

November 5, 2008

BOARD OF DIRECTORS REPORT FOR THE THIRD QUARTER OF 2008

The Board of Directors of Air Arabia PJSC is pleased to announce the company's third quarter trading results, for the period ended 30th September 2008.

During this time, Air Arabia produced an operating profit of AED 120 Million from Sales revenues of AED 625 Million, with a Net Profit after Finance receipts and other income of AED 214 Million. This was 30% increase in net profits over the same period last year. The company carried a total of 978,794 Million passengers during the period, an increase of 34% over 2007, achieving an average load factor of 87%.

During a period of unprecedented challenges for the global economy, we are extremely proud of these results, which demonstrate Air Arabia's ability to continue to deliver sustained growth and excellent returns to our investors.

As we look ahead toward the future, we intend to continue in the same vein – to grow our fleet of aircraft, expand our network of destinations and continue to offer the very best value-for-money service throughout the regions we serve and beyond.

On behalf of the Board of Directors of Air Arabia,



Abdullah Bin Mohammed Al Thani
Chairman

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