

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

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

31 MARCH 2014



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 March 2014, and the related interim condensed consolidated statements of income and comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six 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 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 all material respects, in all material respects, 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 Companies Law No 25 of 2012, as amended, or of the parent company's Memorandum of Incorporation and Articles of Association during the six months period ended 31 March 2014 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


14 April 2014
Kuwait

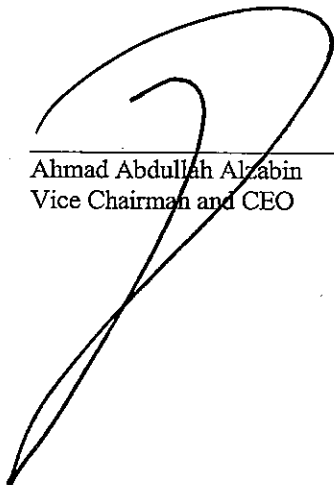
ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 March 2014

		31 March 2014 KD	(Audited) 30 September 2013 KD	31 March 2013 KD
	Notes			
ASSETS				
Aircraft, engines and equipment	4	537,698,204	566,539,954	473,410,144
Capital advances	5	27,744,829	20,747,716	21,012,047
Receivables	9	14,481,369	19,729,926	21,226,414
Cash and balances with financial institutions and short term murabahas	6	66,411,399	62,778,235	65,685,505
TOTAL ASSETS		646,335,801	669,795,831	581,334,110
EQUITY AND LIABILITIES				
EQUITY				
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		(903,250)	(162,742)	1,168,323
Retained earnings		90,833,424	86,157,743	80,874,476
Total equity		184,778,325	180,843,152	174,718,575
LIABILITIES				
Due to financial institutions	8	372,856,602	401,836,345	338,758,604
Security deposits		14,638,641	15,105,708	12,994,556
Maintenance reserve		66,923,243	57,262,368	49,428,187
Other liabilities		7,138,990	14,748,258	5,434,188
Total liabilities		461,557,476	488,952,679	406,615,535
TOTAL EQUITY AND LIABILITIES		646,335,801	669,795,831	581,334,110


 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 March 2014

	Notes	Three months ended 31 March		Six months ended 31 March	
		2014	2013	2014	2013
		KD	KD	KD	KD
Operating lease income		13,904,328	12,335,505	27,903,365	26,456,299
Consultancy and service income		40,441	42,837	277,230	86,198
Murabaha income		382,485	378,956	779,592	628,758
Gain on sale of slots	9	-	-	-	7,119,167
Other income		-	453,129	57,867	825,928
Staff costs		(511,524)	(459,762)	(1,020,373)	(864,783)
Depreciation	4	(6,804,154)	(6,093,619)	(13,772,248)	(12,826,202)
Impairment loss on aircraft, engines and equipment		-	(2,128,526)	-	(2,128,526)
Other operating expenses		(288,938)	(217,043)	(558,258)	(448,972)
Finance costs		(2,306,678)	(2,176,714)	(4,697,991)	(5,051,566)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TA X (NLST) AND ZAKAT		4,415,960	2,134,763	8,969,184	13,796,301
Contribution to KFAS		(39,744)	(19,213)	(80,723)	(124,167)
NLST		(110,399)	(53,370)	(224,230)	(344,908)
Zakat		(44,160)	(21,348)	(89,692)	(137,963)
PROFIT FOR THE PERIOD		4,221,657	2,040,832	8,574,539	13,189,263
Basic and diluted earnings per share	3	5.41 Fils	2.62 Fils	11 Fils	16.91 Fils

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 March 2014

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	4,221,657	2,040,832	8,574,539	13,189,263
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods</i>				
Foreign currency translation adjustment	(253,137)	2,182,461	(740,508)	2,265,951
Other comprehensive (loss) income for the period	(253,137)	2,182,461	(740,508)	2,265,951
Total comprehensive income for the period	3,968,520	4,223,293	7,834,031	15,455,214

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 March 2014

	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	-	-	-	-	8,574,539	8,574,539
Other comprehensive loss for the period	-	-	-	(740,508)	-	(740,508)
Total comprehensive (loss) income for the period	-	-	-	(740,508)	8,574,539	7,834,031
Dividend (Note 7)	-	-	-	-	(3,898,858)	(3,898,858)
Balance at 31 March 2014	77,977,157	1,162,500	15,708,494	(903,250)	90,833,424	184,778,325
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	-	-	-	-	13,189,263	13,189,263
Other comprehensive income for the period	-	-	-	2,265,951	-	2,265,951
Total comprehensive income for the period	-	-	-	2,265,951	13,189,263	15,455,214
Dividend (Note 7)	-	-	-	-	(3,898,858)	(3,898,858)
Balance at 31 March 2013	77,977,157	1,162,500	13,536,119	1,168,323	80,874,476	174,718,575

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2014

	Notes	Six months ended 31 March	
		2014 KD	2013 KD
OPERATING ACTIVITIES			
Profit for the period		8,574,539	13,189,263
Adjustments for:			
Depreciation	4	13,772,248	12,826,202
Murabaha income		(779,592)	(628,758)
Finance costs		4,697,991	5,051,566
Impairment loss on aircraft, engines and equipment		-	2,128,526
		<u>26,265,186</u>	<u>32,566,799</u>
Changes in operating assets and liabilities:			
Receivables		5,209,377	(8,565,769)
Payables		(7,884,014)	(4,617,650)
Maintenance reserve		9,893,690	8,821,540
		<u>33,484,239</u>	<u>28,204,920</u>
Cash from operations		33,484,239	28,204,920
Finance cost payments		(4,768,933)	(5,311,068)
Net cash from operating activities		<u>28,715,306</u>	<u>22,893,852</u>
INVESTING ACTIVITIES			
Purchase of aircraft, engines and equipment	4	(1,529)	(2,292)
Disposal of aircraft, engines and equipment	4	12,799,326	27,065,501
Capital advances for purchase of aircraft and engines	5	(7,081,468)	(6,581,190)
Murabaha income received		738,555	632,959
Blocked bank account movement		-	34
Net cash from investing activities		<u>6,454,884</u>	<u>21,115,012</u>
FINANCING ACTIVITIES			
Financing facilities repaid		(27,345,970)	(19,125,113)
Dividend paid		(3,898,858)	(3,898,858)
Net cash used in financing activities		<u>(31,244,828)</u>	<u>(23,023,971)</u>
INCREASE IN CASH AND CASH EQUIVALENTS			
Foreign currency translation adjustment		3,925,362	20,984,893
Cash and cash equivalents at 1 October		(292,198)	813,169
		<u>62,778,235</u>	<u>42,973,830</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	<u><u>66,411,399</u></u>	<u><u>64,771,892</u></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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2014

1 INCORPORATION AND PRINCIPAL ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C. (ALAFCO) (the "parent company") is a shareholding company registered and incorporated in Kuwait on 10 May 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. (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 six months period ended 31 March 2014 was authorised for issue in accordance with a resolution of the board of directors 14 April 2014.

The New Companies Law issued on 26 November 2012 by Decree Law no. 25 of 2012 (the "Companies Law"), cancelled the 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 six months period ended 31 March 2014 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 March 2014

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.

IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate 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 require management to exercise significant judgement to determine which entities are controlled and therefore, are required to be consolidated by the Group, compared with the requirements that were in IAS 27. The Group, regardless of the nature of its involvement with an entity, shall determine whether it is a parent by assessing whether it controls the entity. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Once control is established, the standard requires the Group to start consolidating the investee from the date the investor obtains control of the investee and cease consolidation when the investor loses control of the investee. The new standard had no material impact on the interim condensed consolidated financial information 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.

The adoption of these standards did not have any significant or material impact on the interim condensed consolidated financial information of the Group and relevant disclosures will be made in the annual consolidated financial statements of the Group.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2014

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>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Profit for the period (KD)	4,221,657	2,040,832	8,574,539	13,189,263
Weighted average number of ordinary shares	779,771,570	779,771,570	779,771,570	779,771,570
Basic and diluted earnings per share	5.41 Fils	2.62 Fils	11 Fils	16.91 Fils

4 AIRCRAFT, ENGINES AND EQUIPMENT

	<i>Aircraft and engines</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cost				
At 1 October 2013	696,301,854	214,162	63,189	696,579,205
Additions	-	-	1,529	1,529
Disposal	(27,885,759)	-	-	(27,885,759)
Foreign currency adjustment	(2,830,996)	(871)	(257)	(2,832,124)
At 31 March 2014	665,585,099	213,291	64,461	665,862,851
Depreciation				
At 1 October 2013	129,847,431	136,205	55,615	130,039,251
Depreciation charge for the period	13,749,990	20,267	1,991	13,772,248
Disposal	(15,086,433)	-	-	(15,086,433)
Foreign currency adjustment	(559,589)	(602)	(228)	(560,419)
At 31 March 2014	127,951,399	155,870	57,378	128,164,647
Net carrying amount				
At 31 March 2014	537,633,700	57,421	7,083	537,698,204
At 30 September 2013 (audited)	566,454,423	77,957	7,574	566,539,954
At 31 March 2013	473,300,820	99,049	10,275	473,410,144

Aircraft with carrying value of KD 514,469,627 (30 September 2013: KD 540,314,718 and 31 March 2013: KD 459,361,901) 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 March 2014

5 CAPITAL ADVANCES

	<i>31 March</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2013</i> <i>KD</i>	<i>31 March</i> <i>2013</i> <i>KD</i>
At 1 October	20,747,716	16,436,729	16,436,729
Additions	7,081,468	6,420,695	6,581,190
Capital advances refundable on cancellation of aircraft purchase agreements	-	(2,209,095)	(2,225,106)
Foreign currency adjustment	(84,355)	99,387	219,234
	<u>27,744,829</u>	<u>20,747,716</u>	<u>21,012,047</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 March</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2013</i> <i>KD</i>	<i>31 March</i> <i>2013</i> <i>KD</i>
Cash and balances with financial institutions	608,677	547,364	2,224,991
Short-term murabahas	65,802,722	62,230,871	63,460,514
Cash and balances with financial institutions and short term murabahas	66,411,399	62,778,235	65,685,505
Less: blocked bank account	-	-	(913,613)
Cash and cash equivalents	<u>66,411,399</u>	<u>62,778,235</u>	<u>64,771,892</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 2.25-2.5% per annum (30 September 2013: 2.5% per annum, 31 March 2013: 2.5% per annum).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2014

7 SHARE CAPITAL AND DIVIDENDS

The authorised, issued and fully paid share capital as at 31 March 2014 comprises 779,771,570 ordinary shares (30 September 2013: 779,771,570 ordinary shares, 31 March 2013: 779,771,570 ordinary shares) of 100 fils each.

During 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 March</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2013</i> <i>KD</i>	<i>31 March</i> <i>2013</i> <i>KD</i>
Balance due to financial institutions – financing lease facilities	<u>372,856,602</u>	<u>401,836,345</u>	<u>338,758,604</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 March 2014, the receivables balance includes KD 13,006,537 (30 September 2013: KD 18,716,634) in relation to the sale of slots comprising of sales proceeds receivable of KD 8,450,998 (30 September 2013: KD 14,142,500) and refundable capital advances of KD 4,555,539 (30 September 2013: KD 4,574,134).

10 CAPITAL COMMITMENTS

Potential commitments in respect of purchase of aircraft and engines amount to KD 1,397,726,608 (30 September 2013: KD 1,413,650,583 and 31 March 2013: KD 1,423,896,239) (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:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2014

11 RELATED PARTY TRANSACTIONS (continued)

Interim condensed consolidated statement of income:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Murabaha income				
- Ultimate parent company	6,400	8,789	7,476	8,789
- Other related parties	376,085	370,167	772,116	619,969
	<u>382,485</u>	<u>378,956</u>	<u>779,592</u>	<u>628,758</u>
Consultancy and service income				
- Ultimate Parent Company	-	40,716	81,317	81,236
- Other related parties	40,441	2,121	195,913	4,962
	<u>40,441</u>	<u>42,837</u>	<u>277,230</u>	<u>86,198</u>

Key management compensation:

Salaries and other short term benefits	349,974	232,175	605,468	465,631
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Interim condensed consolidated statement of financial position:

	<i>Ultimate</i>	<i>Other related</i>	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>parent</i>	<i>parties</i>		<i>30 September</i>	
	<i>company</i>			<i>2013</i>	
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Receivables	-	321,773	321,773	115,689	187,581
Cash and balances with financial institutions and short term murabahas	607,940	65,802,722	66,410,662	62,777,496	64,771,891

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 six months ended 31 March 2014:

	<i>Middle East</i>	<i>Asia</i>	<i>Europe</i>	<i>USA</i>	<i>Africa</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Segment revenue	7,863,075	11,922,823	6,909,849	657,573	1,664,734	29,018,054
Segment results	3,148,901	3,615,752	1,494,173	223,499	486,859	8,969,184
Total assets	216,658,839	221,125,569	143,526,040	31,941,227	33,084,126	646,335,801
Total liabilities	135,304,590	202,688,131	83,767,887	10,306,316	29,490,552	461,557,476
Other segmental information:						
Depreciation	3,615,232	5,085,181	4,041,228	265,160	765,447	13,772,248
Capital expenditure	1,529	-	-	-	-	1,529

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2014

12 SEGMENT INFORMATION (continued)

For six months ended 31 March 2013:

	<i>Middle East</i> <i>KD</i>	<i>Asia</i> <i>KD</i>	<i>Europe</i> <i>KD</i>	<i>USA</i> <i>KD</i>	<i>Africa</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Segment revenue	15,881,859	9,878,110	7,054,066	656,921	1,645,394	35,116,350
Segment results	10,619,186	545,309	1,921,709	224,579	485,518	13,796,301
Total assets	233,547,152	136,485,621	137,599,032	38,693,394	35,008,911	581,334,110
Total liabilities	152,255,926	115,313,889	95,249,781	11,508,188	32,287,751	406,615,535
Other segmental information:						
Depreciation	3,866,838	4,161,892	3,768,008	264,796	764,668	12,826,202
Capital expenditure	2,292	-	-	-	-	2,292

During the current period, the management of the Parent Company has revised the allocation basis of 'due to financial institutions' balance in liabilities to bring it further in line with segment allocation of respective assets. Accordingly, the comparative segment information is restated.