

**AIR ARABIA P.J.S.C. (AIR ARABIA)
AND SUBSIDIARY
SHARJAH - UNITED ARAB EMIRATES**

**CONSOLIDATED INTERIM FINANCIAL INFORMATION
AND REVIEW REPORT
FOR THE THREE MONTH PERIOD
ENDED MARCH 31, 2008**

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah - United Arab Emirates**

**Consolidated Interim Financial Information and Review Report
For the Three Month Period Ended March 31, 2008**

Table of Contents

	<u>Page</u>
Report on Review of Consolidated Interim Financial Information	1
Condensed Consolidated Balance Sheet	2
Condensed Consolidated Statement of Income	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Consolidated Interim Financial Information	6 – 17

Ref: 10341FS08-Mar

Report on Review of Consolidated Interim Financial Information

The Board of Directors
Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah - United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of **Air Arabia P.J.S.C. (Air Arabia) (the "Company") and Subsidiary (together the "Group")**, Sharjah, United Arab Emirates, as of March 31, 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

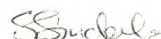
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: Interim Financial Reporting.

Emphasis of Matter

As discussed in Note 5 to the consolidated interim financial information, the Company is in the process of determining the fair values of investment property, property and equipment and separately identifiable intangible assets acquired from Air Arabia Company L.L.C. (Air Arabia) to determine the remaining value attributable to goodwill within the twelve months of the transfer date as allowed by IFRS 3 "Business Combinations". Accordingly, adjustments to the provisional values will be recognised and an impairment test on the carrying value of goodwill will also be performed upon completion of the valuation process.

Sharjah
May 11, 2008

For Deloitte & Touche



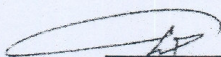
Saba Y. Sindaha
Partner
(Registration No. 410)

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah - United Arab Emirates**

**Condensed Consolidated Balance Sheet
At March 31, 2008
(In Arab Emirates Dirhams)**

	Notes	March 31, 2008 Unaudited	December 31, 2007 Audited
ASSETS			
Current assets			
Cash and cash equivalents	6	2,233,002,557	2,969,905,739
Trade and other receivables	7	180,627,350	134,009,886
Due from a related party		-	1,710,251
Inventories		1,104,191	747,707
Total current assets		2,414,734,098	3,106,373,583
Non-current assets			
Available-for-sale investments	8	1,124,144,891	581,215,288
Aircraft lease deposits		50,100,081	37,669,225
Deferred charges		13,198,874	6,457,738
Goodwill and other intangible assets	9	1,320,860,299	1,320,860,299
Investment property		12,375,000	12,562,500
Advance for new aircraft		160,181,266	160,181,266
Property and equipment	10	442,383,414	112,239,533
Total non-current assets		3,123,243,825	2,231,185,849
Total assets		5,537,977,923	5,337,559,432
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		224,351,145	182,028,689
Deferred income		167,517,693	104,303,403
Due to related parties		6,743,236	11,761,752
Total current liabilities		398,612,074	298,093,844
Non-current liabilities			
Due to a related party		1,500,000	2,250,000
Provision for employees' end of service indemnity		7,879,277	7,738,209
Total non-current liabilities		9,379,277	9,988,209
Total liabilities		407,991,351	308,082,053
Capital and reserves			
Share capital	11	4,666,700,000	4,666,700,000
Statutory reserve		27,665,734	27,665,734
Investments revaluation reserve		27,065,138	4,866,635
Retained earnings		408,555,700	330,245,010
Total Equity		5,129,986,572	5,029,477,379
Total liabilities and equity		5,537,977,923	5,337,559,432

The accompanying notes form an integral part of this consolidated interim financial information.


Chairman


Chief Executive Officer


Director of Finance

الخطوط الجوية العربية
airarabia.com
Air Arabia PJSC P.O. Box 132
Sharjah - United Arab Emirates

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah - United Arab Emirates**

**Condensed Consolidated Statement of Income
For the three month period ended March 31, 2008
(In Arab Emirates Dirhams)**

	<u>Notes</u>	Three month period ended March 31, 2008 <u>Unaudited</u>
Revenue		383,232,543
Cost of sales		(330,409,157)
Gross profit		52,823,386
Selling and marketing costs		(9,040,391)
General and administrative expenses		(11,869,079)
Operating profit		31,913,916
Profit on bank deposits		45,319,745
Other income		<u>1,077,029</u>
Profit for the period		78,310,690 =====
Basic earnings per share	12	0.02 =====

The accompanying notes form an integral part of this consolidated interim financial information.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Condensed Consolidated Statement of Changes in Equity
For the three month period ended March 31, 2008
(In Arab Emirates Dirhams)**

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Investments revaluation reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at December 31, 2007 (Audited)	<u>4,666,700,000</u>	<u>27,665,734</u>	<u>4,866,635</u>	<u>330,245,010</u>	<u>5,029,477,379</u>
Gain on available-for-sale investments directly recognised in equity	-	-	22,198,503	-	22,198,503
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,310,690</u>	<u>78,310,690</u>
Total recognised income and expense for the period	<u>-</u>	<u>-</u>	<u>22,198,503</u>	<u>78,310,690</u>	<u>100,509,193</u>
Balance at March 31, 2008 (Unaudited)	<u>4,666,700,000</u>	<u>27,665,734</u>	<u>27,065,138</u>	<u>408,555,700</u>	<u>5,129,986,572</u>
	=====	=====	=====	=====	=====

The accompanying notes form an integral part of this consolidated interim financial information.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Condensed Consolidated Statement of Cash Flows
For the three month period ended March 31, 2008
(In Arab Emirates Dirhams)**

	Three month period ended March 31, 2008 <u>Unaudited</u>
Operating activities	
Profit for the period	78,310,690
Adjustment for:	
Depreciation of property and equipment – net	2,084,094
Depreciation of investment property	187,500
Amortisation of deferred charges - net	180,434
Profit on bank deposits	(45,319,745)
Rental income	(562,500)
Operating cash flows before movements in working capital	34,880,473
Increase in trade and other receivables	(46,617,464)
Decrease in due from a related party	1,710,251
Increase in inventories	(356,484)
Increase in aircraft lease deposits	(12,430,856)
Increase in trade and other payables	42,322,456
Increase in deferred income	63,214,290
Decrease in due to related parties	(5,768,516)
Cash generated from operations	76,954,150
Net movement in employees' end of service indemnity	141,068
Net cash from operating activities	<u>77,095,218</u>
Investing activities	
Purchase of property and equipment - net	(332,227,975)
Increase in deferred charges - net	(6,921,570)
Purchase of available-for-sale investments	(520,731,100)
Profit on bank deposits	45,319,745
Rental income	562,500
Net cash used in investing activities	(813,998,400)
Net decrease in cash and cash equivalents	(736,903,182)
Cash and cash equivalents at the beginning of the period	<u>2,969,905,739</u>
Cash and cash equivalents at the end of the period (see Note 6)	<u>2,233,002,557</u> <u>=====</u>

The accompanying notes form an integral part of this consolidated financial information.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information
For the three month period ended March 31, 2008**

1. General information

Air Arabia P.J.S.C. (Air Arabia) - Sharjah (the “Company”) was incorporated on June 19, 2007 as a Public Joint Stock Company in accordance with UAE Federal Law No. 8 of 1984 (as amended). The Company operates in the United Arab Emirates under a trade license issued by the Economic Development Department of the Government of Sharjah and Air Operator's Certificate Number AC 2 issued by the General Civil Aviation Authority, United Arab Emirates. The “Group” comprises Air Arabia P.J.S.C. (Air Arabia) and its Subsidiary (see Note 3). The address of the Company’s registered office is P.O. Box 8, Sharjah, United Arab Emirates.

The licensed activities of the Company are international commercial air transportation, aircraft trading, aircraft rental, aircraft rent, aircraft spare parts trading, travel and tourist agencies, airlines companies representative office, passengers transport, air cargo agents, documents transfer services, telecommunications devices trading and aircraft repairs and maintenance. To date the principal operations comprise international commercial air transportation through Air Arabia operating out of Sharjah, United Arab Emirates.

The Company was incorporated on June 19, 2007 and accordingly comparative information for condensed consolidated statements of income, changes in equity and cash flows are not presented in this consolidated interim financial information.

2. Basis of preparation

This consolidated interim financial information is prepared in accordance with International Accounting Standard No. 34 - Interim Financial Reporting issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. The consolidated interim financial information is prepared in accordance with the historical cost basis, except for the revaluation of financial instruments. The consolidated interim financial information is presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group’s transactions are denominated

This consolidated interim financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group’s audited consolidated financial statements as at and for the period from inception to December 31, 2007. In addition, results for the 3 months ended March 31, 2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2008.

(a) Estimates

The preparation of consolidated interim financial information require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

2. Basis of preparation (continued)

a) Estimates (continued)

In preparing this consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that were applied to the audited consolidated financial statements as at and for the period from inception to December 31, 2007.

b) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the period from inception to December 31, 2007.

3. Basis of consolidation

The consolidated interim financial information of Air Arabia P.J.S.C. (Air Arabia) and Subsidiary (the "Group") incorporate the financial information of the Company and enterprises controlled by the Company (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All significant intra-group transactions, balances, income and expenses are eliminated on consolidation.

Subsidiary

Details of the Company's subsidiary at March 31, 2008 are as follows:

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activity</u>
Red Marketing Communications (FZE)	Sharjah Airport International Free Zone, U.A.E.	100%	100%	Providing marketing, advertisement agency and communication services.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

4. Accounting policies

The accounting policies used in the preparation of this consolidated interim financial information are consistent with those used in the audited financial statements for the period from inception to December 31, 2007

5. Business combination

At June 19, 2007, assets and liabilities of Air Arabia Company L.L.C. (Air Arabia) and Subsidiary were transferred to the Company as an in-kind contribution for 30% interest in the Company for an amount of AED 1,400,000,000 (see Note 11). The Company has provisionally recorded such assets and liabilities at the value they were carried in the books of Air Arabia Company L.L.C. (Air Arabia) at the date of transfer, as summarised below:

	<u>June 19, 2007</u> AED
Cash and cash equivalents	200,077,677
Trade and other receivables	99,091,260
Due from related parties	3,544,175
Available-for-sale investments	25,258,653
Deferred charges	11,040,546
Aircraft lease deposits	25,480,257
Investment property	12,960,417
Property and equipment	<u>69,856,172</u>
Total assets	447,309,157
Trade and other payables	(114,162,720)
Deferred income	(130,980,366)
Due to related parties	(116,141,066)
Provision for employees' end of service benefits	<u>(6,885,304)</u>
Book value of net assets acquired (see Note 9)	79,139,701 =====

The Company is in the process of determining the fair values of investment property, property and equipment and separately identifiable intangible assets acquired from Air Arabia Company L.L.C. (Air Arabia) to determine the remaining value attributable to goodwill within the twelve months of the transfer date as allowed by IFRS 3 "Business Combinations". Accordingly, adjustments to the provisional values will be recognised and an impairment test on the carrying value of goodwill will also be performed upon completion of the valuation process.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

6. Cash and cash equivalents

	March 31, 2008	December 31, 2007
	Unaudited AED	Audited AED
Cash on hand	659,947	590,586
Bank balances:		
Current accounts	44,314,159	55,796,746
Call deposits	70,579,343	76,773,398
Short term deposits	<u>2,117,449,108</u>	<u>2,836,745,009</u>
	<u>2,233,002,557</u>	<u>2,969,905,739</u>
	=====	=====

7. Trade and other receivables

	March 31, 2008	December 31, 2007
	Unaudited AED	Audited AED
Trade receivables	120,997,408	87,166,947
Allowance for doubtful debts	<u>(242,130)</u>	<u>(242,130)</u>
	120,755,278	86,924,817
Prepaid expenses	18,417,910	15,539,446
Advances and other receivables	<u>41,454,162</u>	<u>31,545,623</u>
	<u>180,627,350</u>	<u>134,009,886</u>
	=====	=====

8. Available-for-sale investments - Fair value

	March 31, 2008	December 31, 2007
	Unaudited AED	Audited AED
Quoted	27,499,157	30,125,288
Unquoted	<u>1,096,645,734</u>	<u>551,090,000</u>
	<u>1,124,144,891</u>	<u>581,215,288</u>
	=====	=====

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

9. Goodwill and other intangible assets

Goodwill and other intangible assets comprise excess of fair value of Air Arabia Company L.L.C. (Air Arabia) and Subsidiary over book value of net assets acquired by the Company as follows:

	March 31, 2008	December 31, 2007
	Unaudited AED	Audited AED
Total fair value of Air Arabia Company L.L.C. (Air Arabia) (see Note 11)	1,400,000,000	1,400,000,000
Book value of net assets acquired, as above (see Note 5)	(79,139,701)	(79,139,701)
Goodwill and other intangible assets	1,320,860,299 =====	1,320,860,299 =====

The fair value of Air Arabia Company L.L.C. (Air Arabia) was approved by the Ministry of Economy, United Arab Emirates on February 27, 2007 and by the Shareholders of Air Arabia P.J.S.C. (Air Arabia) in the Founding General Meeting held on May 17, 2007.

As explained in Note 5, adjustments to provisionally recognised value will be finalised within twelve months of the date of business combination and an impairment test on the carrying values of goodwill will also be performed at that stage.

10. Property and equipment

During the period, additions to property and equipment amounted to AED 332,312,256 which mainly comprises of aircraft purchases amounting to AED 319,633,125. Depreciation for the 3 month period ended March 31, 2008 amounted to AED 2,086,318.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

11. Share capital

	March 31, 2008	December 31, 2007
	Unaudited AED	Audited AED
1,400,000,000 shares of AED 1 each paid in-kind (see Note 5)	<u>1,400,000,000</u>	<u>1,400,000,000</u>
2,566,700,000 shares of AED 1 each subscribed in cash through IPO	2,566,700,000	2,566,700,000
700,000,000 share of AED 1 each subscribed in cash by the Founders	<u>700,000,000</u>	<u>700,000,000</u>
Share capital received in cash	<u>3,266,700,000</u>	<u>3,266,700,000</u>
Authorised and issued share capital	<u>4,666,700,000</u> =====	4,666,700,000 =====

As stated in Note 5, the assets and the liabilities of Air Arabia Company L.L.C. (Air Arabia) and Subsidiary, were transferred to Air Arabia P.J.S.C. (Air Arabia) as an in-kind contribution for 30% interest in Air Arabia P.J.S.C. (Air Arabia).

12. Basic earnings per share

	Three month period ended March 31, 2008
	Unaudited
Profit for the period (in AED)	78,310,690 =====
Number of shares	4,666,700,000 =====
Basic earnings per share (in AED)	0.02 =====

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

13. Joint ventures

The Group has interest in the following joint ventures:

<u>Name of joint venture</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Principal activity</u>
Information Systems Associates (FZC)	Sharjah Airport International Free Zone, U.A.E.	51%	Trading in IT products and providing IT services.
Sharjah Aviation Services (L.L.C.) (including Sharjah Airport Travel Agency, a 100% subsidiary of Sharjah Aviation Services (L.L.C.))	Sharjah, U.A.E.	50%	Providing aircraft handling services and passenger services.
Alpha Flight Services U.A.E. L.L.C.	Sharjah, U.A.E.	51%	Providing in-flight and retail catering and ancillary services for airports and airlines.
Yeti Airways International Pvt.	Kathmandu, Nepal	51%	International commercial air transportation.

The following amounts are included in the consolidated interim financial information as a result of the proportionate consolidation of the above joint ventures:

	March 31, 2008	December 31, 2007
	Unaudited AED	Audited AED
Current assets	51,727,109	34,084,973
Non-current assets	17,510,463	13,639,345
Current liabilities	32,289,789	26,497,803
Non - current liabilities	895,932	622,140

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

13. Joint ventures (continued)

	Three month period ended March 31, 2008 Unaudited AED
Income	27,480,282 =====
Expenses	30,775,306 =====

14. Operating lease arrangements

	Three month period ended March 31, 2008 Unaudited AED
Minimum lease payment under operating leases (excluding variable lease rental on the basis of flying hours) recognised in profit or loss for the period	49,732,636 =====

Details of aircraft lease agreements are as follows:

	Number of aircraft	
	March 31, 2008 Unaudited	December 31, 2007 Audited
Lease agreements signed for	20	20
Aircraft delivered against the above lease agreements	(13)	(11)
Aircraft to be delivered in future periods	7 =====	9 =====

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

14. Operating lease arrangements (continued)

The fixed lease commitments against delivered aircraft are as follows:

	March 31, 2008	December 31,
	Unaudited AED	2007 Audited AED
Within one year	137,422,921	145,028,455
In the second to fifth years inclusive	411,099,392	427,675,191
After five years	<u>19,809,103</u>	<u>11,075,208</u>
	568,331,416	583,778,854
	=====	=====

The fixed lease commitments against aircraft to be delivered in future periods are as follows:

	March 31, 2008	December 31,
	Unaudited AED	2007 Audited AED
Within one year	49,916,371	26,305,945
In the second to fifth years inclusive	464,675,761	498,251,089
After five years	<u>260,258,340</u>	<u>323,744,824</u>
	774,850,472	848,301,858
	=====	=====

In addition to the above fixed lease commitments, there is a variable lease rental element depending on the flying hours of the leased aircraft.

The aircraft lease agreements are subject to various covenants including restriction to sell or convey substantially all of the Group's property and assets or merge or consolidate with or into any other corporation without the prior consent of the lessor and no security interest may be created by the Group on the leased aircraft.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

15. Contingent liabilities

	March 31, 2008	December 31,
	Unaudited AED	2007 Audited AED
Letters of credit	50,921,134	50,921,134
Letters of guarantee	9,499,040	8,470,248

16. Capital commitments

The Group has entered into the following capital commitments:

	March 31, 2008	December 31,
	Unaudited AED	2007 Audited AED
Authorised and contracted:		
Aircraft fleet	10,244,169,824	10,244,169,824
Non-aircraft	6,155,625	6,155,625
Joint ventures	36,750,000	36,750,000
	10,287,075,449	10,287,075,449
	=====	=====
Authorised but not contracted:		
Aircraft fleet	3,858,750,000	3,858,750,000
Joint ventures	18,375,000	18,375,000
	3,877,125,000	3,877,125,000
	=====	=====

Aircraft fleet

The Group has entered into a contract with Airbus S.A.S. for the purchase of 34 Airbus A320 aircraft. The option to purchase 15 aircraft from Airbus was agreed at the same time. The total value of the 34 aircraft order was approximately USD 2.8 billion (AED 10.2 billion) at list prices subject to adjustment in accordance with the Airbus price revision formula. As per the contract, 20% of the purchase price is payable over the next five years, with the balance being due on delivery. It is anticipated that Airbus will begin deliveries in 2013.

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

16. Capital commitments (continued)

Joint ventures (continued)

The Group has entered into a joint venture agreement for an airline which will operate from Rabat in Morocco. On March 31, 2008 this venture was still in the early stages of development and a launch date had not been announced.

17. Segment information

Primary reporting format - business segments

March 31, 2008	<u>Airline</u> Unaudited AED	<u>Other segments</u> Unaudited AED	<u>Eliminations</u> Unaudited AED	<u>Total</u> Unaudited AED
Revenue				
External sales	359,560,770	771,473	-	360,332,243
Inter-segment sales	-	35,100	(35,100)	-
Total revenue	<u>359,560,770</u>	<u>806,573</u>	<u>(35,100)</u>	<u>360,332,243</u>
Result				
Segment result	<u>35,731,595</u>	(21,608)	-	35,709,987
Share of losses in joint ventures				(3,295,024)
Profit from bank deposits and other income				<u>45,895,727</u>
Profit for the period				<u>78,310,690</u>
Other information				
Additions to property and equipment and deferred charges	340,106,486	-	-	340,106,486
Depreciation and amortisation	2,754,625	39,801	-	2,794,426
Assets				
Segment assets	<u>2,186,211,460</u>	<u>4,257,180</u>	<u>(42,836,749)</u>	2,147,631,891
Unallocated Group assets				<u>3,390,346,032</u>
Total assets				<u>5,537,977,923</u>
Liabilities				
Segment liabilities	<u>375,931,412</u>	<u>1,855,334</u>	<u>(5,847,249)</u>	371,939,497
Unallocated Group liabilities				<u>36,051,854</u>
Total liabilities				<u>407,991,351</u>

**Air Arabia P.J.S.C. (Air Arabia) and Subsidiary
Sharjah – United Arab Emirates**

**Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2008**

17. Segment information

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4. Segment revenue does not include the Group's share of external revenue of joint ventures, amounting to AED 27,677,727, as the share of their results have been disclosed separately as unallocated under segment result. Segment result represents the profit earned by each segment without considering unallocated costs, shares of profits in joint ventures, profit from bank deposits and other income. Segment assets do not include short-term deposits, available-for-sale investments and the Group's share of assets in joint ventures. Goodwill has been allocated to Airline segment (see Note 9). Segment liabilities do not include Group's share of liabilities in joint ventures.

18. Approval of consolidated interim financial information

The consolidated interim financial information was approved and authorised for issue on May 11, 2008.