) of par value of each share being 5 fils per share (30 September 2012: 5 fils per share) amounting to KD 3,898,858 (30 September 2012: KD 3,898,858).

**8 DUE TO FINANCIAL INSTITUTIONS**

	<i>31 December</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2013</i> <i>KD</i>	<i>31 December</i> <i>2012</i> <i>KD</i>
Balance due to financial institutions – financing lease facilities	<u>382,445,140</u>	<u>401,836,345</u>	<u>344,381,739</u>

All the above financing lease facilities are secured over respective aircraft (Note 4) and are denominated in US Dollars.

**9 GAIN ON SALE OF SLOTS AND RECEIVABLES**

In prior period, the parent company entered into agreement for sale of 'slots for purchase' of four aircraft which resulted in a gain of KD 7,119,167 recorded in the interim condensed consolidated statement of income.

As at 31 December 2013, the receivables balance includes KD 13,025,006 (30 September 2013: KD 18,716,634) in relation to the sale of slots comprising of sales proceeds receivable of KD 8,450,872 (30 September 2013: KD 14,142,500) and refundable capital advances of KD 4,574,134 (30 September 2013: KD 4,574,134).

**10 CAPITAL COMMITMENTS**

Potential commitments in respect of purchase of aircraft and engines amount to KD 1,399,711,310 (30 September 2013: KD 1,413,650,583 and 31 December 2012: KD 1,405,903,868) (Note 5).

**11 RELATED PARTY TRANSACTIONS**

Related parties represent the ultimate parent company, major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Significant transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated statement of income:

	<i>Three months ended</i> <i>31 December</i>	
	<i>2013</i> <i>KD</i>	<i>2012</i> <i>KD</i>
Murabaha income	397,107	249,802
Consultancy and service income	236,789	43,361
<i>Key management compensation:</i>		
Salaries and other short term benefits	255,494	220,304

ALAFCO Aviation Lease and Finance Company K.S.C.P.  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

At 31 December 2013

**11 RELATED PARTY TRANSACTIONS (continued)**

Interim condensed consolidated statement of financial position:

	<i>Ultimate parent company KD</i>	<i>Other related parties KD</i>	<i>31 December 2013 KD</i>	<i>(Audited) 30 September 2013 KD</i>	<i>31 December 2012 KD</i>
Receivables	-	279,617	<b>279,617</b>	115,689	27,017
Cash and balances with financial institutions and short term murabahas	5,482,467	60,551,717	<b>66,034,184</b>	62,777,496	40,507,750

**12 SEGMENT INFORMATION**

The group is engaged primarily in only one business segment, aircraft leasing segment. However, for management purposes, the group is organised into five geographical segments.

For three months ended 31 December 2013:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	4,090,659	5,971,375	3,466,542	329,090	833,134	<b>14,690,800</b>
Segment results	1,717,689	1,769,828	716,629	110,759	238,319	<b>4,553,224</b>
Total assets	217,895,790	223,365,803	145,781,115	32,112,663	33,509,286	<b>652,664,657</b>
Total liabilities	27,250,761	33,049,149	248,386,475	154,671,159	4,598,450	<b>467,955,994</b>
<b>Other segmental information:</b>						
Depreciation	1,829,052	2,572,898	2,044,700	134,160	387,284	<b>6,968,094</b>
Capital expenditure	1,531	-	-	-	-	<b>1,531</b>

For three months ended 31 December 2012:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	11,475,891	5,611,799	3,661,026	327,669	829,538	21,905,923
Segment results	8,774,941	1,669,721	863,102	112,355	241,419	11,661,538
Total assets	208,190,279	153,989,735	148,865,325	38,557,001	34,943,648	584,545,988
Total liabilities	29,447,150	16,134,569	281,368,625	78,623,196	4,578,308	410,151,848
<b>Other segmental information:</b>						
Depreciation	1,949,830	2,235,015	2,028,544	133,581	385,613	6,732,583
Capital expenditure	1,306	-	182,845	-	-	184,151