THE EMIRATES GROUP
1999-2000
REPORT & ACCOUNTS

Emirates

DNATA

H.H. SHEIKH MAKTOUM BIN RASHID AL-MAKTOUM

VICE PRESIDENT AND PRIME MINISTER OF THE UAE AND RULER OF DUBAI

H.H. GENERAL SHEIKH MOHAMMED BIN RASHID AL-MAKTOUM

CROWN PRINCE OF DUBAI AND MINISTER OF DEFENCE, UAE

Chairman's Review

H.H. SHEIKH AHMED BIN SAEED AL-MAKTOUM
CHAIRMAN OF THE EMIRATES GROUP

Sydney inaugural

It was an extraordinary year for the Emirates Group with the management and staff showing ingenuity and initiative to return a record profit. We achieved the best-ever results in a difficult period for Emirates of rising fuel costs, low-fare wars, with a number of major carriers making losses, and for Dnata a time of lower returns on travel agency business and with extra airport service costs to prepare for the new concourse at Dubai International Airport. But we kept our nerve and Emirates continued to invest in the finest equipment in the world in a period of falling yields, and Dnata persevered to maintain its market share by continuing to deliver new products.

At the same time we demonstrated our confidence in the future by ordering new aircraft and we also became involved in the project to build the double-decker 500-plus seater A3XX Airbus. It would not surprise me to see this mega-sized or similar aircraft in our fleet in approximately 2006.

A slow start to the year was aggravated in the third quarter by poor passenger figures resulting from travellers' fears about the millenium bug, changing a bull market into a bearish outlook almost overnight. Intense efforts by our sales and marketing teams, combined with a creative cost-reduction programme, brought us back on track.

Briefing the press

Every department in the Group has contributed to our success - from the meticulous planning for the smooth Y2K transition to the use of low cost financing techniques, to the upbeat sales fightback in the fourth quarter. The Emirates Group has shown again a remarkable ability to buck the trends and do its own thing - a resilient independence which is reflected in each page of this report.

The Group's overall net income was Dhs 447 million with Emirates contributing Dhs320 million and Dnata making Dhs127 million.

For Emirates, this was the 12th consecutive year of profit and for the Group, as a whole , I was gratified to see the durability and maturity of our business for which we must thank our loyal customers.

Our profit sharing scheme for the staff is proving a successful incentive. It is unusual in that its proportional effect on all staff is equal, for I believe every employee contributes to the bottom line and do not wish the rewards to be restricted to just a few people.

Although a number of European and Asian countries continued their restrictive traffic practices, we were delighted to receive approval from the USA to serve multiple destinations from Dubai . We took up more of the traffic rights granted by the Australian government by starting services to Sydney.

I wish more countries would follow the lead of USA, Australia, UK , Germany, Singapore and Pakistan to mirror Dubai's own Open Skies' policy. At least, in the Gulf, we were able to add the final piece of the jigsaw puzzle when Emirates began services to Bahrain.

We were pleased that the financial institutions and banks again recognised the strength of the Emirates' product and the soundness of its development plans with their active involvement in the acquisition of our new Boeing 777-300s and Airbus A330 - 200s.

We have prided ourselves on our ability to stand alone without needing subsidies or being a member of a major alliance, in order to tailor our services to our own customer' needs. I am confident we can maintain this independence while continuing to work in codeshare arrangements with other carriers and in an equity alliance with SriLankan Airlines.

Emirates changed its livery during the year. It was more than just a new paint job. It was a bold statement that the airline is committed to being a world leader in the aviation industry, yet at the same time supporting the UAE and Dubai's commercial and tourism enterprises.

By the time this annual report is published, Dnata too, will have introduced a new livery to coincide with the opening of the new terminal at Dubai International Airport.

It was a very solid and important year for the Group. From the major investment and planning for the Millenium Bug to the nosedive of our passenger traffic in December. And then the upbeat fightback to complete a successful financial year. Some of the problems were unforeseen, others anticipated but I must pay tribute, as always, to the persistence and diligence of the management and staff who helped to bring a tough year to a profitable conclusion.

H.H. SHEIKH AHMED BIN SAEED AL-MAKTOUM

Group Managing Director's Review

MAURICE FLANAGAN
GROUP MANAGING DIRECTOR

It would not have surprised the aviation industry, in such a tough year, for the Emirates Group to have announced a loss, as many other well-regarded international airlines have done.

For Emirates, the year represented another decisive step forward towards the airline becoming a global brand. We won no less than three Airline of the Year awards in the UK and a Best Airline accolade in Germany. Dnata celebrated its 40th anniversary by revamping its UK travel agency business organisation in a new and prime London location, while Dnata airport services continued ably to serve more than 90 airlines at Dubai International Airport at the same time as preparing for the opening of the new $550 million terminal, in conditions which have called for the utmost ingenuity and effort.

Emirates' operating revenue increased by 15.1% to Dhs4,965 million, and a fall in yields of 5.1% was offset by a reduction of 5.4% in unit costs.

We increased capacity by 22.9% with the introduction of new aircraft, yet still managed a seat factor of 71.9% enabling us to show an improvement in profitability - again. Our overall load factor was 68.3% with cargo loads rising by 26%, reflecting the bounceback of the Far East economies. Dnata's operating revenue increased by 20.3% over last year to Dhs 645 million.

Emirates carried more than 4.7 million passengers and 269,000 tonnes of freight. At Dubai International Airport, Dnata handled 11,199,000 (an increase of 11.7%) passengers and 498,000 tonnes of cargo (an increase of 16.1%).

Productivity per employee was again high and this has been bolstered by our Performance Matters programme which monitors each individual employee in the company. The voluntary Bright Ideas scheme attracted hundreds of money-saving and service-enhancing suggestions including one which reduced costs by Dhs10 million per annum.

The introduction of the first nine of eighteen A330-200 Airbuses on order and latterly two new Boeing 777-300s, the world's longest airliner, to add to our fleet of nine 777-200s, enabled us to expand capacity on our existing routes. The A330 has been an instant success with our passengers and provided the airline with the flexibility to operate short-haul inter-Gulf sectors and medium to long haul services with the same equipment. Both aircraft types were instrumental to our achieving higher productivity as well as an enhancement of our customer services. Our satisfaction with the 777-300 was underlined when we ordered two more for delivery next year.

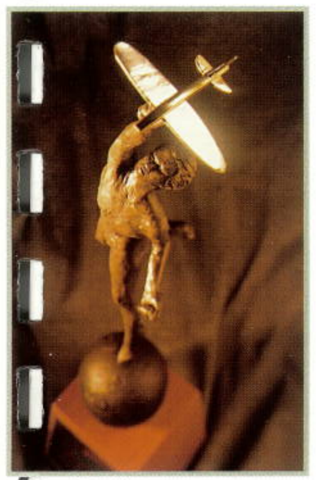
The Chairman has approved the corporate plan to the year 2010, a dynamic period which will see us introduce the ultra long-range A340-500 on non-stop services from Dubai to North America and Australia. Later, we have non-stop services to South America and Japan pencilled in. We are at present actively involved in the Airbus A3XX programme and are also evaluating the Boeing 777-300X which is due to enter service in 2004. Both aircraft may eventually form part of our fleet.

Will we join an alliance?

As Sheikh Ahmed has stated in his introduction, we are proud to remain independent, and have no intention at present of entering one of the global airline alliances . We are not sure that it would be of benefit to our passengers or cargo clients if we were to link with other airlines whose objectives and ambitions may be very different, or may become very different - who can say? - from our own. But it goes without saying that this is an unpredictable world and we will continue to monitor the currently volatile global alliance scenario.

Will we start a Frequent Flyer Programme ?

Yes, we intend to launch our own Customer Loyalty Programme very soon, together with SriLankan Airlines.


...ne of the Year

Although Dnata does not always receive the high-profile coverage of its sister company, it is worthwhile reflecting on the major contribution it has made to Dubai. From operating a primitive airstrip with donkeys carrying in the water supplies, Dnata is today preparing to take over the day to day operation of the world's most modern airport terminal at Dubai International Airport. For more than 40 years Dnata has provided a complete landing-to-take-off service, including cargo handling, for the airlines which serve Dubai. Not only is Dnata the sole ground handling agent at the airport, but it is also the largest travel agency in the Middle East, with 27 high quality travel products in its portfolio.

It would be appropriate for me in this report to outline the success of Mercator, the Emirates Group Information Technology division, which has become an important supplier of software programmes to the aviation industry. Mercator's prowess indicates the diversity which the Group has now developed.


HRH Prince Charles visits Dubai Air Show

Our Emirates Holidays is now the largest tour operator in the Middle East. It has a world-class, very high-tech, holiday emporium in Dubai; owns and manages Al Maha, our exclusive ecotourism resort in the desert outside Dubai, and is in the process of developing a resort hotel in Fujeirah, in partnership with the Government of Fujeirah.

Another outstanding example of that diversity is our demonstrably successful investment in, and management of, SriLankan Airlines. This has presented a major challenge, particularly to our airline and group services senior management, and has been undertaken with the recruitment of only one external manager.

I would like to add my thanks to our customers for their support and encouragement and pay tribute to our hard-working and very smart management and staff. During the past year they have broken records, won every award in sight, and changed all the problems of a difficult year into market-leading opportunities. I am very proud of this multi-national family.

Maurice Flanagan

MAURICE FLANAGAN

Tim Clark, Chief Director (Airline)

Entertainment at the Sydney Inaugural

Commercial

In an unrelenting battle to improve and increase revenue, Commercial was active in all parts of the network, promoting new routes and new services in a market place dominated by aggressive sales tactics. We responded positively to the constant threat from carriers which have still maintained a high capacity on the Middle East since switching from some of the less profitable Southeast Asian routes.

We increased our capacity to Colombo, Mumbai, Jakarta, Bangkok, Dhaka and Kuala Lumpur and introduced six nonstop flights between Dubai and Manila. In the Middle East and Africa region, Emirates started services to Bahrain and Entebbe, stopped operating to Comores and introduced a three class service on our Johannesburg - Dubai flights. In addition to increasing capacity to Kuwait, the airline introduced the new 400 plus seat Boeing 777-300 on the Jeddah route.

Changes in the Europe region included a new flight to Munich and a codeshare agreement with SriLankan Airlines on their new A330 service between Stockholm and Dubai.

We opened new offices in Cairo, Islamabad, Lahore, Hong Kong and Chicago.

High spot of the year was the first-ever Global Sales Conference, organised by the Network Passenger Sales Development (NPSD) unit, where the Chairman's Award for Sales Excellence was announced. This is a new incentive programme which will recognise and reward the most outstanding sales executives.

Ghaith Al Ghaith, Commercial Operations Director (center), Global Sales Conference, Edward Lim, Area Manager Australia

The evolution of sales staff's competencies continued, too, with the EKSELL-i sales automation system implemented on all marketing executives' laptops.

NPSD continued to drive and coordinate the Commercial division's global marketing and sales strategy. Two new tactical products were introduced "Bargain Breaks" and "Worldwide Stopovers" and initiatives to promote tourism to Dubai coincided with the Dubai Summer Surprises and the Dubai Shopping Festival.

www.emirates.com

Towards the end of the year, Emirates introduced on-line booking on the emirates.com site, initially in the UAE only but to be expanded in due course. Features of the new e-commerce service include on-line fare quotes, actual seat availability, a link to Emirates' schedules and a personal passenger profile capability.

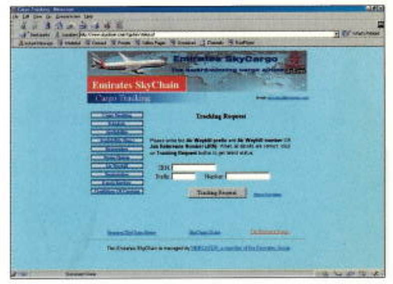
The web site will have links to other Group businesses like Emirates Holidays and SkyCargo.

The Industry Travel unit launched a staff travel site on the Group's Intranet with details of hotels and car hire available for staff worldwide. Refunds were introduced via TRIPS (electronic ticket request system) which improved service for our commercial customers by having no staff customers visit the cashiers' office.

SkyCargo

There was strong demand for cargo space during the year with the strengthening of the Far East economies, an oil price led recovery in the Middle East and firm consumer demand in Europe and the USA.

But cargo yield was under constant pressure with overcapacity saturating the market. SkyCargo's objectives to address customers' needs while maintaining product and quality standards proved to be the right approach. Cargo revenue recorded a growth of 28.4% and tonnage of 26%. The contribution from cargo to the total airline operating revenue was an impressive 17%.



SkyChain website www.skychain.com

Major initiatives included the launch of Emirates Express, a time-definite express product, which has guaranteed delivery commitments on selected sectors and SkyChain, an innovative network of automated, fully integrated management and information systems. SkyChain offers customers track-and-trace facilities via the Internet.

With SkyChain, Emirates became the first airline in the world to introduce internet bookings on a time basis from anywhere and by anyone, with a lead time of up to 250 days, using a Job Reference Number (JRN) which was a radical departure from industry practice.

To meet the expected growth, SkyCargo is involved in the construction of a purpose-built Emirates Cargo Centre in the Dubai Air Cargo Village, which will have an annual capacity of 400,000 tonnes and is expected to be completed by the end of 2000.

To supplement the cargo space on Emirates passenger jets, SkyCargo leases a Boeing 747-200 freighter,

with three rotations per week Amsterdam/Dubai/Amsterdam and Dubai/Hong Kong/Dubai. Customer demand was such that SkyCargo operated 19 opportunity charters, mainly with the 747-F, to such diverse destinations as Christchurch, New Zealand and Seattle, USA.

Our striving for excellence was recognised by the industry with more international awards. We were honoured to receive the Cargo Airline of the Year Award from the Air Cargo News Magazine and were presented with the Cargo Development Award by the US-based Air Transport World.

With global growth expected to resume its upward climb, SkyCargo remains bullish and is forecasting a further revenue growth of 16% for the next financial year.

Destination & Leisure Management

Emirates Holidays (Tour Operator) and Arabian Adventures (Destination Management Company) enjoyed a strong fiscal performance, ahead of budget for the seventh consecutive year. It was another record year with sales exceeding Dhs390 million and with some 140,000 passengers cared for.

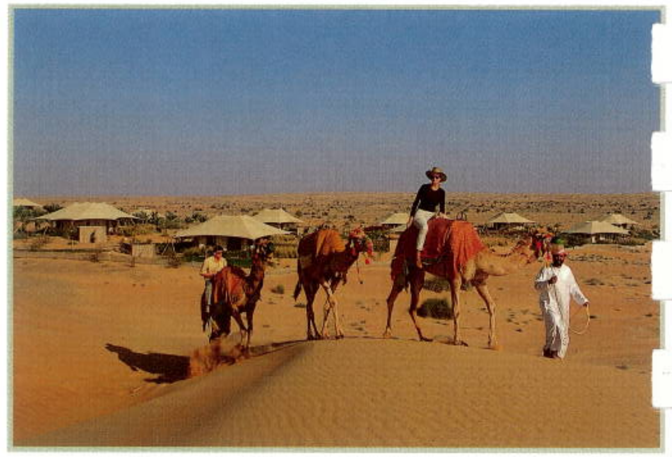

Munich

At the division's dedicated headquarters on Sheikh Zayed Road, Dubai, the Holidayland retail concept has proved a big hit with our customers who enjoy the spacious comfort zones and the access to destination information via Internet sites and a comprehensive video library.

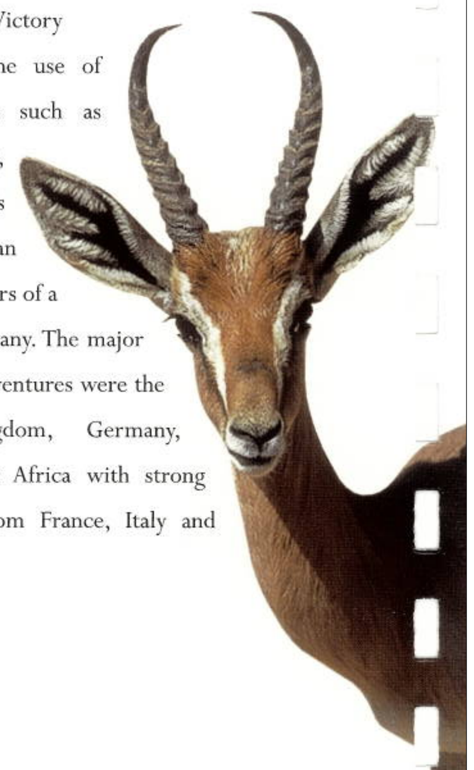
Emirates Holidays has seen an increasing trend for specialised products such as cruises, safaris and cultural tours. Five dedicated brochures have been launched for various regions including the GCC, the Levant and Asia, with an expanded product range.


Dubai

Emirates Holidays has seen an encouraging growth of 35% in bookings from Africa with a healthy, continuing growth of 17% from the United Arab Emirates, and 15% from other Gulf and Middle Eastern countries. The most popular destinations have been Dubai, United Kingdom, Maldives, Egypt, India, Thailand Malaysia, France, South Africa, Singapore and Australia.


On safari at Al Maha Desert Resort

The specialised business of Incentives, Meetings and Events has boosted fiscal results for Arabian Adventures. A number of very challenging and high profile events have been operated, often with more than 2,000 participants. These included the gala event for the prestigious Dubai World Cup at a desert site, a programme for the Young Presidents' Organisation which covered a visit to the Dubai Police's forensic department and an exhilarating drive in the Victory Team's powerboats. The use of high-performance cars such as Ferraris, Lamborghinis, Porsches and BMWs formed part of an itinerary for top achievers of a leading computer company. The major markets for Arabian Adventures were the GCC, United Kingdom, Germany, Switzerland and South Africa with strong growth of business from France, Italy and Australia.



A worldwide marketing drive for Al Maha Desert Resort resulted in more that 500 press articles in leading magazines and its appearance in several TV programmes. The resort is now included in the brochures of 46 leading tour operators and in just six months of operation the client repeat rate reached 20%.

The Reserve area was increased from 16 to 25 square kilometres during the year with a breeding programme established for the native animal species which have been successfully integrated into the environment.


Al Maha

We conducted a survey between April and September which showed an incredible rate of 98% guest satisfaction - and ended the year by being voted one of the three "Best New Hotels" in the world in 1999.

Next year will see Emirates Holidays moving into more new markets, Arabian Adventures planning a major expansion of its MICE (Meetings, Incentives, Conferences and Exhibitions) business and Al Maha stepping up marketing efforts to enhance occupancy levels.

Planning, International & Industry Affairs

The department has participated in inter-governmental air services negotiations with a number of different countries and had bilateral discussions with several carriers.

We are in the process of further negotiations with the aim of enhancing the service we can provide to our customers and contributing to Emirates' commercial objectives.

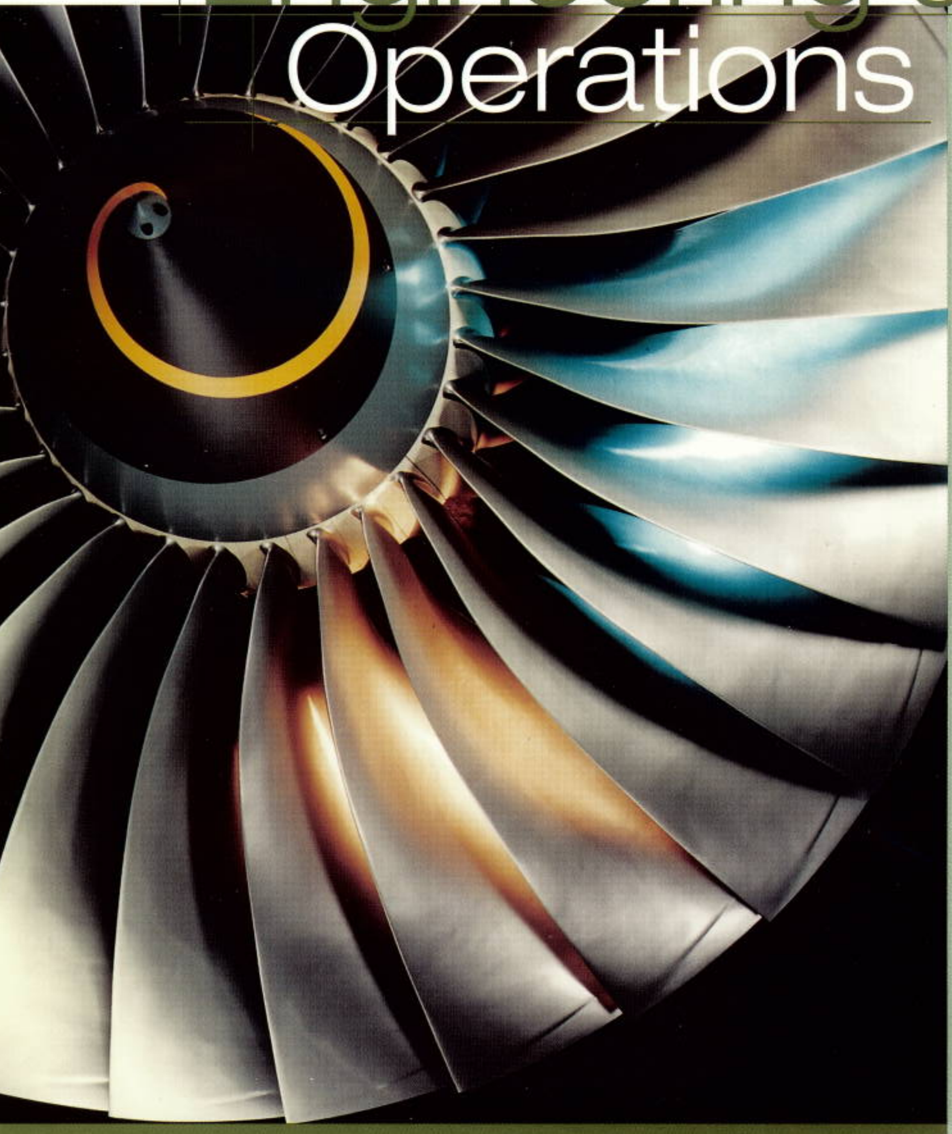
Emirates industry settlement costs are expected to decrease with the establishment of a new IATA company, IATA Distribution Services. The Industry Affairs department will be monitoring the airline's participation in various IATA billing and settlement plans and IATA cargo accounts settlement to ensure the expected cost reductions are realised.

As a result of route analysis and development studies by the department, we commenced new services to Munich, Bahrain, Entebbe and Sydney and another success on the aeropolitical front resulted in services to Milan starting on April 1st 2000.

Detailed preparations have just started for the launch of services to North America in winter 2002 using the A340-500 aircraft, while fleet development studies of other new aircraft types are ongoing.

The Market Research department has increased its survey coverage to include the Dnata Marhaba Services, the jointly-owned Inflight Catering unit at Dubai International Airport and the Al Maha Resort, plus all code-sharing activities.

Engineering and Operations



In the early stages of this fiscal year a new Director was appointed in Engineering and Operations and a core function-oriented restructuring was introduced to manage the fleet growth. This includes the phase in of the new generation of A330 aircraft and phase out of the old A310/300 equipment.

Engineering

Emirates Engineering continues to expand its cost-effective heavy maintenance capability for the Emirates Fleet. Emirates Engineering has completed three 8C/10 year checks on the A310/A300 fleet during the financial year resulting in substantial savings in maintenance costs . In addition, major work on A310/300 pylons is also being carried out in-house along with the C Checks. The first four year (2C) check was also carried out on B777 aircraft during the year and development of capability for A330 C-Check is progressing well with the first C Check due in May 2000.

The Trent 700 and 800 Engine Module Change Facility is ready and the module changes will be performed in Dubai in the next financial year which will result in a reduction in turnaround time and costs.

Three A300 aircraft and one A310 aircraft have been re-delivered to Airbus Industrie and GATX respectively with high delivery standards after completion of the necessary work.

The third party customer base continues to grow at our hub in Dubai, the latest addition being Swissair.

Automatic test facilities and repair capabilities in avionics have been enhanced to cater for new technology equipment of our modern A330 and B777 aircraft and Trent 700 and 800 engines.

The B777 Hangar Docks have been modified to enable them to handle B777-300 maintenance checks. Planning for docking in the third hangar has been completed and will be up and running in the next financial year to support Emirates and third party future check requirements.

Flight Operations

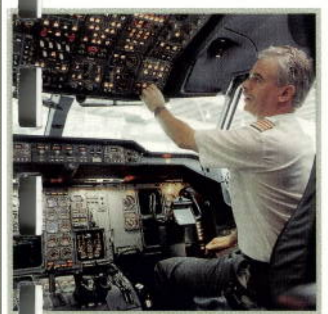
This year once again, has seen major ongoing fleet growth and turnover. A total of nine new A330-200 aircraft have been introduced into service, as replacements for outgoing A310 and A300s. At the same time, the Boeing 777 fleet, now numbering eleven, includes two of the new, larger -300 series aircraft that are used primarily on the busy London, Jeddah and Bangkok routes.

Midnight December 31st 1999 - Operations Centre

The new technology available on this new generation of aircraft will offer important new operational capabilities. Both types use the Global Positioning System as the primary navigational reference, a facility that will offer particular benefit as GPS referenced approaches are progressively introduced at airfields around the network. This will allow aircraft to navigate autonomously down to, and along the final approach path without reference to external radio aids with a degree of accuracy that is matched only by the best of the "old technology". This ability will significantly enhance our operational capability at those airfields where conventional radio-navigation is either degraded or not available.

The improved fuel efficiency of the new aircraft will also be a particular benefit at a time when oil prices continue their trend upwards.

The fleet expansion that is currently underway, and the consequent demand for flight crew ensures that both the recruitment and training programmes will continue to run at a high capacity, with the A330-200 programme alone demanding transition courses commencing at three week intervals throughout the year. In addition, the available facilities will need to be adequate to meet the needs of our equity partner SriLankan Airlines. With this in mind, an additional A330-200 simulator is expected to be installed and in service in the Training College by January 2001. This new training device, built by CAE of Montreal, will be the fourth to be delivered, joining the existing B777, A330 and A310 simulators that continue to run at the maximum available capacity of 20 hours per day. By the end of the 2000-2001 financial year, the department expects to have around 450 pilots either operational or in training.



The coming year will see an acceleration in the preparations for the introduction of the ultra-long haul A340-500 fleet with deliveries scheduled to commence in mid 2002. These aircraft will offer, for the first time, the opportunity to achieve the operational and cost benefits available through the adoption of a cross-crew qualification programme for the A330-A340 family of aircraft. A dedicated project pilot will be appointed by year-end who will oversee the department's preparations.

Service Delivery

We have more than 2,100 cabin crew representing no less than 67 different nationalities. We believe they are the best in the world and it was gratifying to win the OAG's Airline of the Year award for the fourth time - a tribute to all our staff, but especially the frontline cabin crew who continue to provide the friendly, professional high quality service which is the hallmark of Emirates.

A330 - First Class seat

On the ground at Dubai and other airports undergoing changes, it has been a difficult year for our Ground Handling department and we have constantly introduced new procedures and practices to endeavour to offer a seamless transfer service. The Emirates Ground Services department is in the process of being reorganised at our base and overseas stations to secure high quality journey-management for all our valued customers.

In the air, we have introduced new aircraft such as the Rolls Royce-engined A330-200 and Boeing 777-300, making the Emirates fleet one of the youngest in the world.

We surprised the airline world by introducing a new Business Class seat on the A330-200s with individual personal video players and a large 10.4 inch TV screen. Our business travellers now have a choice of approximately 60 videos and 22 audio channels. Our commitment to the frequent traveller was also underlined by the new presentation of our Business Class product, as well as the new dishes created by our Guest Chefs from Dubai's five-star hotels.

Introducing new aircraft into operation takes much longer than envisaged…for example we are now planning for the entry into service of the ultra long range A340-500 which will start flying non-stop between Dubai and North America from October 2002.

We are looking at new seats, new furnishing, and new facilities to entertain our passengers on a 14 hour plus flight

Airport services

With over 900 skilled staff in direct customer contact, the Passenger Services department plays a leading role in customer care at Dubai International airport. Serving over 90 scheduled airlines, Dnata Passenger Services looks after the passengers' needs right from the time of check-in until the passenger boards the aircraft, and from the moment the passenger disembarks from the aircraft until the baggage is collected.

Be it passengers with special needs, unaccompanied children, first time or seasoned travellers, the Passenger Services team is on hand to extend their professional expertise and make the journey as comfortable and enjoyable as possible.

Apart from being involved with general passenger handling functions, the Passenger Services team offers some exclusive services at Dubai International Airport.

Marhaba Services

A premium meet and greet service which promotes a seamless way of travelling through Dubai International airport. With its opulent lounges, dedicated buggy cars, priority immigration clearance and caring hostesses, the Marhaba experience lends a touch of luxury to one's travel.

Visa Services

A dedicated unit boasting of a 100 % national work-force, which performs the visa collection and delivery functions on behalf of the Department of Immigration and Naturalisation.

Porterage service

A professional porterage service for travellers who need assistance with their luggage.

Special Handling Unit

A unit with trained staff to look after the needs of passengers with special needs and unaccompanied children.

With over 100 staff members actively involved in various Quality Action Teams, the department reflects a culture whereby the staff play an important role in defining work practices to promote a service-oriented environment.

DNATA Engineering

The centralisation of Dnata Engineering activities has helped to streamline the entire operation. The area surrounding the new facility has more than enough parking slots for the equipment, as well as a fully-fledged EPPCO fuel station supplying fuel, diesel and petrol to the vehicles used within the airport. There are six dispensing stations to cater to these vehicles.

A separate automated Lube station is in use. The lubes are dispensed through metered dispensers thus giving effective control of the usage and also ensuring uncontaminated oils and lubes.

The vehicle washing facility can handle six vehicles simultaneously. It also has a water recycling plant, thus ensuring that water is not wasted.

The workshop itself is divided into separate sections to handle heavy equipment maintenance, and routine preventative maintenance with engine shop, machine shop, auto electrical shop, air-conditioning repair area, hydraulic bay, tyre shop, paint shop and a metal works and a bodywork area.

The allocation centre has a wide view of the concourse and the aircraft parking bays and has become the nerve centre for all ramp activities.

DNATA Ground Operations

During the year, Dnata handled more than five million pieces of luggage which either originated or connected in Dubai. It is estimated a further four million pieces of luggage were handled for passengers terminating in Dubai.

On line connection traffic is an integral part of the Emirates product. In 1999 Dnata and Emirates Ground Operations completed a review of all facets of the handling of transfer of baggage which resulted in significant improvements to the Emirates on-line baggage product.

Another area of responsibility for Ground Operations is the Freezone Logistic Centre (FLC), the new cargo facility for mainly customers who operate "charter" cargo flights without a rigid operating schedule. The majority of customers at this facility are from the CIS countries and operate large bulk-loaded aircraft which take a longer time to load than scheduled passenger flights. Dnata has dedicated a special team to this operation which has been a success. The customers are happy with our performance and resources which are planned to meet the "off schedule" nature of these flights.

Other projects taken on this year include the operation of the new concourse airbridges by the dispatchers. With the assistance of our colleagues in Dnata Engineering, who developed an aircraft mock-up, the training was able to start before the airbridges were officially commissioned.

14 OCT 1999

DNATA systems

With the opening of the new departure hall, Dnata introduced the Automatic Ticketing and Boarding (ATB) pass and gate readers to enhance passenger handling. Its multi-host system DMACS was subsequently upgraded with the Windows based GUI (Graphical User Interface) screen. The GUI screen allows the check-in agents to use a point-and-click, user-friendly data entry screen with the DCS (Departure Control System) hosts. This eliminates use of the mundane computer languages, enables the agents to give full attention to the passenger and significantly enhances the quality of customer service. Dnata is planning to double its population of IT equipment to facilitate the greatly expanded new departure hall and boarding concourse.

Dnata agencies

It was an excellent financial year, filled with innovations, new challenges, new offices and new systems. With a workforce of 400 employees Dnata Agencies offers a wide range of services, including 24hr ticketing and telephone reservation facilities; dedicated counters for its General Sales Agency airline principals; Visa and Marhaba assistance; organising of seminars: wholesaling of holiday products plus the marketing of leisure and entertainment products.

Dnata Agencies continue to be the market leaders in the Middle East region - and aim to keep that position through the quality services provided by its various units. Holidays by Dnata now boasts a wide range of global leisure travel services with hotels, apartments, resorts, car hire, theme parks, cruises and coach tours, marketed under the Axis brand. The Axis products are sold at 120 outlets in Dubai, the Northern Emirates and 15 other countries in the Middle East.

Dnata Airline Affairs department provides GSA support to 33 airlines in Dubai.

Dnata World Travel introduced an Agency Sales Unit to cater for the smaller non IATA agents. New outlets were opened in Dubai, Ras Al Khaimah and the Ajman City Centre.

One of the Internet initiatives by Dnata was the Business Travel International (BTI) UAE Web site which received very favourable feedback and coverage in the local and regional press as the best corporate travel management website.

World of Events by Dnata was reappointed as the official travel management company for the Dubai World Trade Centre exhibitions company and became a member of the new Tourism Committee, which is led by the Dubai Tourism and Commerce Marketing Department to handle the IMF Conference in Dubai in 2003.

The Government Travel Services department continued to offer on-ground handling for government sponsored events - and successfully launched the Youth Hostels membership programme for the benefit of customers looking for inexpensive accommodation.

The new marketing division developed the first Dnata centralised direct mail data base for the benefit of its principal carriers and all the other departments.

A busy and exciting year lies ahead for Dnata Agencies. As well as developing the network of retail outlets and implant locations in Dubai and the Northern Emirates, Dnata Agencies will launch the Travel World Net (TWN) , an Internet-based booking engine, to retail and wholesale its leisure products through the web. Holidays by Dnata's Axis partners will have real-time access to availability and confirmation through the Group's dedicated central reservation system and World of Events by Dnata will initiate the World of Events Global Network during the year.

Dnata cargo

Dubai Air Cargo Terminal

It was another year of robust growth for Dnata Cargo with the Terminal Operations increasing tonnage by some 15%, despite the slow start to the year whilst the Far Eastern economies were struggling to recover from their financial problems.

ightWorks

In the Air Cargo Terminal Division, the Logistics Centre was introduced at the newly created Airport Freezone, the conduit between the airport and freezones for the many companies which are expected to be established here. In the first six months of operations, seven charter operators have moved their regional operations to the Freezone Logistics Centre. In another development, a satellite terminal was set up within the Jebel Ali Freezone, linked with the Dubai Air Cargo Terminal by the Dnata Cargo roadfeeder service. This innovation adds value to the airlines moving cargo through the UAE as it enables them to market directly to and from the Jebel Ali Freezone.

We added two additional tractor units to expand the intra airport roadfeeder service. The fleet now has five state-of-the-art tractor trailer roller-bed combinations linking, on a scheduled basis, the airports of Sharjah, Dubai, Abu Dhabi and the Jebel Ali Freezone for all major airlines operating into Dubai.

The merger between FreightWorks, Kanoo and Dubai Express was completed on January 1st, 2000, forming the first station for the FreightWorks planned franchising network. Already the joint venture is among the top three forwarders in the UAE in terms of market share and it is expected that this position will be further improved as the new organisation takes full effect. The new company is called FreightWorks -Dubai (by Dubai Express LLC) and moved to new facilities at Al Ramoul in March. It is envisaged that in the next financial year the FreightWorks brand will be franchised overseas by Dnata - Freightworks International with at least three new locations to be signed up.

Cargo Partners expanded its portfolio of services to include cargo charter brokerage and full local airline cargo management services.

During the coming year, a representative office will be opened in Sharjah to provide an increased focus on Sharjah and the Northern Emirates on behalf of the principal airlines.

Transguard, which became Brinks exclusive Agent for the UAE for their worldwide network, was transferred to the Emirates Group Security department to further strengthen its competitive advantage.

Roadfeeder service

Looking to the future, Dnata Cargo is anticipating the successful completion of the first phase of the Dubai Airport Cargo Expansion plan in the coming year. This will provide a separate fully-equipped cargo terminal for Emirates SkyCargo which will continue to be operated by Dnata Cargo and will bring the total cargo throughput capacity at Dubai Airport to 800,000 tonnes per annum, pending the next phases of the approved 20-year expansion plan.

Information Technology

Mercator/SriLankan Airlines Cooperation. Gary Chapman (Chief Director Group Services - left) Peter Hill (CEO SriLankan Airlines - right)

The year of the "millennium bug" was largely dominated, within the airline world, by the coordinated testing of IT systems and services. The airline industry has led the world in the innovative use of computers and networks since the 1950's and millions of lines of code have been written into the high performance systems that are in use today. In an industry that is fully dependent on these systems for customer service and safety, nothing could be left untested as a potential risk.

Mercator, the IT Services division of the Emirates Group, spearheaded the corporate Y2K compliance programme, which began three years ago. Every date field in every software module went through rollover testing. Every computer - large mainframe to desktop PC's and embedded chips in telephones - was checked out and certified as Y2K compliant with suppliers. As the century came to an end, the Emirates' Y2K team, involving Mercator specialists and Business Managers from all parts of the Group, closely monitored the situation throughout the 24-hour rollover period. Their vigilance was rewarded with a normal period of operation, bringing the Y2K programme to a successful conclusion.

Looking back, Y2K was a corporate programme of far more strategic value than just counteracting the costs of service disruption. The investments that were made in equipment and new systems have further automated many internal processes and will deliver service improvements in many parts of the network. The assessments that were made of regional airports, on behalf of IATA, have brought service improvements, which will benefit our future operations.

With the legacy of the past finally eliminated, the attention of the whole travel industry is now being focused on the promise of the future - Internet.

Emirates has been leading the airline world, over the last three years, in the migration of their international networks away from legacy airline protocols and into the more open Internet standards. This migration is now complete and the infrastructure portals are now being developed. In the coming 12 months, the public and our business partners will see the Emirates Group 'opening up' for e-Business. In its current state, the World Wide Web offers business units a new sales channel, based on self-service and personalised marketing. As it is developed through business to business Internet links, it will drive fundamental change across the company and its business processes and systems. Mercator will be playing a pivotal role in the company's future Internet strategy and has established a specialised e-Business Group to manage workshops and awareness programmes so that all parts of the company can participate in shaping the future of the travel industry.

November 1999 saw the completion of a 12-month project to move the reservations and ticketing network of SriLankan Airlines to Mercator's MARS and MACS hosted service in Dubai. This was a very large-scale project and its success was due to the skill and dedication of a combined team involving the Mercator's Passenger Services and Business Support groups, together with the Training department. The operational and commercial benefits for both Emirates and SriLankan, using a common passenger records system, have been very tangibly felt already.

Another success story has also been unfolding at Dubai International Airport. The Airport Systems, Infrastructure and User Support teams have all performed above and beyond all reasonable expectations to keep the check-in, baggage recognition and flight information systems operational through the massive development programme. The year 2000 will see the opening of the new concourse and the opportunity to stand back and plan the programme for the next phase.

Mercator

External sales of Mercator's systems have been strong this year, with some very important competitive bids won and successfully delivered. As a result, the business has made a valuable contribution to Group profits.

The star-performing product was the revenue accounting system RAPID. The system went through enhancement and customisation for several new customers during the year. The contracts spanned the globe from north to south of Dubai, which presented quite a challenge to Mercator's on-site teams, in dealing with the very different cultural and business environments. On time cutovers at British Airways, Air New Zealand, SriLankan Airlines and Olympic Airways demonstrated the strength in depth and professional abilities of the Mercator RAPID team.

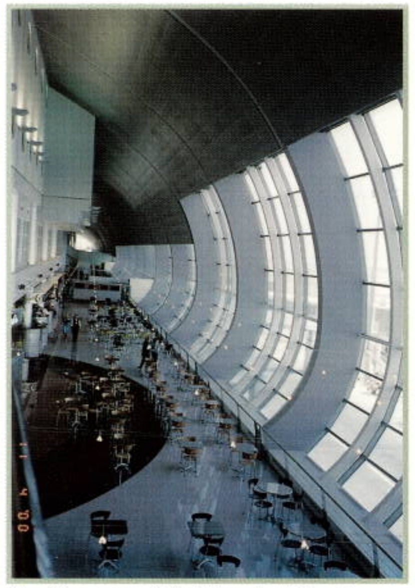
With both passenger and cargo versions now installed in several notable airlines, the prospects for new customers in the coming year look promising. The American market is going to be new ground for Mercator, but the opportunities for RAPID are excellent. It is fast becoming a market leader and this was recognised by SITA who have recently signed an agreement to market the product to its own customers. Adding value to the product this year will be Mercator's new proration system, PROFIT, which provides an automated method of dealing with the complexities of interline ticket accounting.

Regionally, Mercator has also been successful in its aim to promote IT service co-operation within the Arab air carriers. Contracts were signed during the year with Royal Air Maroc, which will implement RAPID next year, and with Air Algerie who cutover to MARS for hosted airline reservations and ticketing in December 1999. These were particularly important contracts, which could be the harbingers of more co-operative opportunities with neighbouring carriers in the future.

Both MARS and its associated system MACS (airport departure control) are hosted services provided by Mercator in Dubai, through a joint venture with Atraxis, the IT services division of Swissair. Emirates Airline and Dnata at Dubai International Airport have been users of the systems since 1996. This year has seen the expansion of services to other operators. During the year, MACS was successfully launched in Colombo International Airport as the departure control service for over 30 airlines. It was also launched at Istanbul International Airport through a contract with Celebi, Europe's second largest independent ground handler. The relationship with Atraxis continues to strengthen and should prove increasingly beneficial to Mercator and its customers in the future.

SriLankan Airlines is becoming an important user of Mercator's services, following the phased delivery of a number of systems during the year. Working closely with the SriLankan IT team in Colombo, Mercator consultants and specialists have implemented a range of products that should result in operational cost reductions and service improvements to both airlines. In the back office, the corporate financial accounting processes of the airline were redesigned by a Mercator-led team and a fully integrated financial system is now in place. COMET, the outstation accounting system was implemented at the largest of SriLankan's overseas offices and at head office together with RAPID. This portfolio of financial systems establishes a foundation for management control and decision making that will be important in the planning of SriLankan's further development.

The airline and airport systems market is becoming increasingly competitive. Breaking into this market has been challenging and Mercator's future success will depend on its ability to deliver advanced systems, based on Internet technology, which will bring fast returns to its customers.



New Concourse, Dubai International Airport

Galileo Emirates

Galileo Emirates was established in 1998 as an independent business unit to consolidate the distribution of travel solutions, primarily the Galileo Reservation System in the existing markets of the UAE, Oman, Bahrain, Qatar, Pakistan and Sri Lanka and to develop new markets in the Middle East and Africa.

Staffed by 37 professionals in Dubai and six in Abu Dhabi in addition to resident managers in Pakistan and Sri Lanka, Galileo Emirates provides marketing, technical and help desk support throughout its territories.

The Galileo Reservation System is used by travel agents in over 100 countries worldwide to access information and make reservations on over 500 airlines, 40,000 hotels and 40 car rental companies.

Galileo Emirates proudly projects the Emirates corporate image and extensively utilises the professional resources at Mercator and the Emirates Training College for its client travel agents and support staff, both local and overseas. Currently 592 Galileo sites are installed and supported by the Galileo Emirates network. The extensive Emirates Airline customer network provides valuable assistance in targeting travel agents in new and developing markets and we continuously enhance our profile through joint promotions.

Galileo Emirates recorded over five million bookings this year and contributed handsomely to the Emirates Group bottom line. The current year's bookings have grown by 17% while the contribution is 14% higher than last year. With the help of our partners in overseas markets we secured larger market shares that complemented the over 80% market share enjoyed in our UAE home market.

We weathered the millenium bug and are fully Y2K compliant at all our agency locations in all our territories.

Galileo Emirates conducted a market survey in 1999 and re-emphasised its commitment to providing local solutions to meet customer requirements.

Galileo maintains its position as the market leader in the region through the deployment of technologically advanced products ahead of the competition and by a thorough understanding of customer requirements.

During the year we deployed several new travel agency products across all our markets: Viewpoint, the first desk-top graphical user interface, revolutionises the booking process through its point-and-click environment and eliminates the use of traditional formats and the need to memorise entries; FocalpointNet, a new low-cost alternative for travel agents to access the Galileo database through the Internet; BOSS, an in-house developed back office accounting and management information system fully integrated with the Galileo system; Travelpoint.com, a web based self-service reservation tool aimed at the corporate traveller.

Looking to the future, Galileo expanded its e-commerce portfolio through a number of web based products. It leads the field in travel initiatives that are the first in a multi-phase strategy aimed at transforming the way travel is purchased and sold on the Web. Galileo is in the process of developing wireless phones and personal digital assistants, tools that allow travellers to access the Galileo Reservation System.

Given the depth of our expertise and market penetration, coupled with these important strategic initiatives from Galileo, we look forward to a positive and productive future.

Human Resources

On March 31st 2000 the Group had 12,438 employees with Dnata's staff numbering 5,472 and Emirates 6,966.

We continue to be a popular employer, with the recruitment activity being high in relation to the size of the company. Over 2,000 employees were recruited during the year. 75,000 applications were received from 71 different countries.

During the year 170 UAE nationals joined the company. In 2000/2001 this number is expected to increase by over 200, with the establishment of a National Recruitment and Development Centre whose main focus will be finding, developing and retaining the very best UAE national employees.

During the next 12 months, there will be an increased emphasis on recruiting via the Internet. Many internal vacancies are now filled by advertising on the Group's Intranet and this success has led to the development of a web site which will be further developed in line with worldwide trends.

There was added emphasis on the development of business skills and training with Management Development Forums, a management learning centre and an Emirates MBA programme introduced to help develop the skills of our managers. The MBA programme is run jointly with the University of Bradford.

Health

The medical department has continued to expand, providing health care services to both passengers and staff. MedLink, the hospital-based medical emergency advice centre, has proved to be a most valuable service. We can contact MedLink from any of our aircraft during flight to seek emergency medical advice and on a number of occasions it has been life-saving and helped to minimise disruption to fellow passengers. The service has recently been extended so that station managers at our destinations can utilise the service for last-minute medical queries on passengers, thus reducing potential problems.

The FREMEC card which we offer to passengers with chronic but stable medical problems and which provides us with important information as to how best we can help those travellers, is now being extended to include passengers with special needs.

We set up an Emergency help line with AEA/SOS International for all our senior staff should they be taken ill outside Dubai.

Our Emergency Medical technicians, who provide emergency first-aid and pre-hospital care to employees at Dubai Airport, continue to provide an excellent emergency service in the event of accidents and injuries at work. They can also assist with first aid training of our staff.

Plans are now finalised to move into a new clinic later in the year with a laboratory included in this new complex.

The clinic's Medical and Dental sections are now both audited by external authorities to ensure we maintain the highest possible standards and the results have been encouraging - we are well down the road to achieving accreditation by the Royal College of General Practitioners (UK).

Our welfare department, which provides front-line support to the cabin crew, has also expanded and we now have three full-time welfare officers catering for our multi-national inflight employees.

Group Safety

To ensure that management have the best possible information on safety risks and in line with industry best-practice, "no fault" reporting is being introduced for all employees. At the core of the Group's Safety Management System is an intranet data base named SAFE (Safety Analysis For Emirates/Dnata) which will allow staff to report safety related events and potential hazards that occur in day to day operations. An integral feature of the system is an analytical tool enabling Group Safety to identify hazards and highlight these to line managers.

Prototype testing is underway and, once operational, SAFE will further improve the pro-active management of risks. This will provide a safer working environment and minimize costs associated with accidents and personnel injury.


Emirates Training College, Dubai

Group Training

Group Training was involved in a number of major corporate initiatives like the Dubai Airport Expansion, SkyCargo Automation, the opening of the new SkyCargo terminal and the establishment of Call Centres. This has helped to take the department closer to the business and resulted in more highly focussed training programmes for end users and support staff.

The courses ranged from technical programmes for operating sophisticated equipment and tools/ systems to the behaviour necessary to consistently deliver high levels of customer service and the managerial support which the frontline staff require to do their jobs effectively.

Emirates Group Security

The Security Unit was expanded during the year when it integrated Transguard into its activities and is now also responsible for aircraft and ground surveillance, VIP security, deportee escorting, in addition to the safety and protection of cargo consignments in the various warehouses.

As a result of the rising trend of disruptive passengers in civil aviation, the Security Training Unit carried out courses for crew in the handling of such situations where the security and safety of the aircraft, passengers and crew members could be jeopardised.

The unit also earned extra revenue by providing operational security services to other airlines and other departments while more cargo security staff were given training in areas such as Dangerous Goods Handling.

The Fraud Prevention Unit started a training programme for other airlines and their staff named FRAUD (Forgery, Recognition, and Understand Documents) for detecting forged and counterfeited travel documents and credit cards.

Customer Affairs & Service Audit

The winning of awards brings even higher passenger expectations and it was prudent to strengthen the Customer Relations team for service recovery, with mature, experienced and people-sensitive individuals. In London, too, we added a full time Customer Affairs Officer with a Baggage Claims Officer integrated into the team.

Service auditing of our Ground and Inflight product was aggressive and unrelenting, centering on passenger and cargo reservations, Emirates Holidays, Dnata baggage, and check in and on board service experience. Overall, this range of service audit activities helped to keep frontliners on their toes and maintain service standards. Five Senior Flight Pursers were transferred to the department to join the Service Inspectorate and two Traffic Inspectors from Ground Services were seconded. All this helped to improve the standards and procedures from an operational point of view and enabled the department to use customer feedback to maximum business advantage by keeping service standards at the highest level.

Corporate Communications

Dubai World Cup

Our strategy has been to project a clear identity and image for the Emirates Group and extend its market leadership through the effective use of innovative marketing communications programmes.

Our integrated campaigns provided a strong platform to launch Emirates and Dnata into the 21st century and support the commercial departments to reach their sales targets.

Advertising

Emirates introduced a new livery, rebranding the aircraft with a more stylish tail flag and larger lettering in a new typeface. It was an evolutionary, rather than a revolutionary, design to reflect the changes which have taken place in the airline and the aviation industry since the first aircraft was painted in the Emirates colours 15 years ago. The new gold look will be carried through in all collateral material and outdoor signage. We were proud that the livery was developed within Corporate Communications by the same team which also designed SirLankan Airlines new livery.

We ended our relationship with our lead advertising agency and became the first airline in the world to start a Virtual Advertising Agency using our own Extranet on the web to link the most creative of our chain of agencies.

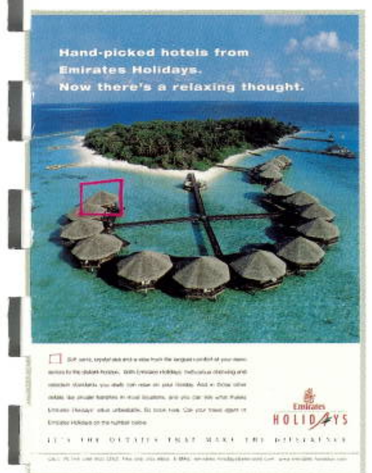
When it comes to the Internet we have taken giant strides during the year. After a six-way pitch between some of Europe's major internet agencies, we chose Traffic to help develop www.emirates.com into a major portal. We are setting up a Customer Loyalty Programme website, together with the CLP department and developing the Empower Extranet to link all our advertising and PR agencies.

We believe that Emirates will be one of the leading airlines on the web in the next 12 months. This is a major investment which is already providing a more cost-effective and dynamic way to improve corporate communications. We are using the web to supplement traditional media and recent advertising drives have included a mixture of banner ads and so-called rich media for supporting the Dubai Shopping Festival and the launches for Milan, Munich, Entebbe and Sydney.

The main element of Dnata's above-the-line advertising for the year was the celebration of the 40th anniversary of the company. Holidays by Dnata launched a strong retail campaign in the local press and in connection with the Dubai Shopping Festival, Marhaba introduced an exciting new look in their media advertising and promotional material.

We were involved in the launch of Mercator's first off-the-shelf IT solution, Cargo Claims Manager, producing a range of sales support material.

For Destination and Leisure Management, the World of Choice series of brochures was completely revamped. Emirates Holidays ongoing press campaign included package and destination themes for Eid and other festivals.



For Al Maha we developed and delivered a new web site, including a virtual reality tour of the site.

In addition for SkyCargo we produced the advertising and sales support material for the five new destinations and created a series of banner advertisements for freight-oriented websites targetting forwarders and shippers. We completed the construction of the air waybill database, a task which took two years to finalize, and will now be using this in our direct marketing campaigns.

Promotions

We sponsored the Cricket World Cup which was staged in the United Kingdom and benefitted from our multi-discipline support campaign and the after-event research survey showed we were the dominant sponsor. At the same time we sponsored the winning Australian team, our "midas touch" enabling us to obtain massive publicity in Australia. The combination of sponsorship advertising boards and pitch logos, supplemented by television commercials, newspaper advertising and radio spots resulted in one of our best-ever promotions.

Another major promotion was the World Racing Series consisting of eight classic horse races around the globe. We are aiming to build this $15 million event into the Formula One of horse racing.

The Winning Team

We were one of the key sponsors of both the Dubai Shopping Festival and Dubai Summer Surprises and our support advertising included Emirates aircraft becoming flying billboards.

Other sports sponsorships featured rugby sevens, go-karting, offshore power boat racing, yachting and motor rallying.

Media Relations

Media Relations ensured that the investments in the various sponsorships and advertising campaigns were optimised with editorial and television/radio coverage. Some 500 journalists were invited to Dubai during the year and we played a decisive part once again in promoting the UAE as a trendy destination. We also arranged familiarisation trips for local journalists to Bahrain, Entebbe, Munich and Sydney.

We ended the year on a high note appointing Bell Pottinger as our lead PR agency with the mission to help us to develop a global PR strategy.

Keeping our own staff informed of current happenings, before they appear in the press, is the role of Internal Awareness.In addition to regular Corporate Broadcasts and Product Bulletins issued on the company's Intranet, Media Relations is also involved in the publishing of 60 newsletters per annum for the Group's employees.


Emirates... central agency

Emirates hands global account to Bell Pottinger

by David McCormack

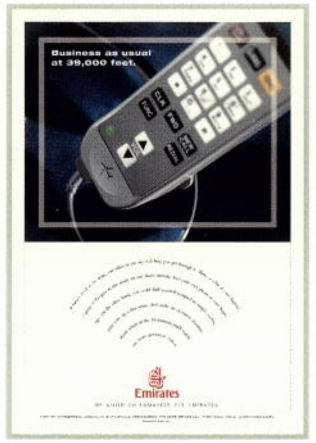
The Emirates airline has hired Bell Pottinger Communications as its first global communications adviser. The account was awarded after a four-way pitch, which included Shandwick International, Hill and Knowlton and Burson-Marsteller.

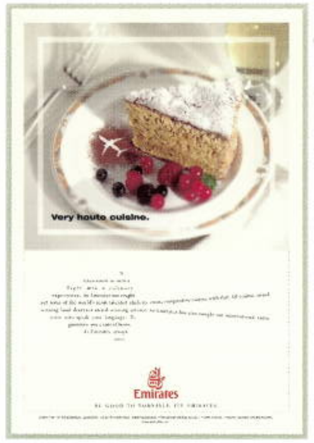
The brief, which carries a seven-figure fee, involves co-ordinating ...

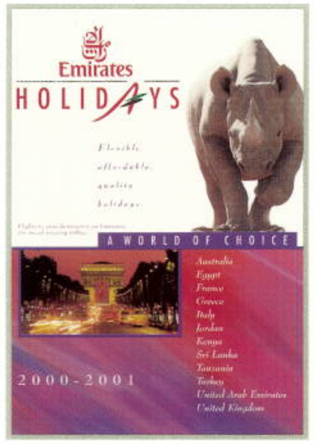
Audio Visual

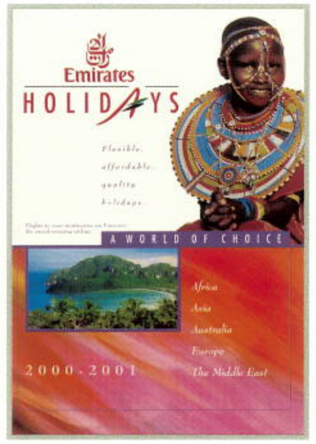
We continued to produce the quarterly video news roundups and promotional videos for a number of travel trade shows and sporting events.

The unit provided the A/V support at all the inaugural events during the year as well as producing new videos featuring the Al Maha resort and the Dubai World Cup.

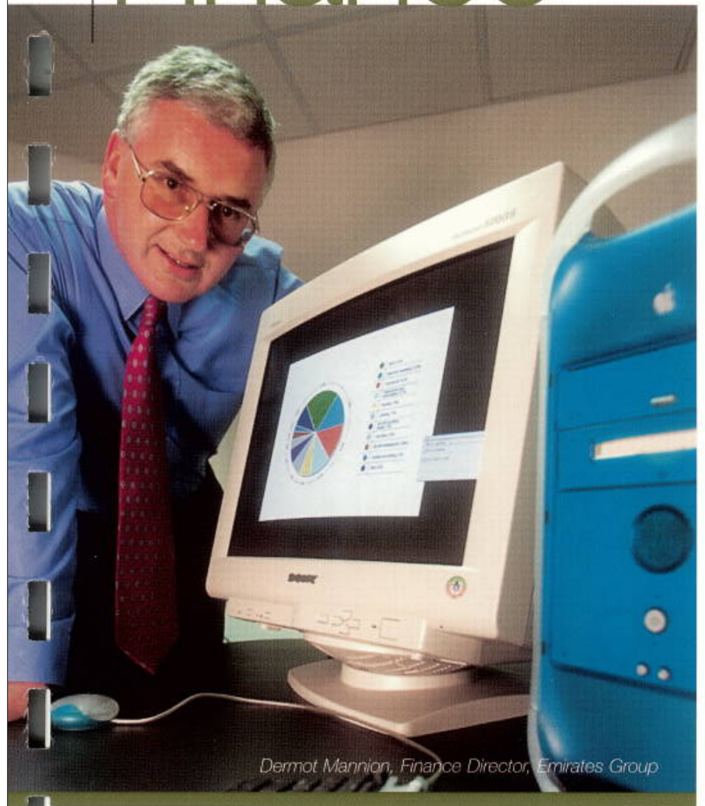








Finance


Dermot Mannion, Finance Director, Emirates Group

The highlight of the year was the successful "cutover" of the new management accounting system POWER which was developed by Mercator. This system is available on line throughout the network and provides senior management with an accurate weekly estimate of route and product profitability only three working days after the end of the week. It also has the flexibility to report at various levels from flight leg to total network, providing causal analysis of significant variances.

Our ability to provide accurate data at a route level to this timescale, is unparalleled in the industry, and puts Emirates at the forefront of airline financial reporting. POWER also provides a comprehensive database of operational and financial statistics, extensively used for the assessment and planning of short and long-haul routes and fleet changes.

Our focus on process improvement in Finance continues with the "sign off" date for this annual report being brought forward from 48 days to only 29 days from the end of the reporting period. This represents exceptional speed of reporting, not just in the airline industry, but also by corporate standards worldwide.

Our fully-integrated station accounting system COMET, which has also been developed in-house, has been purchased by another customer Kenya Airways. COMET has the potential to attract more customers due to its ease of integration and reporting functionality.

Our in-house revenue accounting system RAPID (developed jointly by Finance and Mercator), has now been sold to eight airlines in just two years. In addition, Emirates has set another industry standard in cargo revenue accounting by developing and implementing a state-of-the-art proration system within RAPID. This new system now automatically prorates a very high percentage of our airway bills and has fully computerised the cargo inward billing audit process, without the need for extensive manual interface.

Dnata revenue accounting continues to provide high quality accounting and reporting services to no less than 33 airline principals, for whom we act as general sales agent. Our flexibility in being able to use available systems to meet the diverse reporting requirements of each airline, with limited manual interface, has enabled Dnata to provide a very cost-effective and efficient service to these principals.

On the treasury front, Emirates has been shortlisted for another "Euromoney Aircraft Financing Deal of the Year" award. This is in respect of a $109 million A330-200 Japanese Operating Lease arranged by Credit Agricole Indosuez, which is only the second time this low cost structure has been successfully used for a wide-body aircraft.

Continuing professional education for employees has been vital to the success we have achieved in Finance. Following a rigorous internal evaluation process, a number of Finance employees have been selected to take part in one of the company-sponsored courses, offered at the Emirates Training College. Currently, the approved courses comprise the Executive MBA Programme from Bradford University (UK) and the examination programme of the Chartered Institute of Management Accountants (UK-CIMA).

Internal Audit

Internal Audit has built a web based application to allow managers on-line access to reports and analytical information, independent of the routine audit process. This information is geared to assist in crucial business decisions and self assessment of risk.

The business risk approach, which for nearly a decade has marked Emirates Group Internal Audit's role as an in-house consulting unit, is now recommended by the Institute of Internal Auditors (IIA) as 'best practice" in internal auditing.

As part of the International Association of Airline Internal Auditors, the department has helped devise audit approaches on industry - specific issues. Emirates Group staff members have made significant contributions in defining new orientations for internal auditing through the IIA and the Information Systems Audit and Control Association.

In order to support information systems auditing in the Gulf region, the Internal Audit department has set up the Emirates Award for the best candidate from the UAE in the annual Certified Information Systems Auditor (CISA) examination.

During the coming year, a series of workshops are planned to provide sustained support to line managers in the evaluation of risks and internal controls in the changing business environment.

Corporate Development

Corporate Development restructured its organisation to create four units: Productivity Services, Investment Projects, Emirates Consulting and Bright Ideas.

The Productivity Service unit is responsible for business process improvement and work study projects. During the year, the major thrust for the industrial engineers has been the systematic review and redesigning of the organisation structures of all departments in the Group, the workflow automation in collaboration with Information Technology and participation in the annual budget reviews with Finance and Human Resources. The unit constantly updates the focus on supply chain management, benchmarking, performance measurement, workflows automation and e-commerce.

Investment Projects is currently involved in the setting up of overseas ground handling joint ventures, as well as participating in the development of five-star hotel properties. The division is evaluating opportunities at various airports in the Middle East, Africa, Central Asia and the Asian sub-continent.

Emirates Consulting was initiated in the latter part of the year to provide expert consultation advice to external clients. The object is to leverage the expertise in the Group by providing services to other clients such as performance measurement, business process re-engineering and travel industry specialist services.

Finally, Bright Ideas is a staff scheme to encourage innovative and creative thinking. There were major benefits during the year with 600 ideas received from the staff saving the Group many millions with significant improvements in safety, reduced need for maintenance, improved customer service and enhancing the working environment. Many outstation staff also joined their Head Office colleagues in participating in the scheme and have received awards.

20 OCT 1999

The Boeing 777-300 leaves the hangar with a brand new livery - the first change for Emirates in 14 years.

Corporate structure

Group

Chairman	His Highness Sheikh Ahmed bin Saeed Al-Maktoum
Group Managing Director	Maurice Flanagan
Group Deputy Managing Director	Sultan Dhiyab Saqer Al Nahyan
Chief Director Group Services	Gary Chapman
Company Secretary	G.G.K. Nair
Finance Director	Dermot Mannion
Director Group Safety Training and Standards	Mohammed Al Khaja
Director Information Technology	Hugh Pride
Head of Corporate Communications	Mike Simon
Head of Corporate Development	Khalid Al Kamda
Head of Group Safety	Mick Quinn
Head of Medical Services	Dr. Alisdair Beatton
Senior General Manager Customer Affairs & Service Audit	Richard Ng
Senior General Manager Procurement & Logistics	Adel Al Redha
Senior General Manager Human Resources	Abdul Aziz Al Ali
General Counsel	Chris Walsh
Chief of Group Security	Abdulla Al Hashimi
Chief Internal Auditor	M.A. Siddique
GM Chairman's Office	Ali Mubarak Al Soori

Emirates

Chairman	His Highness Sheikh Ahmed bin Saeed Al-Maktoum
Group Managing Director	Maurice Flanagan
Chief Director Airline	Tim Clark
Commercial Operations Director	Ghaith Al Ghaith
Director Engineering & Operations	Ahmed Al Mulla
Director Service Delivery	Don Foster
Senior General Managers:	
Commercial Operations (West Asia & Pacific Rim)	Keith Longstaff
Commercial Operations (Europe & North America)	Nigel Page
Commercial Operations (Middle East, Africa & CIS)	Shoaib Khoory
Cargo	Ram Menen
Ground Services	Mohammed Mattar
Head of Destination & Leisure Management	Hans Haensel
Head of International & Industry Affairs	Tony Tayeh

Dnata

Chairman	His Highness Sheikh Ahmed bin Saeed Al-Maktoum
Group Managing Director	Maurice Flanagan
Group Deputy Managing Director	Sultan Dhiyab Saqer Al Nahyan
Director Dnata Airport Services	Ismail Ali Albanna
Senior General Manager Airport Services	Dale Griffith
Senior General Manager Dnata Cargo	Jean Pierre de Pauw
Senior General Manager Dnata Agencies	Rashid Al Noori

Operating statistics

Emirates

	1999-00	1998-99	1997-98	1996-97	1995-96
Total revenue (AED'000)	5,125,938	4,442,987	4,089,114	3,292,079	2,805,058
Total expenditure (AED'000)	4,805,976	4,130,028	3,826,701	3,180,554	2,724,236
Operating profit (AED'000)	523,212	437,215	434,544	259,228	179,721
Net profit (AED'000)	319,962	312,959	262,413	111,525	80,822
Yield (Fils per RTKM)	185	195	212	217	231
Unit cost (Fils per ATKM)	119	126	136	143	153
Breakeven load factor (%)	64.5	64.7	63.9	65.6	66.2
Fleet					
No. of aircraft	32	26	22	19	16
Average age (months)	48	59	58	61	58
Production					
Destination cities	50	47	44	41	38
Overall capacity (ATKM million)	3,824	3,111	2,670	2,118	1,707
Available seat kilometres (ASKM'000)	22,425,775	18,673,830	16,368,191	12,810,309	10,634,874
Aircraft departures (number)	32,482	28,677	26,115	23,060	21,225
Traffic					
Passengers carried (number)	4,775,478	4,252,759	3,683,474	2,997,790	2,562,911
Passenger seat kilometres (RPKM'000)	16,129,796	13,908,191	11,450,569	9,109,572	7,461,177
Average distance flown per pax (kms)	3,378	3,270	3,109	3,039	2,911
Passenger seat factor (%)	71.9	74.5	70.0	71.1	70.2
Cargo carried (Kg'000)	269,919	214,215	200,138	159,720	129,560
Overall load carried (RTKM million)	2,613	2,158	1,850	1,461	1,171
Overall load factor (%)	68.3	69.4	69.3	69.0	68.6
Staff					
Average staff strength (number)	6,524	5,652	4,978	4,540	4,270
Capacity per employee (ATKM)	586,100	550,494	536,432	466,520	399,765
Load carried per employee (RTKM)	400,485	381,731	371,657	321,806	274,238
Revenue per employee (AED)	785,705	786,091	821,437	725,128	656,922
Value added per employee (AED)	308,249	306,973	308,897	261,916	228,412

Operating statistics

Dnata

	1999-00	1998-99	1997-98	1996-97	1995-96
Total revenue (AED'000)	673,390	564,096	509,167	426,069	376,999
Total expenditure (AED'000)	545,972	448,074	400,370	343,398	314,073
Operating profit (AED'000)	104,463	95,197	90,584	68,022	52,937
Net profit (AED'000)	127,418	116,022	108,797	82,671	62,926
Aircraft handled (number)	56,956	50,452	47,947	43,757	41,871
Passengers handled (number)	11,198,318	10,028,115	9,290,016	8,240,740	7,344,980
Cargo handled (Kg'000)	498,058	429,089	426,813	366,467	331,778
Staff					
Average staff strength (number)	5,258	4,926	4,519	4,370	4,261
Revenue per employee (AED)	128,070	114,514	112,672	97,499	88,477
Value added per employee (AED)	99,869	92,709	91,175	79,197	71,253

Financial statistics

Group

		1999-00	1998-99	% Change
Total revenue*	AED (million)	5,593.0	4,827.5	15.9
Total costs*	AED (million)	5,145.6	4,398.5	17.0
Operating profit	AED (million)	627.7	532.4	17.9
Net profit	AED (million)	447.4	429.0	4.3
Group liquid funds	AED (million)	1,126.9	712.7	58.1
Shareholders' funds	AED (million)	2,470.7	2,063.8	19.7
Return on shareholders' funds	%	19.7	22.9	(3.2) pts
Value added	AED (million)	2,532.5	2,183.9	16.0

Emirates

		1999-00	1998-99	% Change
Total revenue	AED (million)	5,125.9	4,443.0	15.4
Total costs	AED (million)	4,806.0	4,130.0	16.4
Operating profit	AED (million)	523.2	437.2	19.7
Net profit	AED (million)	320.0	313.0	2.2
Value added	AED (million)	2,011.0	1,735.0	15.9

Dnata

		1999-00	1998-99	% Change
Total revenue	AED (million)	673.4	564.1	19.4
Total costs	AED (million)	546.0	448.1	21.8
Operating profit	AED (million)	104.5	95.2	9.8
Net profit	AED (million)	127.4	116.0	9.8
Value added	AED (million)	525.1	456.7	15.0

*After eliminating inter company trading of AED 206.3 million in 1999-00 (1998-99: AED 179.6 million), comprising operating income / expense of AED 202.7 million (1998-99: AED 171.8 million) and interest income / expense of AED 3.6 million (1998-99: AED 7.8 million).

The financial year of Emirates Group is from 1 April to 31 March. Throughout this report all figures are in U.A.E. Dirhams (AED) unless otherwise stated. The exchange rate of Dirham to the US Dollar is fixed at 3.67.

The percentage change has been based on the exact figures before rounding in respect of the two financial years.

THE EMIRATES GROUP

Income

Group operating profit for 1999-00 was higher by 17.9% at AED 628 million (1998-99: AED 532 million) continuing to represent a very healthy margin of 11.3%.

Group profit before tax increased by AED 13 million (3%) to AED 454 million.

After provision for taxation payable to overseas governments, group net profit registered a 4.3% increase to AED 447 million from AED 429 million last year.

Return on shareholders' funds remained strong at 19.7% as compared with 22.9% in 1998-99.

At a company level, Emirates and Dnata achieved operating profit margins of 10.3% (AED 523 million) and 16.1% (AED 104 million) respectively.

Emirates' profit before tax increased marginally by AED 2 million (0.6%) to AED 327 million and net profit by AED 7 million (2.2%) to AED 320 million. Dnata's profit before and after tax increased by 9.8% to AED 127 million.

Emirates' cash profit from operations (or EBITDA) was AED 990 million, an increase of AED 164 million (19.9%) over 1998-99.

Revenue

Total Group revenue in 1999-00 was AED 5,593 million, an increase of AED 765 million (15.9%) over the previous year. Group revenue consisted of operating revenue of AED 5,407 million and other income of AED 186 million (1998-99: AED 4,679 million and AED 148 million).

All inter company trading between Emirates and Dnata has been eliminated in computing Group revenue.

Emirates operating revenue rose by AED 649 million (15.1%) to AED 4,965 million. Other income for the year increased to AED 161 million up 26.2% from AED 128 million in 1998-99, boosted by aircraft financing gains.

Passenger revenue at AED 3,933 million was 12.5% higher than last year, while cargo and related revenue grew by 28.4% to AED 844 million. Passenger and cargo revenue (including courier, mail and excess baggage) constituted 97.4% of Emirates' total operating revenue.

Dnata's operating revenue increased by 20.4% over last year to AED 645 million. Other income for the year marginally increased to AED 29 million from AED 28 million in 1998-99.

Expenditure

Group operating costs at AED 4,905 million were AED 707 million (16.8%) up over last year.

Total expenditure including financing costs and taxation was AED 5,146 million, a rise of AED 747 million (17%) over last year.

The increase in costs came mainly from higher staff expenditure (up AED 188 million or 16.9%), aviation fuel (up AED 141 million or 30.3%), depreciation and amortisation (up AED 101 million or 23.2%), aircraft operating lease costs (up AED 96 million or 42.6%) and other airline direct operating costs.

Capital expenditure

Group capital expenditure for 1999-00 was AED 1,420 million, which was 30% higher than the previous year's level of AED 1,093 million. Aircraft, spares and spare engines comprised 84% of the total capital spend. This included disbursements for aircraft deliveries during the year and progress payments for future deliveries.

Financial position

At 31 March 2000, the Group's financial position showed significant improvement with liquid funds up 58.1% to AED 1,127 million (1998-99: AED 713 million). Shareholders' funds at 31 March 2000 were AED 2,471 million, up AED 407 million (19.7%) from 31 March 1999.

The Group invests its surplus funds largely in high quality short-term liquid instruments, notably bank deposits.

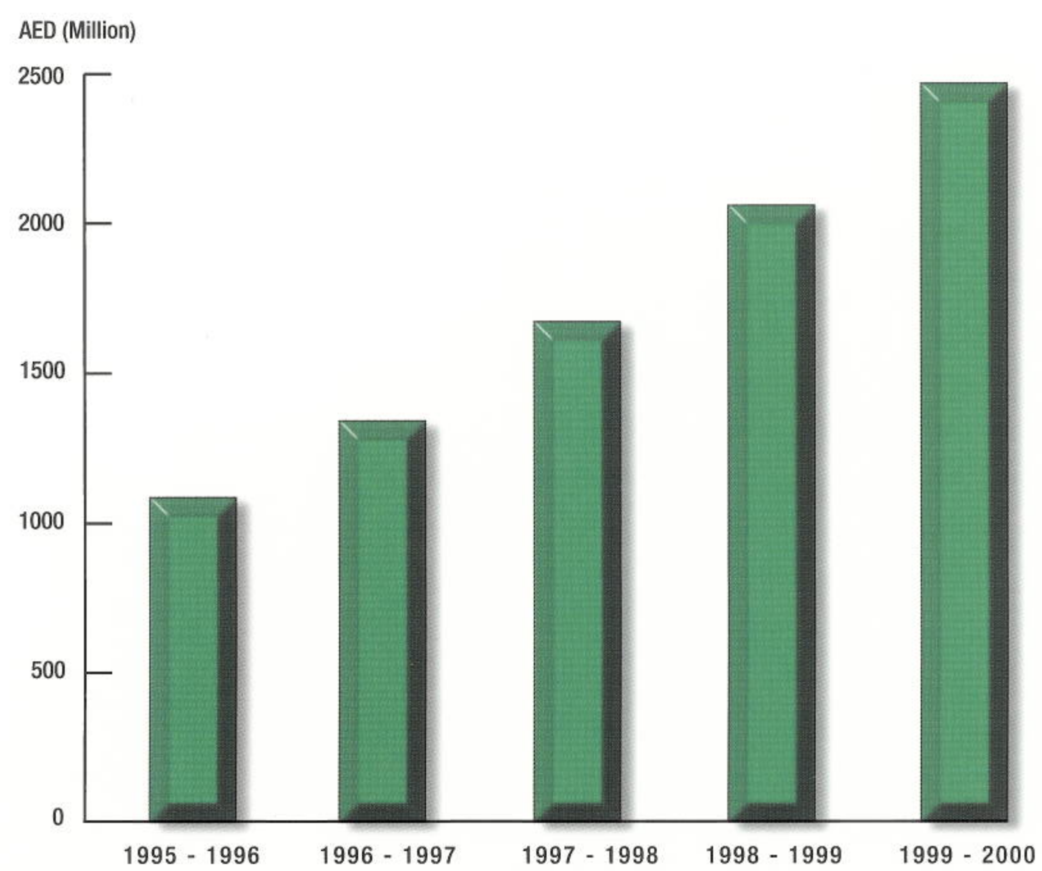
The Group seeks to minimise its foreign currency exposure through a policy of matching receipts and payments. Therefore, surplus funds are repatriated into US Dollars as far as possible, and where appropriate, aircraft financing leases are structured in currencies in which revenues are being generated to create a natural hedge.

Emirates long term debt (net of cash) amount to AED 2,513 million at 31 March 2000, an increase of AED 261 million over 1998-99, of which 72% is on fixed rate basis with the balance 28% at floating rates. This increase is mainly on account of debt financing for four new A330-200 aircraft inducted into the fleet during the year.

At 31 March 2000, Emirates long-term debt on a fixed interest rate basis carried a weighted average rate of 6.43%.

At 31 March 2000, Emirates net long term debt/shareholders' funds ratio is 125% (1998-99: 133%).

SHAREHOLDERS' FUNDS



Value added

Value added is a measure of wealth created. This statement shows the value added by the Group over the past five years and its distribution by way of payments to employees, governments and to providers of capital. It also indicates the portion of wealth retained in the business.

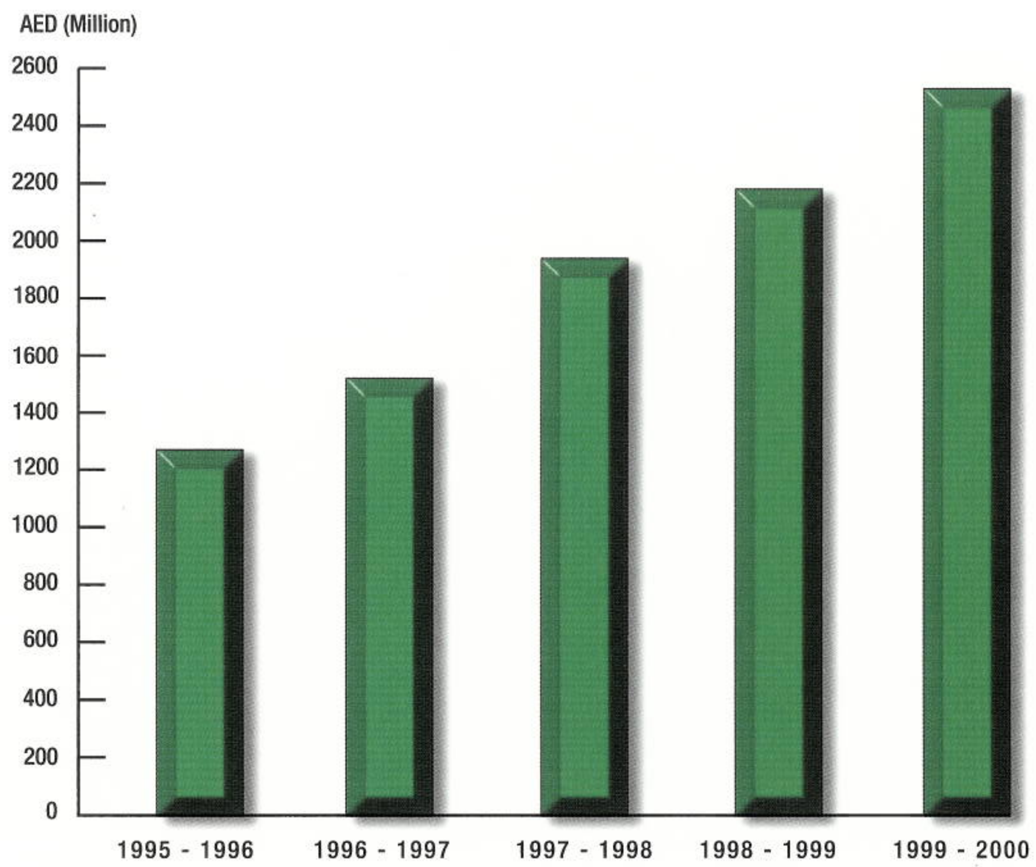
	1999-00 AED'000	1998-99 AED'000	1997-98 AED'000	1996-97 AED'000	1995-96 AED'000
Group operating revenue	5,406,979	4,679,264	4,361,528	3,544,800	3,026,701
Less: Purchase of goods and services	3,060,520	2,643,568	2,494,002	2,066,740	1,785,898
	2,346,459	**2,035,696**	**1,867,526**	**1,478,060**	**1,240,803**
Add: Other operating income	111,411	48,636	28,735	28,178	17,189
Investment income	59,075	32,238	38,306	12,255	16,601
Profit on sale of investments	-	61,558	-	5,018	-
Profit / (loss) on sale of fixed assets	14,561	3,036	5,322	(2,279)	(2,338)
Share of profits of associated companies	1,007	2,735	2,304	2,355	1,759
Total value added by the Group	**2,532,513**	**2,183,899**	**1,942,193**	**1,523,587**	**1,274,014**
Distribution of value added:					
To employees – salaries and other staff costs	1,305,537	1,117,199	990,665	856,534	762,653
To overseas governments -					
Corporation and other taxes	7,079	12,237	8,115	5,415	1,817
To suppliers of Capital -					
Dividends	40,000	40,000	40,000	25,000	-
Interest	233,298	187,725	186,413	142,249	105,453
Retained for re-investment and future growth-					
Depreciation and amortisation	539,220	437,757	385,790	325,193	260,343
Retained profits	407,379	388,981	331,210	169,196	143,748
Total distribution of value added	**2,532,513**	**2,183,899**	**1,942,193**	**1,523,587**	**1,274,014**

In 1999-00, the total 'value added' of the Group increased by AED 349 million (16%) to AED 2,533 million (1998-99: AED 2,184 million). The increase came mainly from increased operating revenue (AED 728 million) and other operating income (AED 63 million) while the cost of purchases of goods and services increased by AED 417 million.

Staff received AED 1,306 million (51.6% of the total value added) in the form of salaries and other related costs including profit share whilst distributions as taxation, interest and dividends were AED 280 million (11.1%).

The amount retained in the business for future growth was AED 947 million (37.4%).

VALUE ADDED



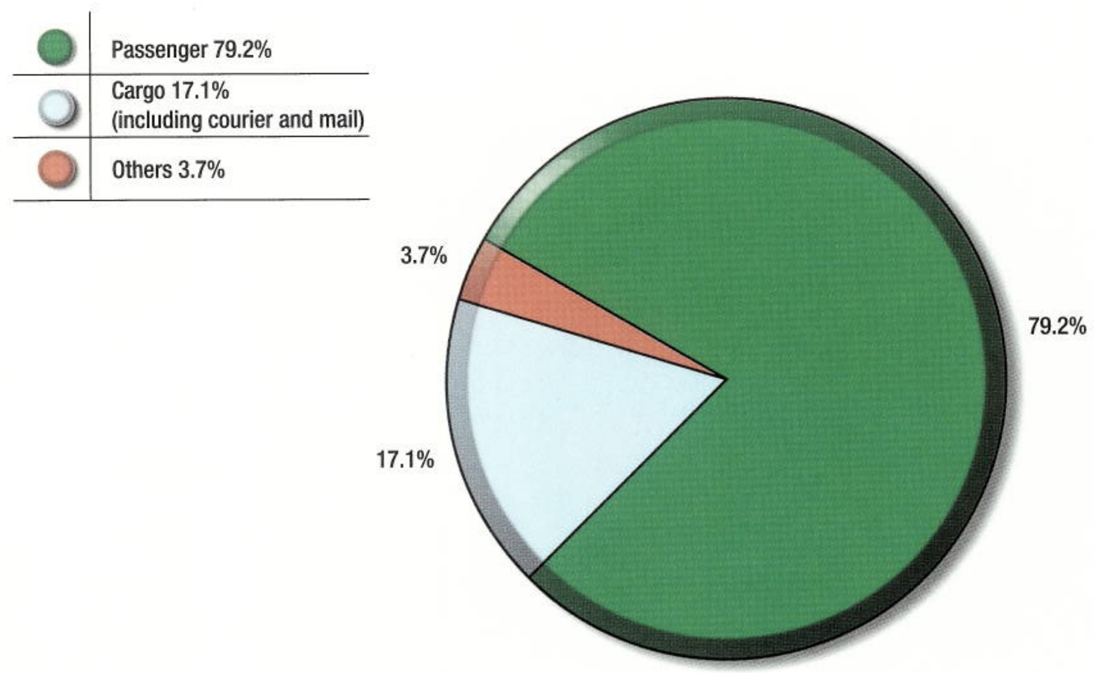
Revenue

	1999-00 AED million	%	1998-99 AED million	%
Passenger	3,933	79.2	3,496	81.0
Cargo	768	15.5	589	13.6
Courier	62	1.3	56	1.3
Excess baggage	54	1.1	51	1.2
Mail	13	0.3	12	0.3
Transport revenue	**4,830**	**97.4**	**4,204**	**97.4**
Destination and leisure*	67	1.3	47	1.1
Catering	43	0.8	43	1.0
Other	25	0.5	21	0.5
Total operating revenue	**4,965**	**100.0**	**4,315**	**100.0**

*Destination and leisure revenue reflects the net income after removal of inter company trading and direct operating costs.

Total package sales achieved for 1999-00 were AED 394 million up 23.5% on previous year (1998-99: AED 319 million).

REVENUE



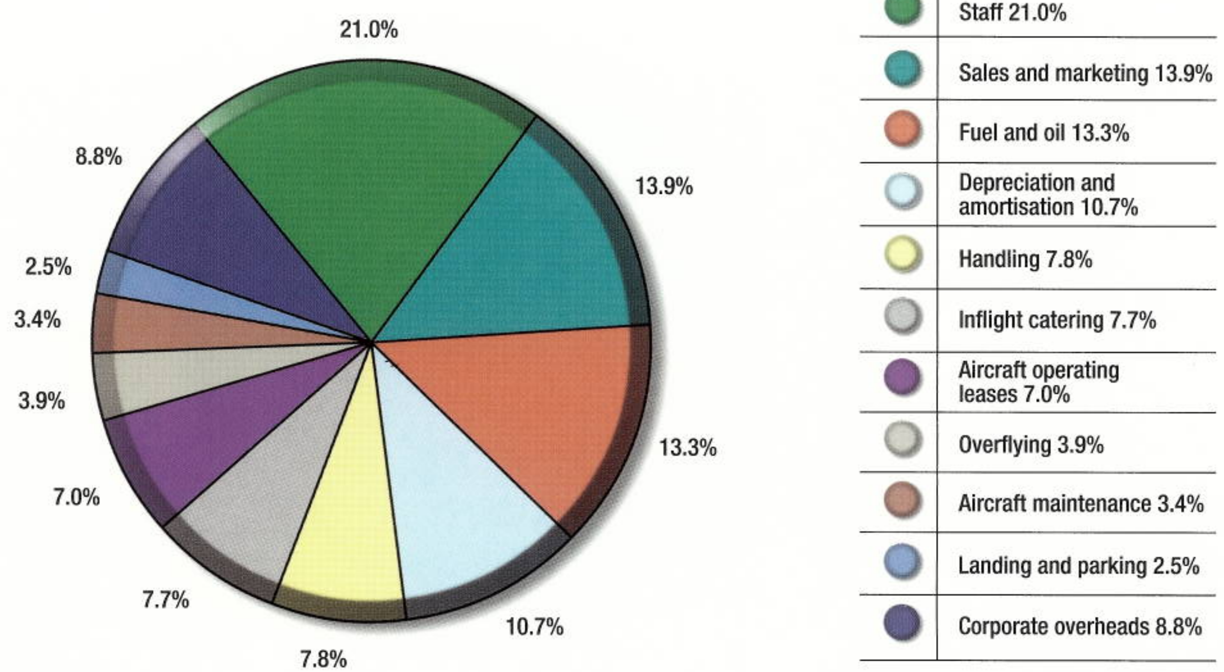
Expenditure

	1999-00 AED million	%	1998-99 AED million	%
Staff (1)	958	21.0	811	20.7
Sales and marketing	634	13.9	571	14.6
Fuel and oil	606	13.3	465	11.9
Depreciation and amortisation	489	10.7	404	10.3
Handling	354	7.8	307	7.8
Inflight catering	350	7.7	320	8.1
Aircraft operating leases	322	7.0	225	5.7
Overflying	176	3.9	153	3.9
Aircraft maintenance	155	3.4	181	4.6
Landing and parking	117	2.5	114	2.9
Corporate overheads	401	8.8	371	9.5
Total operating costs (2)	**4,562**	**100.0**	**3,922**	**100.0**

(1) includes in-house engineering staff

(2) excludes interest and financing charges

EXPENDITURE



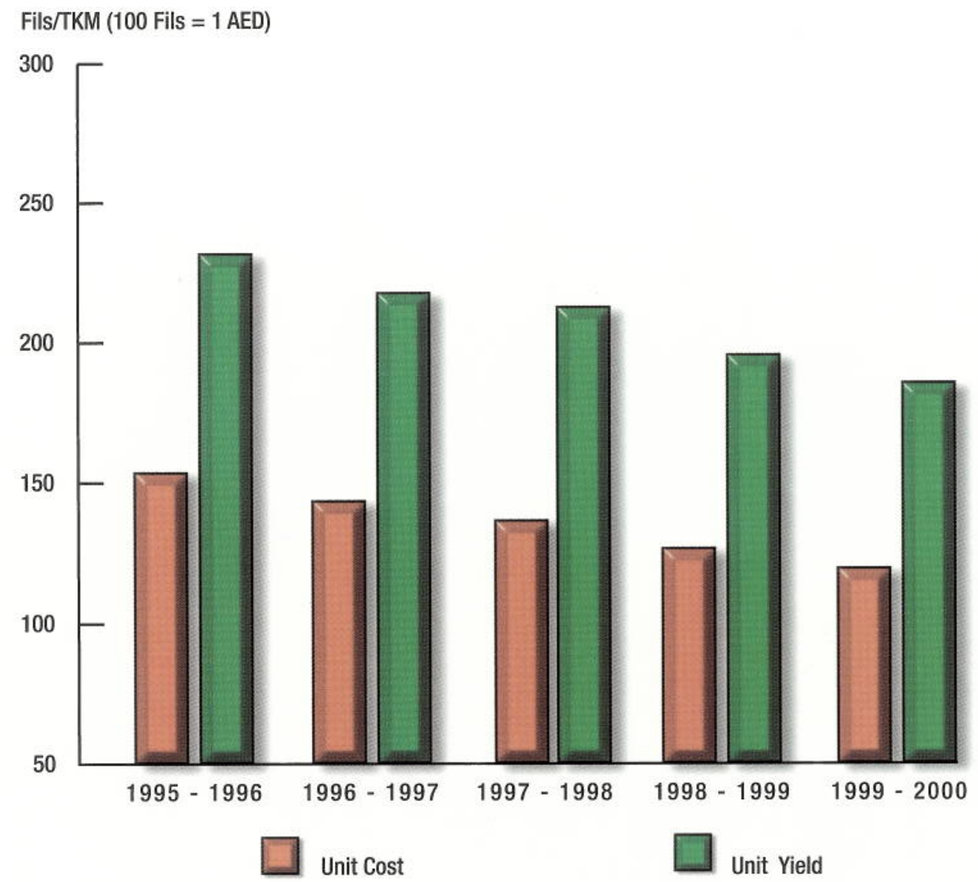
Yield, unit cost and breakeven load factor

Overall yield reduced by 5.1% to 185 fils per tonne-kilometre, with passenger yield dropping by 3% and cargo yield falling by 0.8% mainly reflecting increased long haul activity. The average distance flown per pax was 3.3% higher as compared with the previous year. Currency depreciation arising from weaker European currencies contributed 2.1 percentage points to the overall yield reduction.

Unit cost improved by 7 fils (5.4%) to 119 fils per capacity tonne-kilometre, despite the impact of a steep increase in aviation fuel prices. The improvement in unit costs reflects operating expenses growing at a lower pace than capacity, due to the induction of newer and more cost efficient aircraft into the fleet, combined with productivity gains from across the organisation.

Breakeven load factor improved marginally to 64.5% from 64.7% last year.

YIELD & UNIT COST



Capacity, traffic and load factor

Traffic increased 21.1% to 2,613 million tonne-kilometres, slightly lower than the capacity increase (22.9% to 3,824 million tonne-kilometres). Aircraft departures increased by 13.3% to 32,482 while aircraft utilisation remained at one of the highest in the industry at over 12 hours per day.

The increase in traffic came principally from:

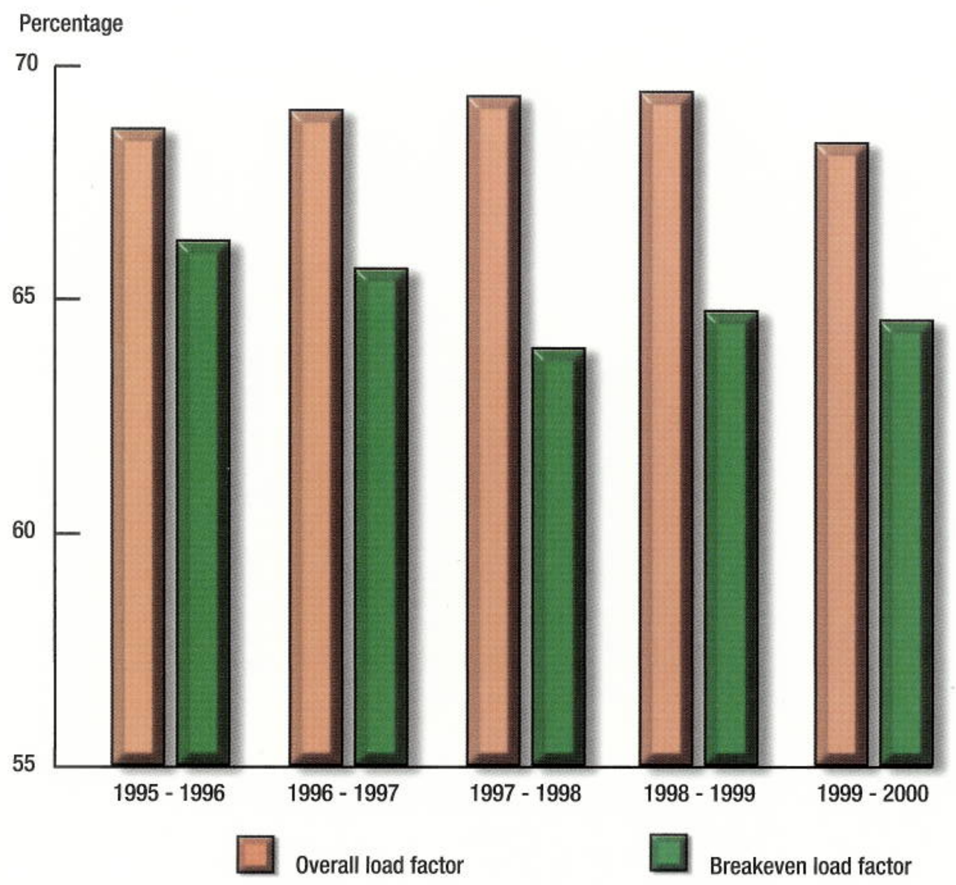
- Introduction of new services to Munich and Bahrain.
- Induction of two new B777-300 aircraft on UK and Far East routes.
- Induction of seven new A330 aircraft, primarily on European routes.
- Increased frequencies to UK, Pakistan and Australia.
- Increase in freighter operations (45% higher compared with the previous year).

Passenger seat factor reduced by 2.6 percentage points to 71.9%. Passengers uplifted reached 4.8 million in 1999-00, representing an increase of 12.3% over last year.

Cargo carried in 1999-00 improved considerably, up 26% at 269,919 tonnes (1998-99: 214,215 tonnes), with particularly strong growth between Europe and the Far East.

Overall load factor remained high at 68.3%, which represents a very robust performance considering the large increase in capacity.

OVERALL & BREAKEVEN LOAD FACTOR



Staff strength and productivity

In the year under review, the company's average workforce rose by 872 (15.4%) to 6,524. A breakdown of the number of staff by category is shown below:

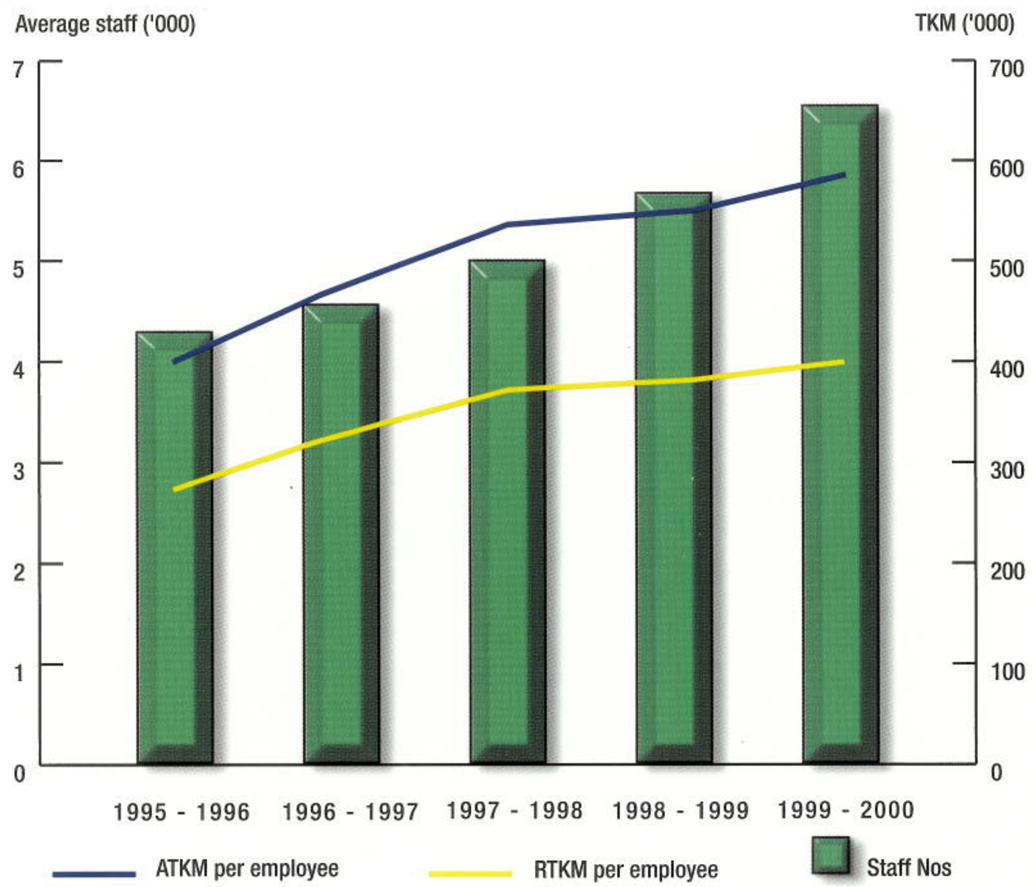
	1999-00	1998-99
U.A.E.		
Cabin crew	1,944	1,688
Flight deck crew	432	361
Engineering	673	619
Other	2,222	1,844
	5,271	**4,512**
Overseas stations	1,253	1,140
Average staff strength	**6,524**	**5,652**

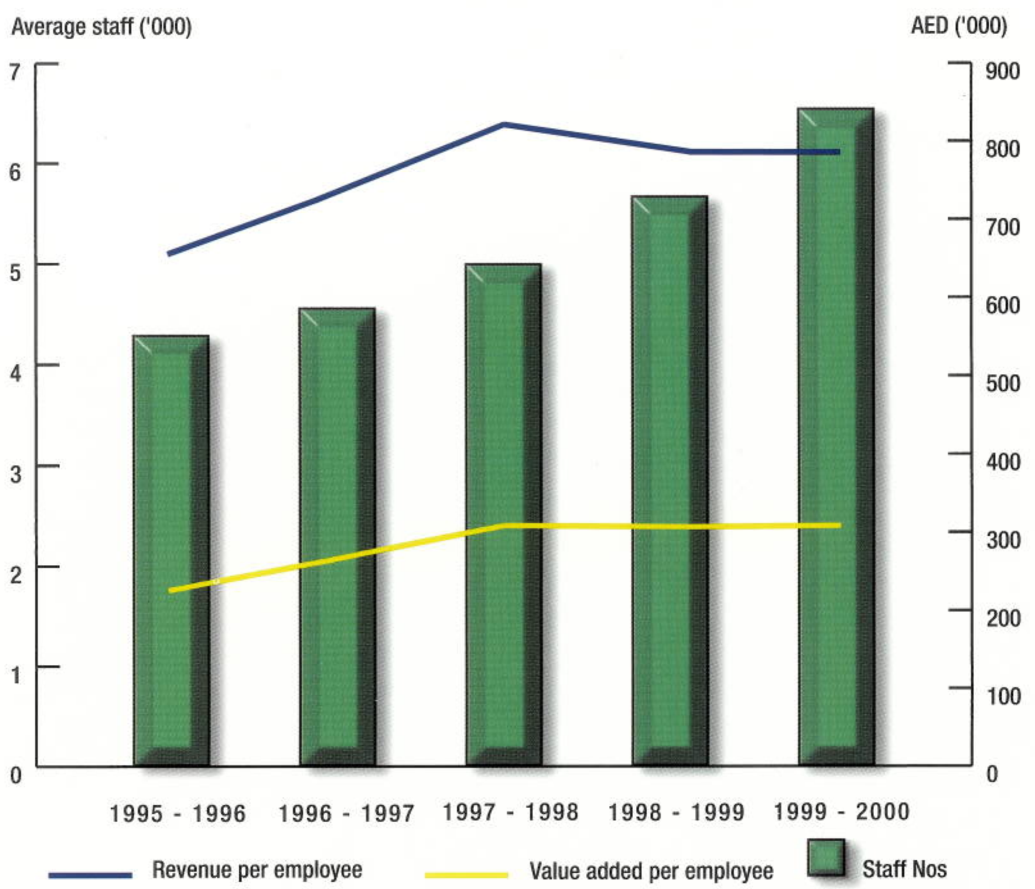
Employee productivity, measured in terms of revenue per employee, fell marginally to AED 785,705 from AED 786,091 in 1998-99.

Capacity per employee improved for the tenth year with a 6.5% increase in ATKMs to 586,100 (1998-99: 550,494). In addition, load carried per employee increased by 4.9% to 400,485 RTKMs (1998-99: 381,731).

Value added, which is a measure of wealth created by Emirates during the year, was AED 2,011 million up 15.9% on last year (1998-99: AED 1,735 million). This is equivalent to AED 308,249 per employee compared with AED 306,973 the previous year.

Staff strength and productivity





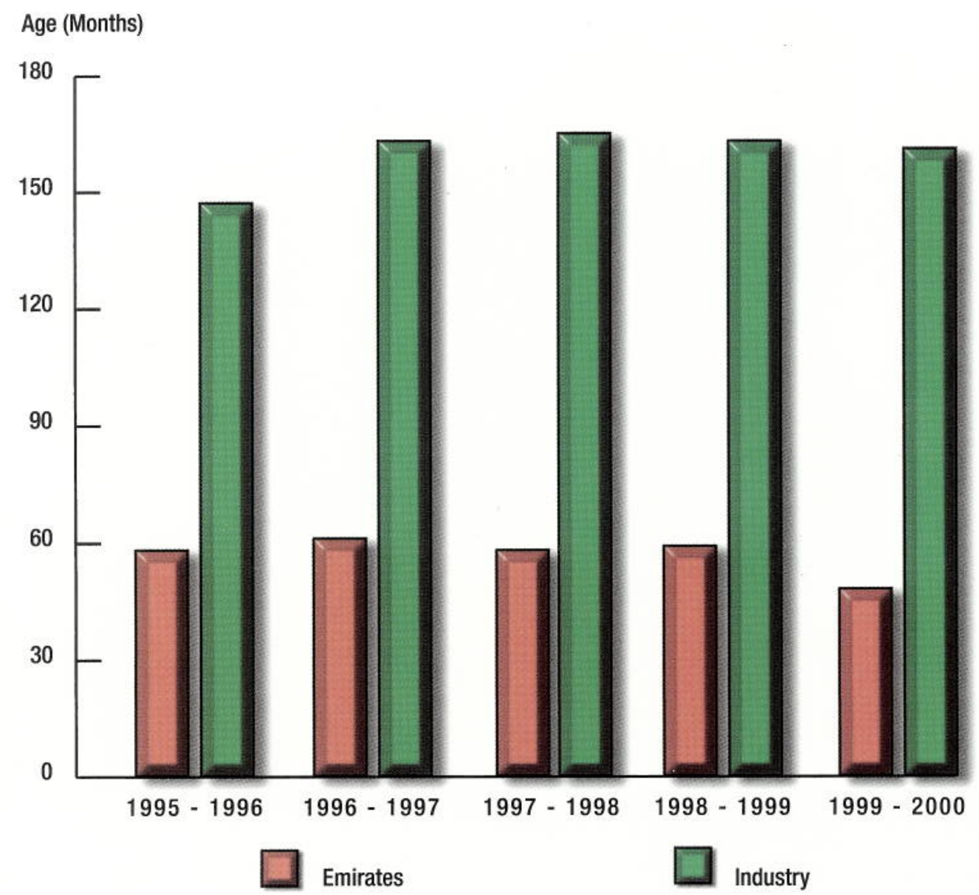
Fleet information

Aircraft	In operation	On firm order	On option
B777-200	9	-	4
B777-300	2	-	-
A310-300	8*	-	-
A300-600R	4*	-	-
A330-200	9	9	5
A340-500	-	6	10
Total	**32**	**15**	**19**

In addition to the above, Emirates has entered into a contract with International Leasing Finance Corporation in respect of the operating lease of two B777-300 aircraft to be delivered in September 2000 and March 2001 respectively.

*One A310-300 and one A300-600R have been retired from the fleet since the end of the financial year.

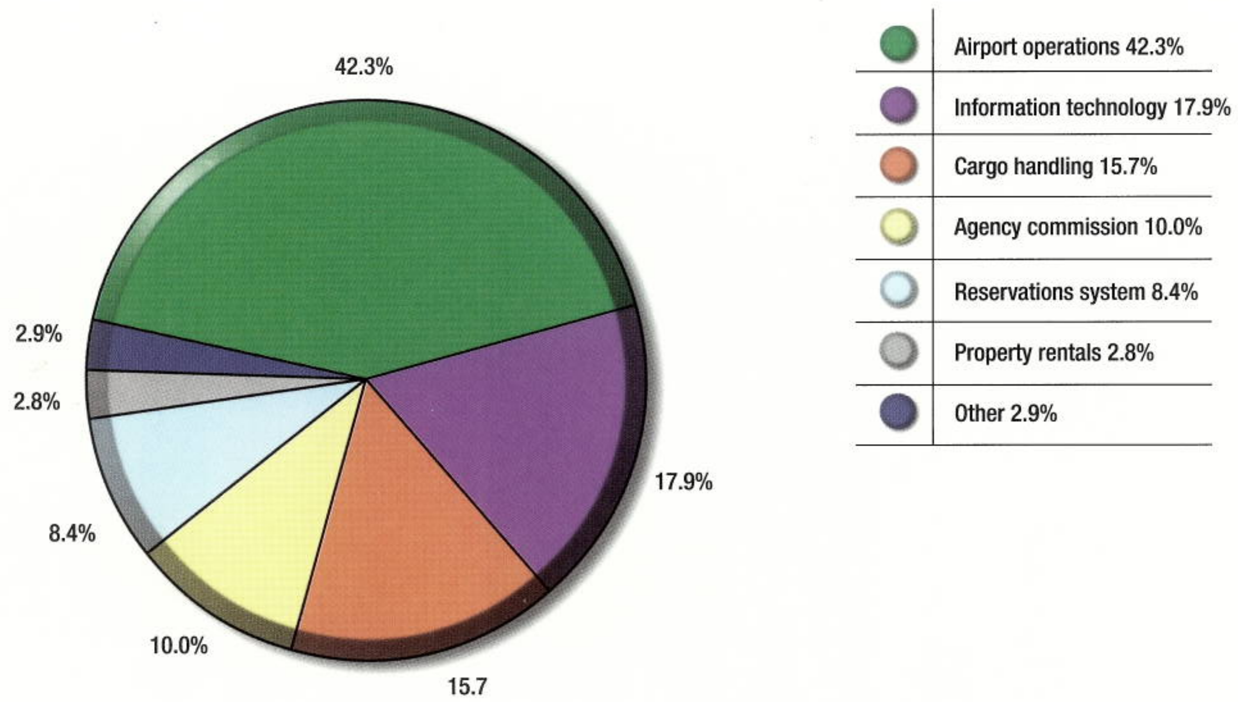
AVERAGE FLEET AGE: EMIRATES & INDUSTRY



Revenue

	1999-00 AED million	1999-00 %	1998-99 AED million	1998-99 %
Airport operations	273	42.3	244	45.5
Information technology	116	17.9	59	11.0
Cargo handling	101	15.7	96	17.9
Agency commission	64	10.0	59	11.0
Reservations system	54	8.4	46	8.6
Property rentals	18	2.8	17	3.2
Other	19	2.9	15	2.8
Total operating revenue	**645**	**100.0**	**536**	**100.0**

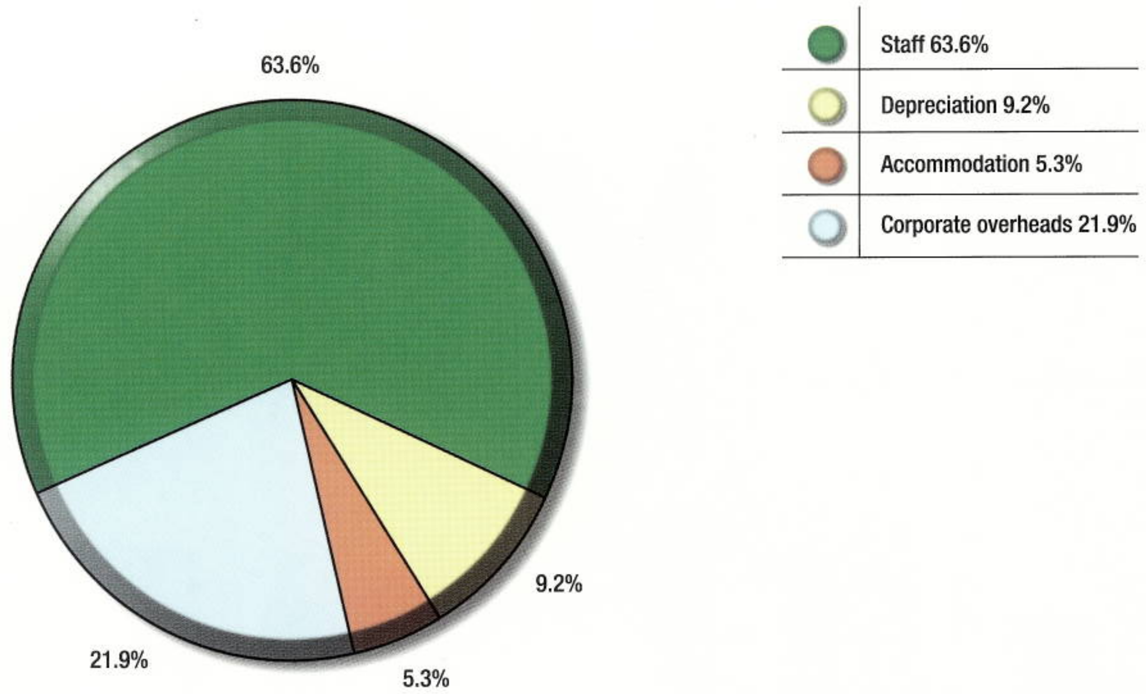
REVENUE



Expenditure

	1999-00 AED million	1999-00 %	1998-99 AED million	1998-99 %
Staff	347	63.6	307	68.5
Depreciation	50	9.2	34	7.6
Accommodation	29	5.3	21	4.7
Corporate overheads	120	21.9	86	19.2
Total operating costs	**546**	**100.0**	**448**	**100.0**

EXPENDITURE

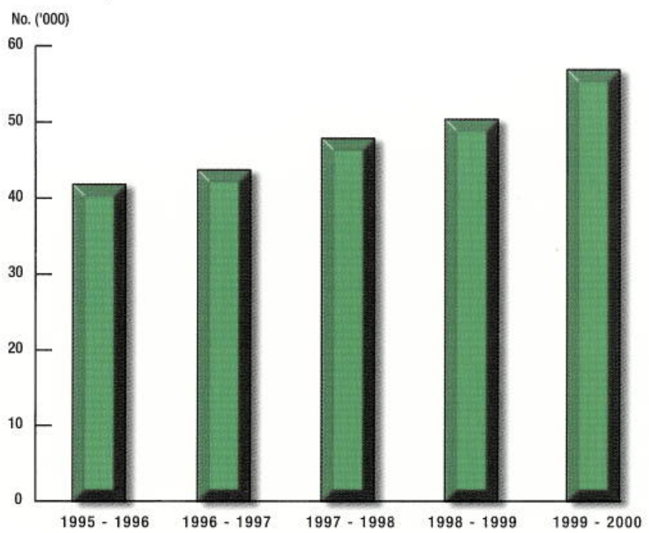


Aircraft, passengers and cargo handled

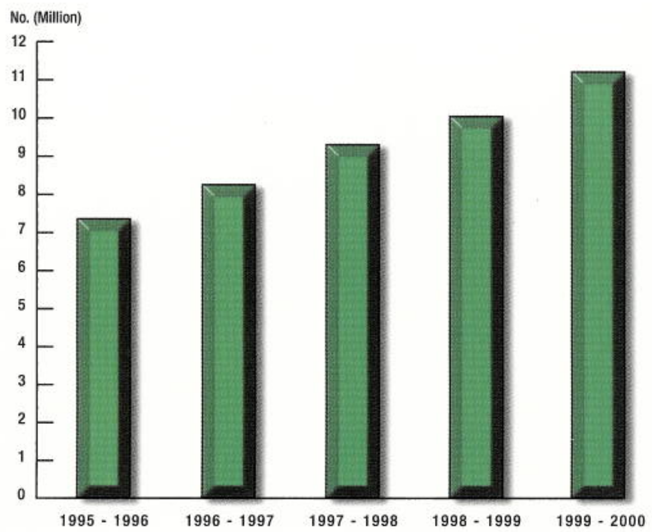
Dubai International Airport has maintained its impressive growth. In addition, its position as the major aviation hub of the region is set to be further enhanced by the opening of the new airport terminal.

- The number of aircraft handled during the year rose significantly to 56,956 compared with 50,452 during 1998-99, representing an increase of 12.9%.
- The number of passengers handled was 11.2 million, an increase of 11.7% or 1.2 million over the previous year.
- The volume of cargo (498,058 tonnes) was 16.1% higher reflecting the recovery in the Far East.
- Dnata handled 100 (1998-99: 95) scheduled international airlines operating to Dubai International Airport.

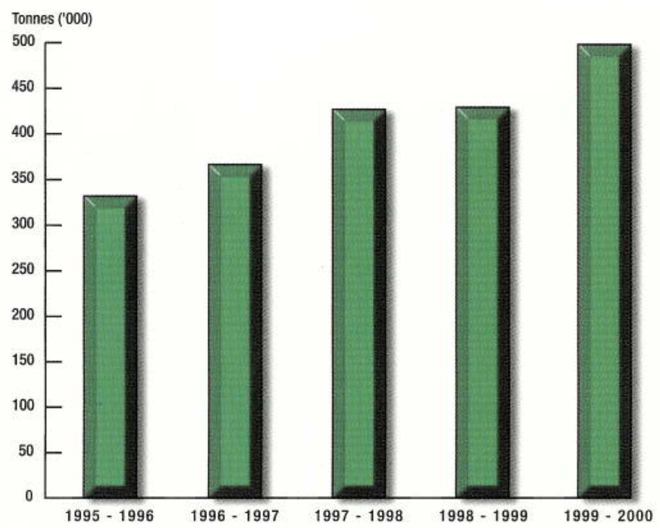
AIRCRAFT HANDLED



PASSENGERS HANDLED



CARGO HANDLED



Staff strength and productivity

A breakdown of the number of staff by category is shown below:

	1999-00	1998-99
Airport operations	3,087	2,813
Cargo handling	940	981
Dnata agencies	409	397
Other	822	735
Average staff strength	**5,258**	**4,926**

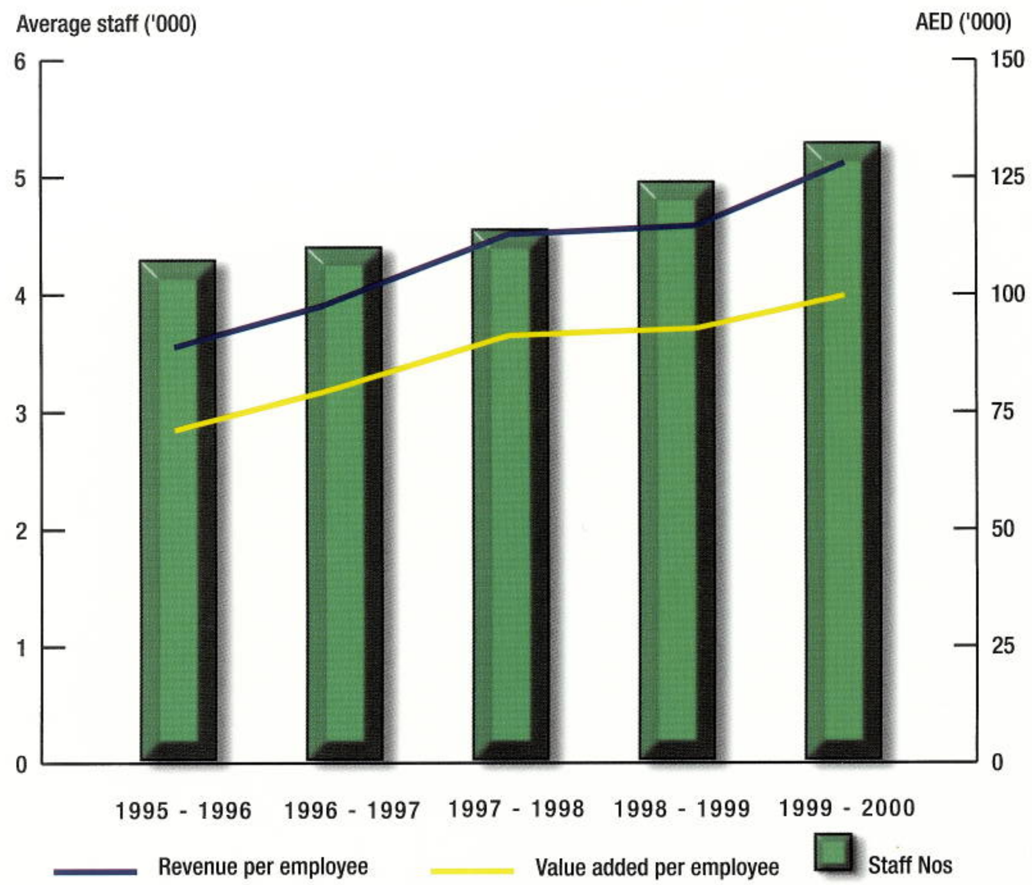
During the year under review, the company's average workforce rose by 332 (6.7%) to 5,258 on account of the build up of staff for the opening of the new terminal at Dubai International Airport.

As a result, during the year aircraft handled per employee remained unchanged at 18 while passengers handled per employee was marginally up at 3,628 (1.8%). Cargo handled per employee increased significantly by 21.1% from 437,400 kgs to 529,849 kgs in 1999-00.

Value added which is a measure of wealth created by Dnata during the year, was AED 525 million (1998-99: AED 457 million). This is equivalent to AED 99,869 per employee compared with AED 92,709 the previous year.

Revenue per employee increased by 11.8% to AED 128,070 from AED 114,514 reflecting strong growth in information technology and reservations system sales for a second year.

STAFF STRENGTH & PRODUCTIVITY



Independent auditors' report to the Government of Dubai

We have audited the accompanying balance sheet of Emirates (" the company") as at 31 March 2000 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2000 and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

PricewaterhouseCoopers

Chartered Accountants

Dubai

29 April 2000

Income statement for the year ended 31 March 2000

	Notes	2000 AED'000	1999 AED'000
Operating revenue	2	4,964,799	4,315,316
Other operating income	3	120,400	44,168
Operating costs	4	(4,561,987)	(3,922,269)
Operating profit		**523,212**	**437,215**
Net interest charges	5	(196,171)	(173,577)
Profit on sale of investments	6	-	61,558
Profit before taxation		**327,041**	**325,196**
Taxation	7	(7,079)	(12,237)
Profit for the year		**319,962**	**312,959**

The accounting policies on pages 59 to 61 and the notes on pages 62 to 71 form an integral part of the financial statements.

Balance sheet at 31 March 2000

	Notes	2000 AED'000	1999 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	5,781,539	5,147,834
Investments	9	193,686	170,652
Deferred expenditure	10	26,264	40,751
		6,001,489	**5,359,237**
Current assets			
Inventories	11	294,030	259,635
Receivables and prepayments	12	1,035,031	882,399
Cash and bank balances	24	948,167	548,493
		2,277,228	**1,690,527**
Total assets		**8,278,717**	**7,049,764**
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	13	612,214	612,214
Retained earnings		1,400,408	1,080,446
		2,012,622	**1,692,660**
Non-current liabilities			
Borrowings and lease commitments	14	3,463,827	2,873,194
Provisions	18	236,597	317,862
Deferred credits	19	311,009	135,664
		4,011,433	**3,326,720**
Current liabilities			
Trade and other payables	20	1,579,238	1,469,597
Taxation		2,518	3,675
Borrowings and lease commitments	21	672,906	557,112
		2,254,662	**2,030,384**
Total liabilities		**6,266,095**	**5,357,104**
Total equity and liabilities		**8,278,717**	**7,049,764**

The financial statements were approved on the 29th day of April 2000 and signed by:

Sheikh Ahmed bin Saeed Al-Maktoum
Chairman

Maurice Flanagan
Group Managing Director

The accounting policies on pages 59 to 61 and the notes on pages 62 to 71 form an integral part of the financial statements.

Statement of changes in equity for the year ended 31 March 2000

	Capital AED'000	Retained earnings AED'000	Total AED'000
1 April 1998	**612,214**	**767,487**	**1,379,701**
Profit for the year	-	312,959	312,959
1 April 1999	**612,214**	**1,080,446**	**1,692,660**
Profit for the year	-	319,962	319,962
31 March 2000	**612,214**	**1,400,408**	**2,012,622**

The accounting policies on pages 59 to 61 and the notes on pages 62 to 71 form an integral part of the financial statements.

Statement of cash flows for the year ended 31 March 2000

	2000 AED'000	1999 AED'000
Operating activities		
Profit for the year before taxation	327,041	325,196
Adjustments for:		
Depreciation (Note 4)	470,502	392,783
Amortisation (Note 4)	18,291	10,849
Net interest charges	196,171	173,577
Profit on sale of investments (Note 6)	-	(61,558)
(Profit) / loss on sale of property, plant and equipment	(14,704)	2,855
Net transfer to aircraft maintenance provision (Note 18)	(91,730)	18,451
Transfer to provident fund and end of service benefit provision	58,781	52,532
Deferred credits recognised (Note 19)	(21,777)	(14,683)
Operating cash flows before working capital changes	**942,575**	**900,002**
Contributions to provident fund and end of service benefit payments	(48,316)	(33,942)
Changes in working capital:		
Inventories (Note 11)	(34,395)	(60,777)
Receivables and prepayments	(150,766)	(167,288)
Current liabilities and deferred accounts	281,247	249,701
Tax paid	(8,236)	(15,189)
Net cash provided from operating activities	**982,109**	**872,507**
Investing activities		
Proceeds from sale of property, plant and equipment	245,990	777
Capital expenditure (Note 25)	(117,750)	(160,221)
Deferred expenditure (Note 10)	(3,804)	(34,724)
Proceeds from sale of investments	-	61,761
Investments	(23,034)	-
Interest income	38,873	22,559
Net cash provided from / (used in) investing activities	**140,275**	**(109,848)**
Financing activities		
Net loan repayments	(27,450)	(115,358)
Aircraft financing charges	(207,610)	(172,282)
Other finance charges	(172)	(19)
Lease commitments	(445,242)	(290,457)
Dnata account	(53,771)	(68,689)
Net cash used in financing activities	**(734,245)**	**(646,805)**
Net increase in cash and cash equivalents	**388,139**	**115,854**
Cash and cash equivalents at beginning of year	490,811	374,957
Cash and cash equivalents at end of year (Note 24)	**878,950**	**490,811**

The accounting policies on pages 59 to 61 and the notes on pages 62 to 71 form an integral part of the financial statements.

Emirates

Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared in accordance with and comply with International Accounting Standards. The financial statements are prepared in accordance with the historical cost convention.

Revenue

Passenger and cargo sales are recognised as revenue when the transportation is provided. Tickets sold but unused are held in the balance sheet as passenger and cargo sales in advance and released to income on a systematic basis.

Operating revenue is stated after deduction of discounts.

Foreign currency

Foreign currency transactions are translated into UAE Dirhams at rates approximating those ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into UAE Dirhams at the rate ruling at the balance sheet date with the exception of lease commitments and the related matched term deposits where the translation rates are fixed in the related agreement. Exchange differences are dealt with in the income statement.

Taxation

Taxation is provided for as and when the liability arises except where management is of the firm opinion that exemption from such taxation will ultimately be granted by the countries concerned.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost consists of purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of property, plant and equipment, less estimated residual values, on a straight line basis over the estimated useful lives of the assets concerned. The estimated useful lives and residual values are:

Aircraft	15 years (residual value 10%)
Aircraft engines and rotable spares	5 - 15 years (residual value 0 -10%)
Buildings	5 - 20 years
Other property, plant and equipment	3 - 15 years

Major modifications and improvements to property, plant and equipment are capitalised and depreciated over the remaining useful life of the asset. Costs incurred to modify computer software to comply with the Year 2000 requirements are expensed as incurred.

Emirates

Principal accounting policies (continued)

Manufacturers' credits

The company receives credits from manufacturers in connection with the acquisition of certain aircraft and engines. These credits are recorded as a reduction to the cost of the related aircraft and engines except where the aircraft are held under operating leases, in which case the credits are deferred and reduced from the operating lease rentals on a straight line basis over the period of the related lease as deferred credits.

Capital projects

Capital projects are stated at cost together with financing costs incurred from the date of commencement of the project to the date on which it is commissioned. When commissioned, capital projects are transferred to the appropriate category under property, plant and equipment and depreciated in accordance with company policies.

Finance and operating leases

Where property, plant and equipment have been financed by lease agreements under which substantially all of the risks and rewards of ownership are transferred to the lessee, they are treated as if they had been purchased outright. The cost of property, plant and equipment represents the lower of the present value of the minimum lease payments and the fair value of the leased asset. The corresponding lease obligations are included under liabilities. Lease payments are treated as consisting of capital and interest elements. Interest on the outstanding liability at current rates together with depreciation on the asset are charged to the income statement.

Lease rental charges in respect of operating leases are charged to the income statement on a systematic basis representative of the time pattern of the benefits derived by the company from the use of the asset.

Investments

Investments are stated at cost with a provision being made, where in the opinion of the Directors, there is a permanent diminution in value. Where there is a permanent diminution in value, it is recognised as an expense in the period in which the diminution occurs.

Deferred expenditure

Expenditure associated with the development of new routes and pre-operating crew costs is deferred and amortised over a period of up to two years. Net expenditure associated with aircraft under operating leases is deferred and amortised over the period of the lease.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the weighted average cost basis.

Principal accounting policies (continued)

Aircraft maintenance provision

All costs in relation to the maintenance and overhaul of aircraft and engines are charged to the income statement as they are incurred, with the exception of costs associated with heavy maintenance checks, which are provided for on the basis of a predetermined amount for each block hour flown. The hourly rate of provision is revised in each accounting period to reflect more accurately actual costs incurred and the expected future costs of heavy maintenance checks. Movements in the provision arising from such revisions in estimates are dealt with in the income statement. The actual costs of such maintenance are charged against the provision.

End of service benefit provision

Provision for end of service benefit for employees based in the UAE who joined the company prior to 1 July 1991 is based on periods of cumulative service and employees' current basic salary at the following rates:

21 days per annum for the first 3 years of employment

28 days per annum for the next 3 years of employment

35 days per annum thereafter

Provision for end of service benefit for employees based in the UAE who joined the company after 30 June 1991 is made in accordance with UAE labour law and is based on periods of cumulative service and employees' current basic salary.

Provision for end of service benefit for employees based outside the UAE is made in accordance with the relevant local regulations.

Provident fund

Senior employees who are based in the UAE and all UAE national employees are entitled to participate in a provident fund to which Emirates contributes. Emirates guarantees these employees will receive at the end of their contracts, at a minimum, benefits equal to their end of service benefit entitlements in accordance with their contracts of employment. Contributions to the provident fund are charged to the income statement in the period in which they fall due.

Cash and cash equivalents

For the purpose of reporting cash flows, the company considers all cash and bank balances with an original maturity of less than three months and bank overdrafts to be cash and cash equivalents.

Notes to the financial statements for the year ended 31 March 2000

1. Establishment and operations

Emirates was incorporated, with limited liability, by an Emiri Decree issued by H.H. Sheikh Maktoum bin Rashid Al-Maktoum on 26 June 1985 as the national airline for the emirate of Dubai. Emirates is wholly owned by the Government of Dubai and commenced commercial operations on 25 October 1985.

The main activity of Emirates is to undertake commercial air transport services which include passenger, cargo and postal carriage services.

Emirates also participates with Abela & Co. L.L.C. in providing catering and related services to airlines using Dubai International Airport.

2. Operating revenue

	2000 AED'000	1999 AED'000
Passenger	3,932,505	3,496,258
Cargo	768,018	588,649
Destination and leisure	66,539	47,054
Courier	62,495	55,969
Excess baggage	54,310	51,258
Catering	42,492	42,479
Licensed engineering	14,794	11,273
Mail	13,120	12,493
Duty free	10,526	9,883
	4,964,799	**4,315,316**

3. Other operating income

Other operating income includes profit on sale and leaseback of aircraft amounting to AED 32.4 million (1999: Nil).

4. Operating costs

	2000 AED'000	1999 AED'000
Staff (see (a) & (g) over)	958,271	810,662
Sales and marketing	633,603	570,856
Fuel and oil (see (b) over)	605,823	464,872
Depreciation	470,502	392,783
Handling (see (c) over)	354,206	306,822
Inflight catering	349,936	320,057
Aircraft operating leases (see (d) over)	321,899	225,695
Overflying (see (c) over)	176,699	152,675
Aircraft maintenance (see (e) over)	154,574	181,594
Landing and parking (see (c) over)	116,925	113,731
Amortisation (Note 10)	18,291	10,849
Corporate overheads (see (f) over)	401,258	371,673
	4,561,987	**3,922,269**

4. Operating costs (continued)

(a) Staff costs include AED 18.3 million (1999: AED 17.6 million) in respect of end of service benefit provision, AED 40.5 million (1999: AED 34.9 million) in respect of provident fund contributions and AED 27.2 million (1999: AED 16.3 million) in respect of Emirates' profit share scheme.

(b) Surpluses / deficits arising from forward purchase contracts in respect of fuel are included in fuel costs as and when the contracts are closed out.

(c) A detailed review of direct operating cost accruals is performed each year. This review necessitated an adjustment to the accruals for landing, handling and overflying costs resulting in a release of excess accruals made in prior years amounting to AED 24.5 million (1999: AED 17.2 million).

(d) Aircraft operating lease charges include AED 237.1 million (1999: AED 175.6 million) in respect of thirteen aircraft (1999: eight) and AED 84.8 million (1999: AED 50.1 million) in respect of the wet lease of freighter aircraft.

(e) The block hour rate used as the basis for the aircraft maintenance provision has been revised in accordance with the accounting policy. This revision resulted in a release of provisions made in the prior years amounting to AED 20.4 million (1999: Nil).

(f) Corporate overheads include a net loss from foreign currency transactions of AED 4.6 million (1999: AED 0.7 million).

(g) Average staff strength during the year was 6,524 (1999: 5,652).

5. Net interest charges

	2000 AED'000	1999 AED'000
Aircraft financing charges	(233,126)	(187,706)
Interest charges	(3,784)	(7,816)
Interest income	40,739	21,945
	(196,171)	**(173,577)**

6. Profit on sale of investments

The profit on sale of investments represents the gain made during the previous year on the sale of a portion of the beneficial interest of Emirates in the shares of EQUANT N.V.

7. Taxation

Taxation relates to certain overseas stations where the company is subject to income tax and where tax exemptions are not likely to be obtained.

8. Property, plant and equipment

	Aircraft AED'000	Aircraft engines and rotable spares AED'000	Buildings AED'000	Other property, plant and equipment AED'000	Capital projects AED'000	Total AED'000
Cost						
1 April 1999	5,023,523	821,741	455,149	568,107	340,323	7,208,843
Additions	-	69,463	242	43,875	1,230,309	1,343,889
Transfer from capital projects	1,140,430	121,568	109,967	25,429	(1,397,394)	-
Net transfer to Dnata	-	-	-	(25,640)	-	(25,640)
Disposals	(498,424)	(22,028)	(1,230)	(4,894)	-	(526,576)
31 March 2000	**5,665,529**	**990,744**	**564,128**	**606,877**	**173,238**	**8,000,516**
Depreciation						
1 April 1999	1,417,920	212,258	128,285	302,546	-	2,061,009
Charge for the year	326,761	64,868	23,727	55,146	-	470,502
Net transfer to DNATA	-	-	-	(17,244)	-	(17,244)
Disposals	(284,292)	(5,187)	(1,230)	(4,581)	-	(295,290)
31 March 2000	**1,460,389**	**271,939**	**150,782**	**335,867**	**-**	**2,218,977**
Net book value						
31 March 2000	**4,205,140**	**718,805**	**413,346**	**271,010**	**173,238**	**5,781,539**
31 March 1999	3,605,603	609,483	326,864	265,561	340,323	5,147,834

The net book value of aircraft includes an amount of AED 3,603.7 million (1999: AED 3,067.6 million) in respect of assets held under finance leases (Note 16) and AED 601.4 million (1999: AED 538 million) in respect of assets acquired under term loans (Note 15).

Aircraft fleet

At 31 March 2000 the aircraft fleet comprised thirty two aircraft (1999: twenty six)

8 Airbus A310-300 (1 under operating lease)

4 Airbus A300-600R (1 under operating lease)

9 Airbus A330-200 (5 under operating lease)

9 Boeing B777-200 (3 under operating lease)

2 Boeing B777-300 (2 under operating lease)

The company has entered into contracts to purchase nine A330-200 aircraft to replace the existing fleet of A310-300 and A300-600R aircraft between 2000 and 2003 and six A340-500 aircraft between 2002 and 2003 (Note 22).

8. Property, plant and equipment (continued)

Capital projects

Capital projects include pre-delivery payments of AED 263.8 million (1999: AED 369.4 million) in respect of Airbus aircraft (Note 22) due for delivery between 2000 and 2003 and non-refundable option deposits of AED 10.3 million (1999: AED 10.3 million) held in respect of B777 aircraft.

9. Investments

	2000 AED'000	1999 AED'000
SriLankan Airlines Limited	193,201	170,167
EQUANT N.V.	485	485
	193,686	**170,652**

(a) On 31 March 1998 Emirates entered into an agreement to acquire a 40% equity stake in SriLankan Airlines Limited, the national carrier of Sri Lanka. On the date of signing, Emirates paid US Dollars 45 million for an initial 26% equity share in the airline. A further payment of US Dollars 25 million is scheduled to be made in December 2000 for the residual 14% of the equity. During the year, the Government of Sri Lanka transferred 9% of the shares of SriLankan Airlines to its employees. Emirates has in turn offered to purchase these shares from the employees at the same US Dollar share price contracted for its 40% equity stake. If all employees elect to sell their shares this would result in a cash payment obligation to Emirates of US Dollars 15.8 million. As at 31 March 2000, Emirates has paid out US Dollars 6.3 million in respect of employee elections received to date. This represents 3.6% of the share capital of SriLankan Airlines bringing Emirates' equity share in the airline to 29.6% at the above date. Emirates has accounted for the investment in SriLankan Airlines at cost. Had the investment been accounted for under the equity method, Emirates would have been required to determine the goodwill (if any) arising on acquisition and to account for its share of net assets and to amortise the goodwill (if any).

The Directors however, are of the opinion that there is no significant difference between the cost of the investment and the fair value of Emirates' share of the net assets of SriLankan Airlines as at the date of acquisition.

Under the equity method, Emirates would also be required to recognise its share of SriLankan Airlines' profits or losses subsequent to the date on which Emirates made its investment in SriLankan Airlines. Emirates' share of profits in SriLankan Airlines is set out below:

	2000 AED'000 (Unaudited)	1999 AED'000 (Audited)
Share of profit after tax	6,523	19,736

During the year, Emirates received a dividend of AED 2.9 million (1999: Nil) representing its share of the final dividend from SriLankan Airlines for the year ended 31 March 1999. This is included in other operating income in the income statement.

(b) Shares in EQUANT N.V., which are stated at cost, are quoted on the New York and Paris stock exchanges and held beneficially on behalf of Emirates by the SITA Foundation ("SITA"). Under the terms of the agreement with SITA, the sale of such shares are subject to certain restrictions.

10. Deferred expenditure

	2000 AED'000	1999 AED'000
Balance brought forward	40,751	16,876
Expenses incurred	3,804	34,724
Amortisation for the year	(18,291)	(10,849)
Balance carried forward	**26,264**	**40,751**

11. Inventories

	2000 AED'000	1999 AED'000
Engineering	253,201	219,900
Inflight consumables	29,260	31,320
Other	11,569	8,415
	294,030	**259,635**

12. Receivables and prepayments

	2000 AED'000	1999 AED'000
Trade receivables:		
Airlines	44,013	49,758
Agents	508,451	470,807
Dnata (Note 17)	1,865	1,511
Other	51,338	26,494
	605,667	**548,570**
Other receivables and prepayments:		
Prepayments and deposits (see below)	338,296	289,794
Other	91,068	44,035
	429,364	**333,829**
	1,035,031	**882,399**

Prepayments and deposits include AED 173 million (1999: AED 165.3 million) which are not expected to be realised within one year. Trade receivables are carried at anticipated realisable values. Regular reviews of the collectibility of outstanding receivables are carried out and provision is made for any debts which in the opinion of the Directors are doubtful of recovery. There are no significant concentrations of credit risk.

13. Capital

Capital represents the permanent capital provided by the Government of Dubai.

14. Borrowings and lease commitments - non-current

	2000 AED'000	1999 AED'000
Lease commitments (Note 16)	3,311,616	2,597,628
Term loans (Note 15)	80,583	145,383
Dnata account (Note 17)	71,628	130,183
	3,463,827	**2,873,194**

15. Term loans

	2000 AED'000	1999 AED'000
Balance brought forward	303,872	419,230
Net repayment during the year	(27,450)	(115,358)
Balance carried forward	**276,422**	**303,872**
Loans are repayable as follows:		
Within one year (Note 21)	**195,839**	**158,489**
2-5 years	80,583	145,383
Total over one year (Note 14)	**80,583**	**145,383**

16. Lease commitments

	2000 AED'000	1999 AED'000
Gross liabilities under lease commitments	5,501,568	4,404,937
Future interest	(1,524,510)	(1,158,639)
Term deposits	(257,592)	(307,729)
Net commitments	**3,719,466**	**2,938,569**
Net lease commitments are repayable as follows:		
Within one year (Note 21)	**407,850**	**340,941**
2-5 years	1,536,781	1,139,327
After 5 years	1,774,835	1,458,301
Total over one year (Note 14)	**3,311,616**	**2,597,628**

The lease commitments are secured on the related aircraft.

In the event of these finance leases being terminated prior to their expiry, penalties are payable. Had these leases been cancelled at 31 March 2000, the penalties would have been AED 113.9 million (1999: AED 168.4 million).

Operating leases

Future minimum lease payments are as follows:

	2000 AED'000	1999 AED'000
Less than 1 year	369,110	203,822
2-5 years	1,371,063	719,613
After 5 years	2,256,047	1,635,923
	3,996,220	**2,559,358**

In the event of these leases being terminated prior to their expiry, penalties are payable. Had these leases been cancelled at 31 March 2000, the penalties would have been AED 164.9 million (1999: AED 132.9 million).

Emirates holds purchase options for nine of twelve aircraft leased for a period of 5 to 12 years.

17. Dnata account

Emirates and Dnata share senior management and central corporate functions. The amount payable to Dnata shown in Note 14 arises from the net recharge of expenses between Dnata and Emirates, charges raised in respect of services provided and the transfer of funds. This liability has been classified as long term on the basis that there are no fixed repayment terms and repayment is not expected within one year. Interest is paid to Dnata in line with UAE Dirham bank deposit rates.

The amount receivable from Dnata shown in Note 12 arises from ticket and cargo sales.

Common Emirates / Dnata management costs are fully recharged except where the basis of recharge would be arbitrary and in these instances no recharge is made. The net effect of these arrangements does not materially affect profit for the year.

18. Provisions

	2000 AED'000	1999 AED'000
Aircraft maintenance provision (Note 4(e))	142,354	234,084
End of service benefit provision (see below)	94,243	83,778
	236,597	**317,862**

The end of service benefit provision relates to employees who do not participate in the company provident fund. Senior employees based in the UAE and all UAE national employees participate in the company provident fund, an independent provident fund for which Emirates guarantees these employees will receive at the end of their contracts, at a minimum, benefits equal to their end of service benefit entitlements in accordance with their contracts of employment. At 31 March 2000, the benefits secured by Emirates' contributions exceeded employees' contractual end of service benefit entitlements.

In accordance with the provisions of IAS 19 (revised), management has carried out an exercise to assess the net present value of its obligations at 31 March 2000, in respect of employees' end of service benefits payable under UAE labour law. The assessment assumed average expected salary increases between 0% and 5% and discount rates of 6% to 8%. The present values of the obligations at 31 March 2000, using the actuarial assumptions as set out above, were not materially different from the provision computed in accordance with UAE labour law.

19. Deferred credits

	2000 AED'000	1999 AED'000
Balance brought forward	135,664	140,489
Additions during the year	197,122	9,858
Recognised during the year	(21,777)	(14,683)
Balance carried forward	**311,009**	**135,664**

20. Trade and other payables

	2000 AED'000	1999 AED'000
Trade payables and accruals	963,357	893,822
Passenger and cargo sales in advance	615,881	575,775
	1,579,238	**1,469,597**

21. Borrowings and lease commitments - current

	2000 AED'000	1999 AED'000
Lease commitments (Note 16)	407,850	340,941
Term loans (Note 15)	195,839	158,489
Bank overdrafts (Note 24)	69,217	57,682
	672,906	**557,112**

22. Commitments

Capital commitments

	2000 AED'000	1999 AED'000
Authorised and contracted	5,220,423	8,714,725
Authorised but not contracted	405,671	433,020
	5,626,094	**9,147,745**

Commitments have been entered into for the purchase of aircraft for delivery as follows (Note 8):

Financial year	Airbus
2000 - 2001	5
2001 - 2002	2
2002 - 2003	5
2003 - 2004	3

In addition, options are held on four Boeing and fifteen Airbus aircraft.

Operational commitments

	2000 AED'000	1999 AED'000
Purchase commitments	1,468,419	197,460
Letters of credit	11,441	7,713
	1,479,860	**205,173**

The increase in purchase commitments arises mainly on account of forward purchase contracts entered into in respect of fuel.

23. Contingent liabilities

	2000 AED'000	1999 AED'000
Guarantees and bills discounted	6,307	4,068

The above have been issued in the normal course of business.

24. Cash and cash equivalents

	2000 AED'000	1999 AED'000
Short term bank deposits	857,088	401,033
Cash and bank	91,079	147,460
Bank overdrafts	(69,217)	(57,682)
	878,950	**490,811**

Short term bank deposits bear interest at rates of 4% to 7.25% (1999: 4% to 5.8%).

25. Analysis of capital expenditure

	2000 AED'000	1999 AED'000
Purchase of property, plant and equipment	1,343,889	1,010,823
Less: Assets acquired under finance leases	(1,226,139)	(850,602)
Capital expenditure	**117,750**	**160,221**

26. Financial instruments

(i) Interest risk

The company has financial liabilities which bear interest at floating rates. A 1% increase in interest rates in respect of these financial instruments would increase the charge to the income statement in the next financial year by AED 21.8 million (1999: AED 24.3 million). Aircraft related financing bears interest at rates of 3.76% to 7.68% (1999: 3.87% to 7.68%) per annum.

(ii) Fair values

Other than the beneficial interest of shares in EQUANT N.V., the carrying amounts of the financial assets and financial liabilities as reflected in these financial statements approximate to their fair values. As described in Note 9(b), due to certain restrictions on the sale of these shares, Emirates' interest in EQUANT N.V. is stated at cost. However, based on the quoted value of the shares of US Dollars 85 as at 31 March 2000, the Directors are of the view that the fair value of the beneficial interest in 592,695 shares is significantly higher than the cost.

27. Comparatives

Certain comparative figures have been re-classified to conform with current year presentation.

Independent auditors' report to the Government of Dubai

We have audited the accompanying consolidated balance sheet of Dnata ("the company") and its subsidiary ("the group") as at 31 March 2000 and the related consolidated statements of income and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 March 2000 and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

PricewaterhouseCoopers
Chartered Accountants

Dubai
29 April 2000

Consolidated income statement for the year ended 31 March 2000

	Notes	2000 AED'000	1999 AED'000
Operating revenue	2	644,863	535,767
Other operating income	3	5,572	7,504
Operating costs	4	(545,972)	(448,074)
Operating profit		**104,463**	**95,197**
Interest income		21,948	18,090
Associated companies - share of profit	6	1,007	2,735
Profit for the year		**127,418**	**116,022**

The accounting policies on pages 77 and 78 and the notes on pages 79 to 85 form an integral part of the consolidated financial statements.

Consolidated balance sheet at 31 March 2000

	Notes	2000 AED'000	1999 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	171,105	137,576
Investments in associates	6	13,593	6,427
Other investment	7	73,460	-
Long term receivables	8	71,628	130,183
		329,786	**274,186**
Current assets			
Inventories		9,494	10,711
Receivables and prepayments	9	151,810	119,707
Cash and bank balances	15	281,347	249,078
		442,651	**379,496**
Total assets		**772,437**	**653,682**
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	12	62,615	62,615
Retained earnings		395,455	308,566
		458,070	**371,181**
Non-current liabilities	10	**84,842**	**77,508**
Current liabilities			
Trade and other payables	11	196,132	177,814
Bank overdrafts	15	33,393	27,179
		229,525	**204,993**
Total liabilities		**314,367**	**282,501**
Total equity and liabilities		**772,437**	**653,682**

The financial statements were approved on the 29th day of April 2000 and signed by:

Sheikh Ahmed bin Saeed Al-Maktoum
Chairman

Maurice Flanagan
Group Managing Director

The accounting policies on pages 77 and 78 and the notes on pages 79 to 85 form an integral part of the consolidated financial statements.

Statement of changes in equity for the year ended 31 March 2000

	Capital AED'000	Retained earnings AED'000	Total AED'000
1 April 1998	**62,615**	**233,079**	**295,694**
Profit for the year	-	116,022	116,022
Dividend proposed	-	(40,000)	(40,000)
Exchange adjustments	-	(535)	(535)
1 April 1999	**62,615**	**308,566**	**371,181**
Profit for the year	-	127,418	127,418
Dividend proposed	-	(40,000)	(40,000)
Exchange adjustments	-	(529)	(529)
31 March 2000	**62,615**	**395,455**	**458,070**

The accounting policies on pages 77 and 78 and the notes on pages 79 to 85 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 March 2000

	2000 AED'000	1999 AED'000
Operating activities		
Profit for the year	127,418	116,022
Adjustments for:		
Depreciation (Note 4)	50,427	34,125
Interest income	(21,948)	(18,090)
Transfer to provident fund and end of service benefit provision	18,993	18,712
Associated companies - share of profit (Note 6)	(1,007)	(2,735)
Loss / (profit) on sale of property, plant and equipment	143	(5,891)
Provision for Bank of Credit and Commerce International S.A. bank balance written back	-	(1,089)
Operating cash flows before working capital changes	**174,026**	**141,054**
Contributions to provident fund and end of service benefit payments	(11,659)	(8,620)
Changes in working capital:		
Inventories	1,217	(2,283)
Receivables and prepayments	(32,059)	(21,394)
Trade and other payables	18,318	10,385
Net cash provided from operating activities	**149,843**	**119,142**
Investing activities		
Purchase of property, plant and equipment	(76,355)	(81,976)
Proceeds from sale of property, plant and equipment	652	6,032
Investment in associate (Note 6)	(6,688)	-
Other investment	(73,460)	-
Emirates account	53,771	68,689
Liquidation dividend received from Bank of Credit and Commerce International S.A.	-	3,314
Interest income	18,292	10,432
Dividend received from associates	-	2,429
Net cash (used in) / provided from investing activities	**(83,788)**	**8,920**
Financing activities		
Dividend paid	(40,000)	(40,000)
Net increase in cash and cash equivalents	**26,055**	**88,062**
Cash and cash equivalents at beginning of year	221,899	133,837
Cash and cash equivalents at end of year (Note 15)	**247,954**	**221,899**

The accounting policies on pages 77 and 78 and the notes on pages 79 to 85 form an integral part of the consolidated financial statements.

Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The consolidated financial statements have been prepared in accordance with and comply with International Accounting Standards. The consolidated financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated financial statements of Dnata comprise Dnata, Dnata World Travel and its subsidiary company, together with Dnata's share of results for the year of its associated companies. A separate balance sheet for Dnata has not been prepared as the amounts would not be materially different from those in the consolidated balance sheet. All inter company transactions, balances and unrealised surpluses and deficits on transactions between Dnata and its subsidiary have been eliminated.

Revenue

Operating revenue is recognised in the year in which it is earned and is stated after deduction of discounts.

Information technology services are billed progressively and recognised as income on a systematic basis.

Foreign currency

Foreign currency transactions are translated into UAE Dirhams at rates approximating those ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into UAE Dirhams at the rate ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost consists of purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight line basis over the estimated useful lives of the assets concerned. The estimated useful lives are:

Buildings	5 - 20 years
Airport plant and equipment	5 years
Office equipment and furniture	3 - 5 years
Motor vehicles	5 years

Major modifications and improvements to property, plant and equipment are capitalised and depreciated over the remaining useful life of the asset. Costs incurred to modify computer software to comply with the Year 2000 requirements are expensed as incurred.

Principal accounting policies (continued)

Capital projects

Capital projects are stated at cost. When commissioned, capital projects are transferred to the appropriate property, plant and equipment category and depreciated in accordance with Dnata's policies.

Investments in associates

Investments in associates are accounted for in accordance with the equity method. Equity accounting involves recognising in the income statement Dnata's share of the associates' profit or loss for the year. Dnata's interest in the associate is carried on the balance sheet at an amount that reflects its share of the net assets of the associate.

A listing of associated companies is shown in Note 6.

Other investments

Investments are stated at cost with a provision being made, where in the opinion of the Directors, there is a permanent diminution in value. Where there is a permanent diminution in value, it is recognised as an expense in the period in which the diminution occurs.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the weighted average cost basis.

End of service benefit provision

Provision for end of service benefit for employees based in the UAE who joined Dnata prior to 1 July 1991 is based on periods of cumulative service and employees' current basic salary at the following rates:

21 days per annum for the first 3 years of employment

28 days per annum for the next 3 years of employment

35 days per annum thereafter

Provision for end of service benefit for employees based in the UAE who joined Dnata after 30 June 1991 is made in accordance with UAE labour law and is based on periods of cumulative service and employees' current basic salary.

Provision for end of service benefit for employees based outside the UAE is made in accordance with the relevant local regulations.

Provident fund

Senior employees who are based in the UAE and all UAE national employees are entitled to participate in a provident fund to which Dnata contributes. Dnata guarantees these employees will receive at the end of their contracts, at a minimum, benefits equal to their end of service benefit entitlements in accordance with their contracts of employment. Contributions to the provident fund are charged to the income statement in the period in which they fall due.

Cash and cash equivalents

For the purpose of reporting cash flows, Dnata considers all cash and bank balances with an original maturity of less than three months and bank overdrafts to be cash and cash equivalents.

Notes to the consolidated financial statements for the year ended 31 March 2000

1. Establishment and operations

Dnata comprises Dnata, Dnata World Travel and its subsidiary and associate companies which are set out in Note 6. Dnata was incorporated in the emirate of Dubai, with limited liability, by an Emiri Decree issued by H.H. Sheikh Maktoum bin Rashid Al-Maktoum on 4 April 1987. On that date, Dnata took over for nil consideration, the total assets and liabilities of Dubai National Air Travel Agency with effect from 1 April 1987.

Dnata World Travel was incorporated in the emirate of Dubai, with limited liability, by an Emiri Decree issued by H.H. Sheikh Maktoum bin Rashid Al-Maktoum on 27 February 1989. In view of the common ownership and the related business activities of Dnata and Dnata World Travel, the Directors consider it appropriate to prepare a single set of financial statements incorporating the two entities.

The main activities of Dnata comprise:

- provision of aircraft handling services at Dubai International Airport
- provision of engineering services to airlines using Dubai International Airport
- sale of air tickets on behalf of airlines as general sales agent and as an agent
- provision of other travel related and event management services
- provision of handling services for cargo exported and imported through Dubai International Airport
- management of the Dubai Airline Centre
- provision of information technology services to Emirates and other third parties
- provision of freight clearing and forwarding services through its associated company Dubai Express Limited Liability Company, a company incorporated in the United Arab Emirates
- provision of handling and engineering services at international airports in Pakistan, through its associated company Gerry's Dnata (Private) Ltd., a company incorporated in Pakistan
- provision of handling and engineering services at Ninoy Aquino airport in Manila, through its associated company Dnata-Wings Aviation Systems Corporation, a company incorporated in the Philippines
- travel agency activity in the United Kingdom through Dnata World Travel's subsidiary company, Dnata Travel (UK) Ltd., a company incorporated in the United Kingdom.

2. Operating revenue

	2000 AED'000	1999 AED'000
Airport operations	272,400	244,008
Information technology	115,257	59,077
Cargo	101,311	95,636
Agency commission	64,319	59,330
Reservations system	54,380	45,826
Property rentals	18,261	17,039
Other	18,935	14,851
	644,863	**535,767**

3. Other operating income

Other operating income of the previous year includes profit made from sale of certain assets to associate companies amounting to AED 6.5 million.

4. Operating costs

	2000 AED'000	1999 AED'000
Staff (see below)	347,266	306,537
Depreciation	50,427	34,125
Accommodation	28,486	20,907
Corporate overheads	119,793	86,505
	545,972	**448,074**

(a) Staff costs include AED 15.3 million (1999: AED 15.9 million) in respect of end of service benefit provision, AED 3.7 million (1999: AED 2.8 million) in respect of provident fund contributions and AED 9.9 million (1999: AED 6 million) in respect of Dnata's profit share scheme.

(b) Average staff strength during the year was 5,258 (1999: 4,926).

5. Property, plant and equipment

	Buildings AED'000	Airport plant and equipment AED'000	Office equipment and furniture AED'000	Motor vehicles AED'000	Capital projects AED'000	Total AED'000
Cost						
1 April 1999	3,450	129,394	188,560	10,799	30,012	362,215
Additions	-	11,800	50,458	1,795	12,302	76,355
Transfer from capital projects	18,263	-	9,227	-	(27,490)	-
Net transfer from / (to) Emirates	-	-	27,517	(1,877)	-	25,640
Disposals	-	(1,423)	(5,450)	(798)	-	(7,671)
31 March 2000	**21,713**	**139,771**	**270,312**	**9,919**	**14,824**	**456,539**
Depreciation						
1 April 1999	3,379	84,466	129,600	7,194	-	224,639
Charge for the year	654	14,963	33,561	1,249	-	50,427
Net transfer from / (to) Emirates	-	-	18,474	(1,230)	-	17,244
Disposals	-	(1,294)	(4,998)	(584)	-	(6,876)
31 March 2000	**4,033**	**98,135**	**176,637**	**6,629**	-	**285,434**
Net book value						
31 March 2000	**17,680**	**41,636**	**93,675**	**3,290**	**14,824**	**171,105**
31 March 1999	71	44,928	58,960	3,605	30,012	137,576

6. Investments in associates

The subsidiary and associated companies are:

	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
Subsidiary			
Dnata Travel (UK) Ltd.	100	Travel agency	U K
Associated companies			
Dubai Express L.L.C.	50	Freight clearing and forwarding	U A E
Gerry's Dnata (Private) Ltd.	50	Airport handling services	Pakistan
Dnata-Wings Aviation Systems Corporation	50	Airport handling services	Philippines

The investment in Dnata-Wings Aviation Systems Corporation was made during the year.

There were no other changes in the percentage of ownership interests during the two years ended 31 March 2000.

Investments in associates:

	2000 AED'000	1999 AED'000
Opening share of net assets	6,427	6,656
Investments during the year	6,688	-
Share of results for the year	1,007	2,735
Dividend received	-	(2,429)
Exchange adjustments	(529)	(535)
Closing share of net assets	**13,593**	**6,427**

7. Other investment

The other investment represents guaranteed floating rate notes with Wisma (S) Limited, a 100% owned subsidiary of Emirates Bank International PJSC. The notes are guaranteed for principal and interest by Emirates Bank International PJSC and are not expected to be converted into cash within three months. The investment has a maturity date of 15 December 2002 and earns interest at LIBOR plus 0.9% paid quarterly in arrears.

8. Long term receivables

	2000 AED'000	1999 AED'000
Due from Emirates	71,628	130,183

Dnata and Emirates share senior management and central corporate functions. The amount receivable from Emirates arises from the net recharge of expenses between Dnata and Emirates, charges raised in respect of services provided and the transfer of funds. This receivable has been classified as long term on the basis that there are no fixed repayment terms and repayment is not expected within one year. Interest is charged to Emirates in line with UAE Dirham bank deposit rates.

The amount payable to Emirates shown in Note 11 arises from ticket and cargo sales.

Common Dnata / Emirates management costs are fully recharged except where the basis of recharge would be arbitrary and in these instances no recharge is made. The net effect of these arrangements does not materially affect profit for the year.

9. Receivables and prepayments

	2000 AED'000	1999 AED'000
Trade receivables:		
Travel agents	10,955	7,280
Airlines	25,203	20,542
Other	63,804	48,589
	99,962	**76,411**
Other receivables and prepayments:		
Prepayments and deposits	13,488	10,871
Other	38,360	32,425
	51,848	**43,296**
	151,810	**119,707**

Trade receivables are carried at anticipated realisable values. Regular reviews of the collectibility of outstanding receivables are carried out and provision is made for any debts which in the opinion of the Directors are doubtful of recovery. There are no significant concentrations of credit risk.

10. Non-current liabilities

	2000 AED'000	1999 AED'000
End of service benefit provision	84,842	77,508

The end of service benefit provision relates to employees who do not participate in the company provident fund. Senior employees based in the UAE and all UAE national employees participate in the company provident fund, an independent provident fund for which Dnata guarantees these employees will receive at the end of their contracts, at a minimum, benefits equal to their end of service benefit entitlements in accordance with their contracts of employment. At 31 March 2000, the benefits secured by Dnata's contributions exceeded employees' contractual end of service benefit entitlements.

In accordance with the provisions of IAS 19 (revised), management has carried out an exercise to assess the net present value of its obligations at 31 March 2000, in respect of employees' end of service benefits payable under UAE labour law. The assessment assumed average expected salary increases between 0% and 5% and discount rates of 6% to 8%. The present values of the obligations at 31 March 2000, using the actuarial assumptions as set out above, were not materially different from the provision computed in accordance with UAE labour law.

11. Trade and other payables

	2000 AED'000	1999 AED'000
Payables and accruals	93,050	76,373
Dividend proposed	40,000	40,000
Staff leave pay	16,112	14,509
Airlines:		
Emirates (Note 8)	1,865	1,511
Other	45,105	45,421
	196,132	**177,814**

12. Capital

Capital comprises the value of the net assets taken over from Dubai National Air Travel Agency for nil consideration with effect from 1 April 1987.

13. Commitments

Capital commitments

	2000 AED'000	1999 AED'000
Authorised and contracted	12,361	22,237
Authorised but not contracted	91,814	108,368
	104,175	**130,605**
Operational commitments		
Letters of credit	1,190	310

The above have been issued in the normal course of business.

14. Contingent liabilities

	2000 AED'000	1999 AED'000
Guarantees	10,128	9,831

15. Cash and cash equivalents

	2000 AED'000	1999 AED'000
Short term bank deposits	270,186	236,886
Cash and bank	11,161	12,192
Bank overdrafts	(33,393)	(27,179)
	247,954	**221,899**

Short term bank deposits bear interest at rates of 4% to 6.5% (1999: 4% to 7.25%).

16. Financial instruments

Fair values

The carrying amounts of the financial assets and financial liabilities as reflected in these financial statements approximate to their fair values.

17. Comparatives

Certain comparative figures have been re-classified to conform with current year presentation.

Offices and General Sales Agents

MIDDLE EAST, AFRICA & CIS

City	Address	Agent	Code	Telephone
ABU DHABI	Bin Harmal Travel & Tourism P.O. Box 47470 Abu Dhabi, UAE	GSA	971-2-	6315888 8004444 (tollfree)
AJMAN	Travel Centre P O Box 3838 Ajman UAE	GSA	971-6-	7448444
AL-AIN	Bin Harmal Travel & Tourism P O Box 1446 Al Ain UAE	GSA	971-3-	662424
AL-KHOBAR	Al Adlia Travel & Tours Crner King Khaled/Dhahran Street P O Box 561 Al Khobar, Saudi Arabia	GSA	966-3-	Dammam 8325249
AMMAN	Al Sayegh Commercial Centre 11th Floor, Al Abdaly P O Box 910325 Amman, Jordan	EMIRATES	962-6-	4643341/7 4643353
ASMARA	Red Sea Air Harnet Avenue, P O Box 222 Asmara, Eritrea	PSA	291-1-	120792
BAHRAIN	Bahrain Tower, Level 2 Office No 106, Manama P O Box 3282 Bahrain	EMIRATES		801900 (tollfree)
BAHRAIN	Al Bader Travel & Tourism 29 Al Zamil Building No. 1453 Road 527, P O Box 505 Manama 305, Bahrain	PSA	973-	224444 213333
	Yousuf Bin Ahmed Kanoo W.L.L. P O Box 45 26, Abu Obeida Avenue Manama 304 Bahrain	PSA	973-	224466
	Bahrain International Travel Chamber of Commerce Building P O Box 1044 Manama, Bahrain	PSA	973	223315
BAKU	Khagani 34 Fikret Amirov 1 Baku, Azerbaijan	EK	994-12-	971541/42
BEIRUT	Gefinor Building Ground 2 Section D. No 60-63 Al Hamra Area Beirut, Lebanon	EMIRATES	961-1-	739042
CAIRO	Cairo Marriott Hotel 18, Al-Batal Ahmed Abdul Aziz St. Mohandesen Cairo, Egypt	EMIRATES	20-2	3361555
CAIRO	Baron Hotel, Heliopolis Cairo, Egypt	EMIRATES	20-2-	2907730
DAMASCUS	Manaf Tours & Travel 29 Ayyar Street Damascus, Syria	GSA	963-11	2313450/1/2 2315211
DAR ES SALAAM	Haidery Plaza Ali Hassan Mwinyi Road P O Box 9594 Dar es Salaam Tanzania	EMIRATES	255-51-	116100/3

City	Address	Agent	Code	Telephone
DHAHRAN	Al Adlia Travel & Tours King Fahd Street Post Box 561 Al Khobar, 31952 Dhahran, Saudi Arabia	EMIRATES	966-3-	8942723
DOHA	Abdulla Bin Jassem Street P O Box 22488, Doha Qatar	EMIRATES	974-	418877
DUBAI	Telephone Sales Dubai Airline Centre Dubai, UAE	EMIRATES	971 4-	2044000(Arabic) 800-4444 (Eng) (tollfree)
SOUQ	Ticket Office, Souq Naif Road Deira, Dubai, UAE	EMIRATES	971-4-	260003
DUBAI	Ticket Office Sheikh Zayed Road Dubai, UAE	EMIRATES	971-4	3434204
ENTEBEE	Ground Floor, FNC Building Entebee, Uganda	EMIRATES	256 41	349941-3
FUJAIRAH	DNATA Bank Saderat Iran Bldg P O Box 445, Fujairah, UAE	GSA	971-9	2222985
JEDDAH	Al Adlia Travel and Tours City Centre Building Medina Road P O Box 41142 Jeddah 21521, Saudi Arabia	GSA	966-2-	6659405 (4 lines)
JOHANNESBURG	Sandton Office Tower 5th Floor, Sandton City C/o 5th Avenue & Rivonia Road Johannesburg, South Africa	EMIRATES	27-11-	8838420
KAMPALA	Hanover Travel FNC Building, Corner of Kimathi & Colville Street,P O Box 10109 Kampala, Uganda	PSA	41	349941-3
KIGALI	Concorde Rwanda S.A.R.L. Boulevard De La revolution Soras Building, P O Box 4152 Kigali, Rwanda	PSA	250	75988 75566 75988
KUWAIT	Boodai Aviation Agencies Kuwait Finance House Bldg Al Hilali Street, P O Box 5798 13058 Safat, Kuwait	GSA	965-	2425566
LAGOS	Paradise Travel & Tours Plot 8, Louis Farrakhan Crescent V/1 Lagos, Nigeria	PSA	234-1-	610101
LUSAKA	Premier Travel & Tours No. 7 Ground Floor Findeco House P O Box 370-12 Lusaka, Zambia	PSA	260-1	224138 222931 226121
MAKKAH	Al-Adliah Travel & Tours Co Al Ghamash Bldg, Shop No. 1 Near Municipality Office Main Maabdah P O Box 9803 Makkah, Saudi Arabia	GSA	966-2-	5748941 5748571 5745121 5745145
MAURITIUS (PORT LOUIS)	Ireland Blythe & Co Ltd (IBL) Tourism Division 10, Dr. Ferrier St. P O Box 56 Port Louis, Mauritius	GSA	230-	2125846
MEDINA	Al-Adlia Travel & Tours Co Abu Baker Al Saddeuq Street (Sultana) Al Ayoon Bldg P O Box 2321, Medina Saudi Arabia	GSA	966-4-	8268244 8267097 8268164

City	Address	Agent	Code	Telephone
MOMBASA	Mezzanine Floor, TSS Towers Nkrumah Road,P O Box 88704 Mombasa, Kenya	EMIRATES	11	226600 226343 316966
MUSCAT	Universal Travel and Tourism Agencies LLC P O Box 2802, Pin Code 112 Ruwi, Sultanate of Oman	EMIRATES	968-	786600
NAIROBI	View Park Towers, 20th Floor Monrovia Street P O Box 40993 Nairobi Kenya	EMIRATES	254-2-	211900 211187 211315
RAS AL-KHAIMAH	Omest Travels P O Box 103 Ras Al Khaimah, UAE	GSA	971-7-	229413 229263 229264
RIYADH	Al Adlia Travel & Tours Cerecon Building No. 4 Opp Old Akhariya Mousa Bin Road Olaya, P O Box 57475 Riyadh 11574 Saudi Arabia	GSA	966-1-	4657117
SANAA	Apollo Travel Co Ltd Hadda Street (Opp. Cinema Complex) P O Box 18286, Sanaa Republic of Yemen	GSA	967-1-	244208 244444
SHARJAH	Sharjah Tower (Al Soor Bldg) Ground Floor, Al Arooba St Sharjah, UAE	EMIRATES	971-6-	5724759
	SNTTA P O Box 17 Sharjah, UAE	GSA	971-6	5727125
TEHRAN	1/1209 Valiasr St. Opposite Tavanir St Tehran 15167 Iran	EMIRATES	98-21-	8796786
TRIPOLI	P. O. Box 91315 Dat Al Imad Complex Tower No 5, 5th Floor Tripoli, Libya	EMIRATES	218-21-	3350591
UMM AL-QUWAIN	UAQ National Travel Agency P O Box 601 Umm Al Quwain, UAE	GSA	971-6-	7666684

EUROPE , USA and CANADA

City	Address	Agent	Code	Telephone
AMSTERDAM	Air Support Triport 1 Building Room 6150, Evert Van De Beekstraak 35, 118 CL Schiphol Airport, Netherlands	GSA	31-20-	3164222
ATHENS	189, L. Syngrou Avenue 1st floor, 171 21 - N. Smyrni Athens - Greece	EMIRATES	30-1-	9333400
	Amathus Aviation Hellas Ltd 5 Carolos Deal & Metropoleos 54623 Thessaloniki Greece	GSA	30-31-	283015-17
BELGRADE	PMT Limited Knez Mihajova 6/6 Belgrade 11000 Yugoslavia	GSA	381-11	624435
BRUSSELS	327 Avenue Louise 7th Floor 1050 Brussels, Belgium	EMIRATES	32-2-	6468032

City	Address	Agent	Code	Telephone
BUCHAREST	World Travel Calea Mosilor, nr. 294, sect 2 Bucharest Romania	GSA	40-1-	2100527 2100601
CHICAGO	150 North Martingale Road Suite 840, Schaumburg IL 60173, USA	EMIRATES	1-800-	777 3999
FRANKFURT	Escherscheimer Landstrasse 55 60322 Frankfurt Germany	EMIRATES	0180-	5364728 (tollfree)
HOUSTON	5718 Westheimer Road Suite 1090, Houston Texas 77057, USA	EMIRATES	1-713-	2665491 800-7773999 (tollfree)
ISTANBUL	Inonu Caddesi 96, Devres Han Gumussuyu 80090 Istanbul, Turkey	EMIRATES	90-212-	2935050
LARNACA	Amathus Navigation Co Ltd Larnaca Airport Larnaca, Cyprus	GSA	357-4-	643070 643323
LONDON	First Floor, Gloucester Park 95, Cromwell Road London SW7 4DL United Kingdom	EMIRATES		08702432222 (tollfree)
LOS ANGELES	880 Apollo Street Suite 302, El Segundo CA 90245 USA	EMIRATES	1-310-	4143250 800-7773999 (tollfree)
MADRID	Skyways S.L. Gran Via 67 6th Floor, Office 619 28013, Madrid Spain	GSA	34-91-	5599897
MALTA (VALLETTA)	Air Services International Ltd 144 Old Bakery Street Valletta VLT, 09, Malta	GSA	356-	233121
MANCHESTER	Riverside Court Riverside Park Wilmslow Cheshire SK9 1DL	EMIRATES		8702432222 08702412195 (Arabic)
MILAN	Via Paolo Da Cannobio 10 5th Floor, 20122-Milan, Italy	EMIRATES	39-02-	72000370
MUNICH	Munich Airport Terminal Module C Level 4, Room 310 85356 Munchen Germany	EMIRATES	0180	53647728
NEW YORK	405, Park Avenue Suite 403 New York, NY 10022, USA	EMIRATES	1-800	7773999 (tollfree)
NICE	Aeroport Nice Cote d'Azur Terminal 1 06281 Nice Cedex 3, France	EMIRATES	33-1-	53053535 (Paris)
NICOSIA	C/o Amathus Navigation Co. Ltd 66E Makarios Avenue P.O.Box 21601 Nicosia 1077, Cyprus	GSA	357-2-	374010/612 374302 376114
PARIS	Rue Scribe 75009 Paris France	EMIRATES	33-1-	53053535
PRAGUE	Globair S.R.O. Kozi 3 110 00 Prague 1 Czech Republic	GSA	420-2-	24810261

City	Address	Agent	Code	Telephone
ROME	Piazza Guglielmo Marconi 25 Rome, Italy	EMIRATES	167	462256 (tollfree)
SKOPJE	PMT Limited Bulevar Goce Delcev 11 TC Mavrovka 91000 Skopje FYR Macedonia	GSA	389 91	1177 88
STOCKHOLM	Aviation Marketing Scandinavia AB St. Goeransgatan 84 SE 112 38 Stockholm SWEDEN	GSA	46-8-	6512850
TORONTO	40 Sheppard Avenue West 7th Floor, Suite 707 North York, Ontario Canada M2N 6K9	EMIRATES	1-416-	800-3052224 (tollfree) 2218850
VIENNA	Kustritz Touristik Ges MBH Schreyvogelgasse 5 A-1010 Wien Austria	GSA	43-1-	5326028
ZURICH	Imperial Khouse Thurgauerstrasse 548050 Zurich-Oerilikon Switzerland	EMIRATES	41-1-	3071111
WEST ASIA & PACIFIC RIM				
AHMEDABAD	Hans Air Services MF-1 Nirman Bhavan Opp. Havmor Navrangpura Ahmedabad - 380009 India	PSA	91-79-	6569032 6420832 6445677
AUCKLAND	Level 5, Kensington Swan Bldg 22 Fanshawe Street Auckland, New Zealand	EMIRATES	64-9-	3776004
BANGALORE	Stic Travels Pvt Ltd G5, Imperial Court 33/1, Cunningham Road Bangalore 560052 India	PSA	91-80-	2202408/9 2256194/5
BANGKOK	2nd Floor, B B Building 54, Asoke Road Sukhumvit 21 Khet Prakanong Bangkok 10110, Thailand	EMIRATES	66-2-	6641040
CALCUTTA	Global Aviation Services Pvt Ltd Hotel Hindustan International R.No. 101/103, first floor 235/1 A.J.C.B.Road Calcutta - 700 020, India	PSA	91-33-	2472550 2471230
CHITTAGONG	ABC Air Limited 91 Agrabad Commercial Area Chittagong, Bangladesh	GSA	880-31-	725647 725648
COLOMBO	Hemas Bldg, 9th Floor 75 Baybrooke Place Colombo 02, Sri Lanka	GSA	94-1-	300200
DELHI	Kanchenjunga Building 18, Barakhamba Road New Delhi 110 001, India	EMIRATES	91-11	3328080 (5 lines)
DHAKA	116 Gulshan Avenue Gulshan Model Town Dhaka, Bangladesh	EMIRATES		
	ABC Air Limited Motijheel Commercial Area Dhaka, Bangladesh	GSA	880-2	9563825

City	Address	Agent	Code	Telephone
GOA	Phil Travels Durga Chambers, Shop No 8 & 9 18th June Road Panaji Goa 403 001 India	PSA	91-832	235300
HANOI	Transviet Promotions 330 Ba Trieu Street Hai Ba Trung District Hanoi, Vietnam	GSA	84-4-	9740040 237742/3
HO CHI MINH	Transviet Promotions 114A Nguyen Hue Street District 1, Ho Chi Minh City Vietnam	GSA	84-8	8256575/6
HONG KONG	11/F,Henley Building 5 Queens Road Central Hong Kong	EMIRATES	852-	25267171
HYDERABAD	Global Aviation Services Pvt Ltd Kalpavruksha 3-6-475/3 First floor, Himayat Nagar Hyderabad - 500 029	PSA	91-40-	6503450-53
ISLAMABAD	2-C Mohammadi Plaza Jinnah Avenue Blue Area Islamabad, Pakistan	EMIRATES		0800-33777 (tollfree)
JALANDHAR	Hans Air Services Pvt Ltd 111/112, Prestige Chambers G.T. Road Jalandhar - 144001 India	PSA	91-181-	57343/57344
JAKARTA	Sahid Jaya Hotel 2nd Floor Jalan Jend Sudiman Jakarta, Indonesia	EMIRATES	62-21-	5742440
JOHOR BAHRU	Maple Travel (M) SDN BHD G 125, Ground Floor Holiday Plaza, Jalan Dato Sulaiman, Taman Century 80250 Johor Bahru Malaysia	GSA	60-7-	3325828
KARACHI	265 R A, Lines Sarwar Shaheed Road Karachi 74200 Pakistan	EMIRATES	92-21-	5683377 0800-33777 (tollfree)
KATHMANDU	Universal Tours & Travels (P) Ltd P O Box 939, Kantipath Kathmandu, Nepal	GSA	977-1-	220579 252048/49 252050
KUALA LUMPUR	Shangri-La Hotel Annexe Lot 25, Letter Box 103 1st Floor, UBN Tower 10 Jalan P Ramlee 50250 Kuala Lumpur, Malaysia	EMIRATES	60-3-	2325288
LAHORE	Regent House 3 85 Imtiaz Plaza The Mall Lahore, Pakistan	EMIRATES		0800-33777 (tollfree)
MALE	Boduthakurufaanu Magu, Henveiru Male - Republic of Maldives	EMIRATES	960-	314945 325491
MALE	Air Maldives Ltd Aifaanu Bodhuthakurufaanu Magu Male - Republic of Maldives	GSA	960	310327/8 314805
MALE	Universal Enterprises Ltd Orchid Magu Male - Maldives	PSA	960	315466/7
MANILA	18th Floor, Pacific Star Building Sen, Gil J Puyat Avenue Corner of Makati Avenue Makati City, Philippines	EMIRATES	63-3-	8115278

City	Address	Agent	Code	Telephone
MELBOURNE	Level 2 257 Collins Street Melbourne, Vic 3000 Australia	EMIRATES	1300 61-3-	1300-303777 (tollfree) 86605100
MULTAN	House 1717, Kutchery Road, Multan Pakistan 60000	EMIRATES		0800 33777 (tollfree)
MUMBAI (BOMBAY)	Mittal Chambers Office No. 3 Ground Floor 228, Nariman Point Mumbai 400021 India	EMIRATES	91-22	2871645 -52
OSAKA	Air Systems Inc c/o Hommachi N.S. Bldg 7F 2-5-3-Chome Hommachi Chuo-ku, Osaka 541, Japan	GSA	81-6-	2432222
PENANG	Maple Travel (M) SDN BHD Phase 2B Lot 4-32 Komtar Level 4 10000 Penang Malaysia	GSA	60-4-	2631100
PESHAWAR	95-B, Saddar Road Peshawar Airport Pakistan	EMIRATES		0800 33777 (tollfree)
PUNE	Goldchip Travel Agency Pvt Ltd 129/130 Ashoka Mall, 1st floor Bund Garden Road Pune - 411 001 India	PSA	91-20-	623773 609432 603713
SEOUL	Wooree Agency Corpn 5th Floor, Soon Hwa Bldg 5-2 Soon Hwa Dong Chung Gu, Seoul Korea	GSA	82-2-	3190059
SINGAPORE	435, Orchard Road No. 19-06 Wisma Atria Singapore 238877	EMIRATES	65-	7353535
SYDNEY	Level 4, 36 Clarence St Sydney, N.S.W. 2000	EMIRATES	 61-2-	1300-303777 (tollfree) 92790711
SYLHET	ABCAir Limited 502, Taltola Sylhet Bangladesh	GSA	880-821-	712159 711200 711300
TAIPEI	Sentra Travel Service Ltd 4F, 112, Sec 2 Chung Hsiao E Road Taipei, Taiwan Republic of China	GSA	886-2-	23966891
TOKYO	Air Systems Inc c/o Toranomon TBL Bldg 8F 1-19-9 Toranomon Minato-ku, Tokyo 100-0014, Japan	GSA	81-3-	35936720

EMIRATES
Airline Centre
P.O.Box 686
Dubai
United Arab Emirates

On the Web at
www.emirates.com

DNATA
Airline Centre
P.O.Box 1515
Dubai
United Arab Emirates