

Press Release

Air Arabia reports net profit of AED 237 million in first half of 2015

- *First half revenues reach AED 1.75 billion, in-line with previous year*
- *3.6 million passengers flew Air Arabia in first six months of 2015, up 9 per cent*

Sharjah, UAE; August 5, 2015: Air Arabia (PJSC), the first and largest low-cost carrier (LCC) in the Middle East and North Africa, today announced its financial results for the first half of 2015 ending June 30 2015, as the company continue to achieve strong financial results and invest in its long-term growth.

The company's turnover for the first six months of 2015 reached AED 1.75 billion, in line with the corresponding period of 2014. Turnover for the three months ending June 30, 2015, stood at AED 860 million, a 6 per cent less than the same period of 2014. In the first six months of 2015, Air Arabia flew 3.6 million passengers, up 9 per cent on the corresponding period of 2014. Similarly, passenger numbers in the three months ending June 30, 2015, increased by 4 per cent to reach 1.8 million.

Net profit during the first half of 2015 reached AED 237 million, while, for the three months ending June 30, 2015, it stood at AED 152 million. These figures are respectively 4 per cent and 12 per cent less than the corresponding periods of 2014; mainly driven by pressured yield margins due to market conditions as well as a number of strategic investments made by the airline in first half 2015 which will begin to fully deliver value in the near future. The airline's average seat load factor – or passengers carried as a percentage of available seats – during the first half of 2015 stood at a high 79 per cent.

Sheikh Abdullah Bin Mohammad Al Thani, Chairman of Air Arabia, said: "Air Arabia continues to deliver healthy profit levels and strong passenger growth against a backdrop of challenging market conditions. The first half 2015 have seen Air Arabia taking major steps in investing in its growth. We have launched 'Air Arabia Jordan' following the completion of a strategic acquisition as well as invested in new routes and capacity increase across the group's operating hubs, which today provides our customer with access to over 115 routes across the world".

He added: "The economic performance from Russia and CIS countries and the impact of oil prices on the global economy in addition to regional political instability have all served to put pressure on yield margins across the entire aviation sector. We are confident that these factors are temporary and will be mitigated in the coming quarters when the long-term investments we have made into the business, come fully on stream."

"Air Arabia Jordan" was launched in the first half of 2015, located at Queen Alia International Airport in Amman, Jordan. 'Air Arabia Jordan' was formed following the acquisition of a 49 per cent stake by Air Arabia in Petra Airlines. Its inaugural flight took off in May to Kuwait and it has since added services to Jeddah in Saudi Arabia, Erbil in the Kurdistan Region of Iraq, and Sharm El Sheikh in Egypt.

In total, Air Arabia has added 15 new routes to its network in first half 2015, including becoming the first LCC from the Middle East and Africa to enter the Chinese market when it launched non-stop services to Urumqi, the largest city in Western China.

The first half of 2015 also witnessed the launch of "Airewards", the first ever Low Cost Carrier rewards program in the MENA region. It is designed to offer the same simple, transparent and value-packed experience that customers associate with Air Arabia, with points based on money spent rather than distance flown, and able to be earned on any product or service purchased from the airline.

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About Air Arabia:

Air Arabia (PJSC), listed on the Dubai Financial Market, is the Middle East and North Africa's leading low-cost carrier (LCC). Air Arabia commenced operations in October 2003 and currently operates a total fleet of 41 new Airbus A320 aircraft, serving some 115 routes from five hubs in the UAE, Morocco, Egypt and Jordan. Air Arabia is an award-winning airline that focuses on offering comfort, reliability and value-for-money air travel. For further information, please visit: www.airarabia.com.

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