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Press Release

Air Arabia reports strong first quarter 2017 net profit of AED103 million

- *Results exceed analyst expectations; backed by strong Air Arabia passenger demand and ongoing cost control measures.*

Sharjah, UAE; May 07, 2017: Air Arabia PJSC today reported strong financial results for the first quarter of 2017 exceeding analyst expectations as the Middle East's first and largest low cost carrier continued to deliver solid commercial and operational results.

Air Arabia reported a net profit of AED103 million for the three months ending March 31, 2017, a 10 percent less than the corresponding 2016 figure of AED114 million. In the same period, the airline posted a turnover of AED810 million, a 14 percent less than the corresponding first quarter of last year. The solid financial results were recorded amidst the continuous drop in the yield margins that the industry witnessed in the first quarter of this year; and were backed by Air Arabia's strong passenger demand as well as cost control measures taken by the carrier.

More than 2.1 million passengers flew with Air Arabia between January and March 2017, in line with the record number of passengers carried in the first quarter of last year. The airline's average seat load factor – or passengers carried as a percentage of available seats – during the first three months of 2017 stood at an impressive 81 per cent.

Sheikh Abdullah Bin Mohamed Al Thani, Chairman of Air Arabia, said: "We are glad to see Air Arabia recording strong first quarter financial results despite the impact of lower yield margins that the industry continued to witness in the first quarter of this year. The strong measures that we took in driving cost margins lower while optimizing revenue opportunities have proven once again the resilient and dynamic business model that we operate."

He added: “We continue to witness strong passenger demand for Air Arabia’s innovative and value added services and we remain confident of the growth prospects of the low cost travel segment in the region. We believe the market economic and trading conditions are on an improving trajectory and we are optimistic that this will reflect positively on the industry’s performance for the rest of the year”.

Air Arabia added one new route from its main hub in Sharjah in the first three months of 2017, with flights commencing to Baku in Azerbaijan. This was followed by the announcement of new seasonal flights from Sharjah to Trabzon, Turkey staring June 2017. In addition, Air Arabia added one new route in the first quarter of this year from its operating hub in Morocco between Casablanca and Catania in Italy. The carrier took delivery of 1 new aircraft in the first quarter of this year and currently operating a fleet of 47 Airbus A320 aircraft operating to 126 routes across the Middle East, Africa, Asia and Europe.

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