

Board of Directors report for the 1st Quarter of 2008:

The Board of Directors of Air Arabia PJSC are pleased to announce the company's trading results for the period ended 31st March 2008.

During this time Air Arabia produced an operating profit of AED 33m from Sales revenues of AED 383m, with a Net profit after Finance receipts and other income of AED 78m. This was 81% increase over the same period last year. The company carried a total of 757 thousand passengers during the quarter, an increase of 31% over 2007, achieving an average load factor of 85% which was a 2% above the previous year.

We are immensely proud of the record profitability in the first quarter of this year being achieved under very difficult trading conditions brought about by the increasing cost of aviation fuel. The high and uncertainty of oil prices as well as increasing inflation rates puts additional challenge on air transport sector across the globe. But, the rapid and strong economic growth of this region contributes to a sustained and subsequent market and travel growth and is clear evidence of the strong demand in our region for the Air Arabia business model and for Low cost air travel in general.

In January 2008 Air Arabia began operating from its second hub in Katmandu Nepal, extending the airlines reach to markets in South East Asia as well the Indian sub-continent and the Middle East. This new joint venture company is a further extension of Air Arabia's Low cost model bringing the prospect of low cost air travel to millions of people around the world.

Over all, 2008 first quarter formed a challenge that was well received and embarked upon by Air Arabia, and looking forward to continue the strong performance in the year 2008.

On behalf of the Board of Directors of Air Arabia,



Abdullah Bin Mohammed Al Thani
Chairman