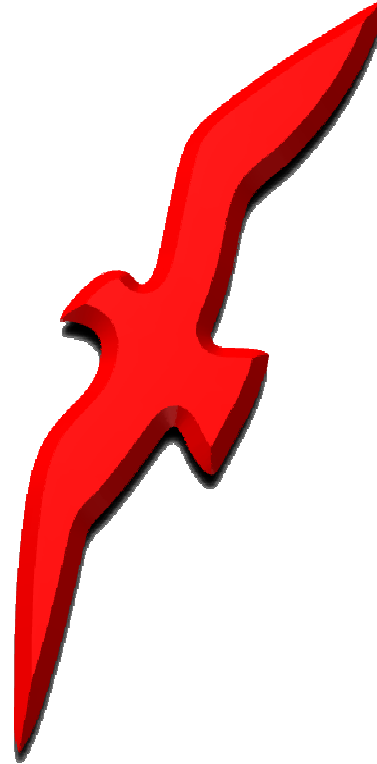


Air Arabia PJSC



Investor Presentation

Full Year 2008

February 2009

العربية للطيران
airarabia.com

Disclaimer

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Agenda

- ❑ Air Arabia at a Glance
- ❑ Financial Highlights



Highlights

- A national carrier of the UAE... Established in 2003 by the Government of Sharjah
- First and largest low-cost airline in the MENA region
 - 7.1 billion RPK
 - 8.3 billion ASK
 - 3.6m passengers carried 2008
- Current fleet of 16 (Dec 08) Airbus 320s
- Network (Dec 08) covering a total population of 1.7 billion, 44 destinations in 23 countries within the Subcontinent, MENA region and Central Asia
- Profitable in each of its 5 years of operation.
- Awarded “best low cost carrier in the Middle East” by Skytrax, World LCC Congress and World Travel Awards
- Adel Ali, CEO was awarded the world low cost airline ‘CEO of the year 2008” by World LCC Congress and “CEO of the year 2007” by Aviation Business

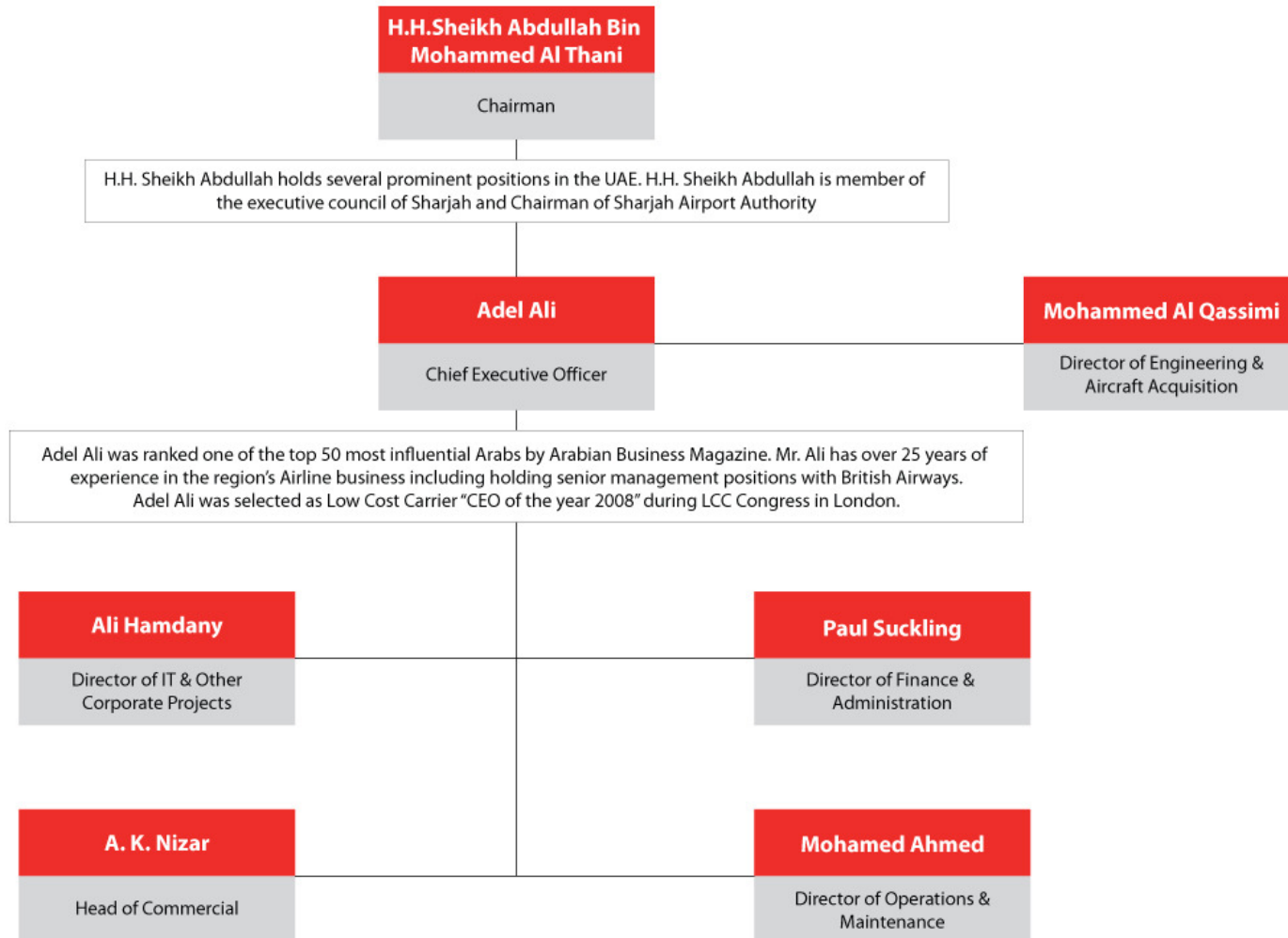
(

Network

Comprehensive network serving 44 destinations.



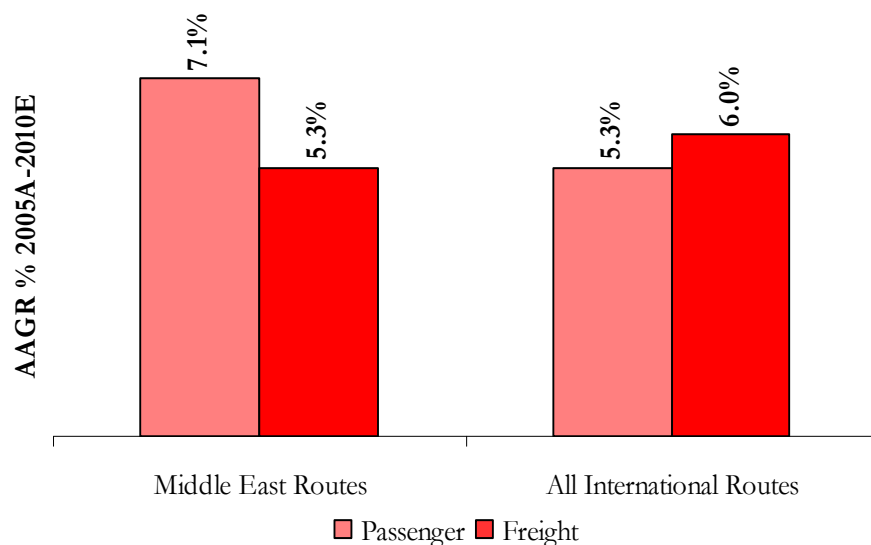
Experienced Management Team



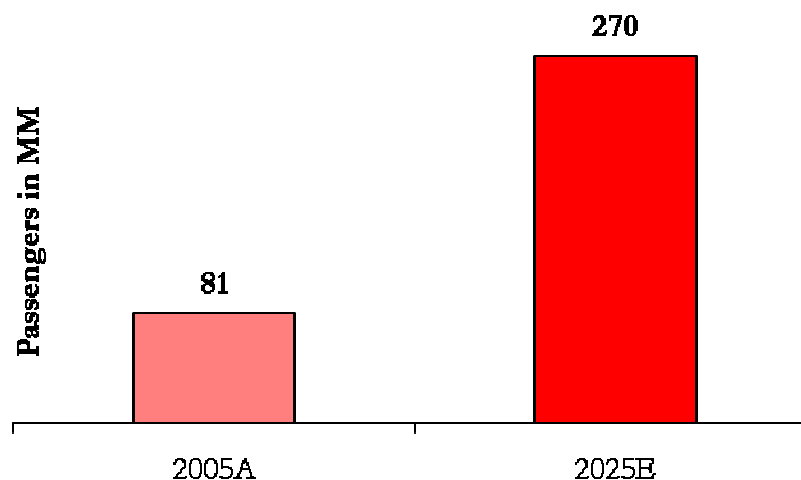
Highly Favorable Home and Regional Market Dynamics

✈ Strong Air Traffic Growth Projected in Our Target Regions

International Air Traffic Growth by Key Route Area



Middle East Passenger Traffic⁽¹⁾

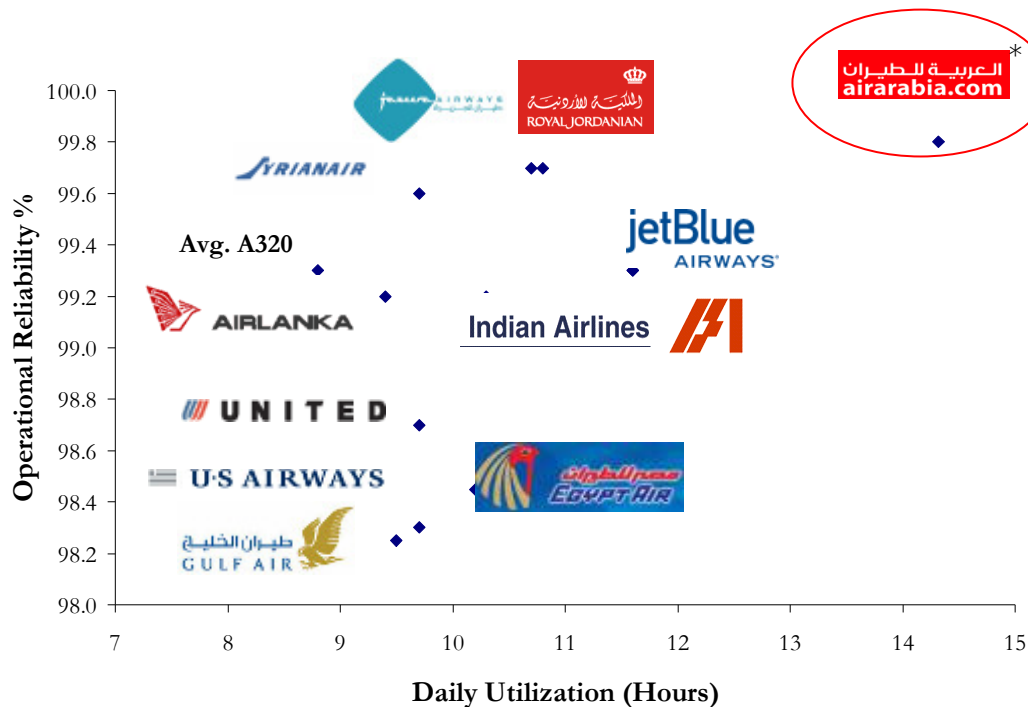


Source: Airbus

⁽¹⁾ Airbus Estimate; based on number of passengers of the top 20 airlines in the Middle East

Highly Profitable Low Cost Carrier Business Model

✈ Consistently Achieved the Highest Level of Aircraft Utilization in the A320 Family



*Data indicated for Q1 2007

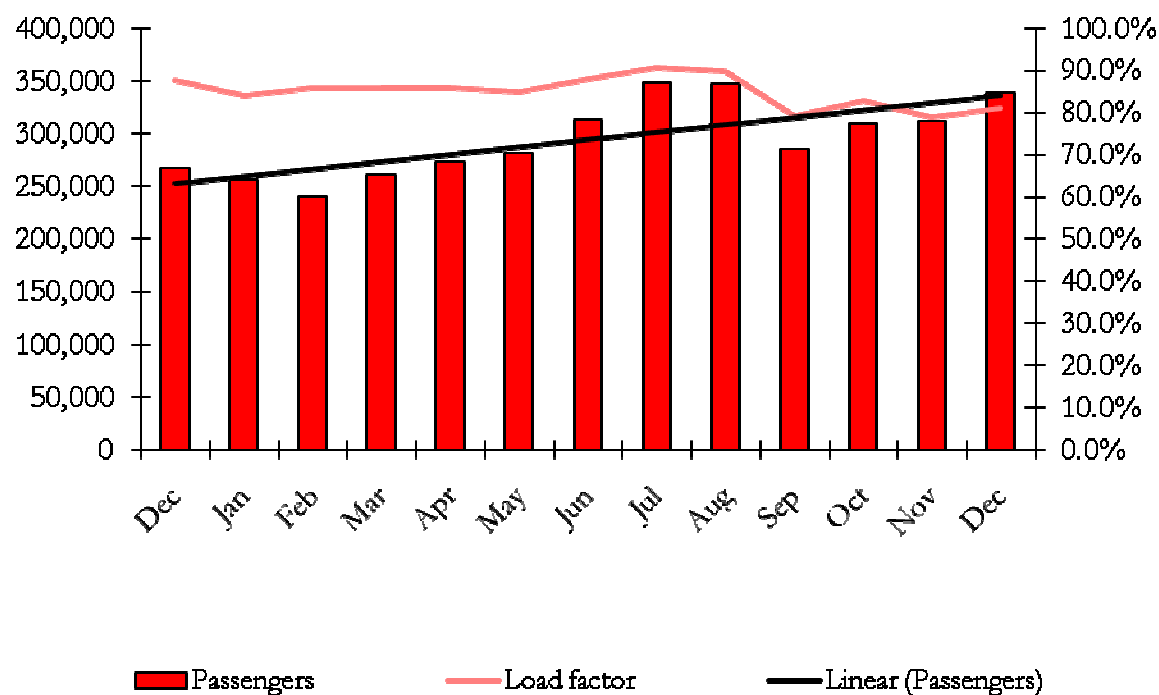
Source: Airbus

YTD we have achieved a flying time per aircraft of over 14 hours per day with more than 99% reliability



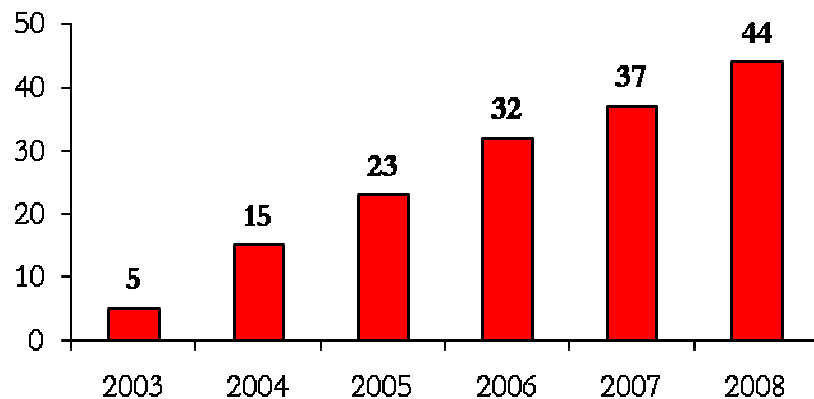
Consistent Load Factors and Passenger growth

Historic Load Factor vs Pax Numbers - 2008

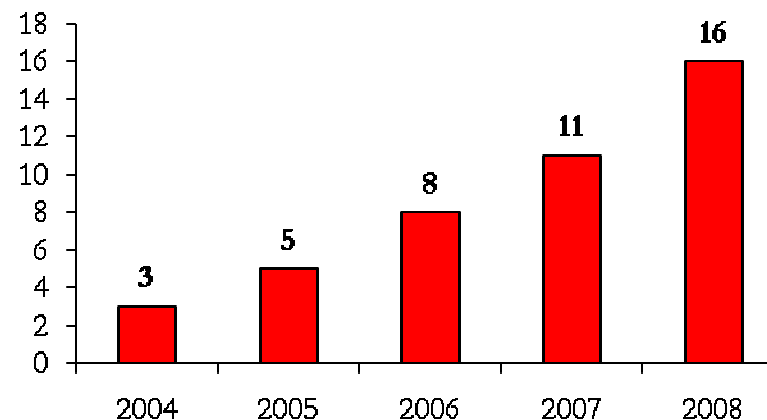


Passenger and Aircraft Growth

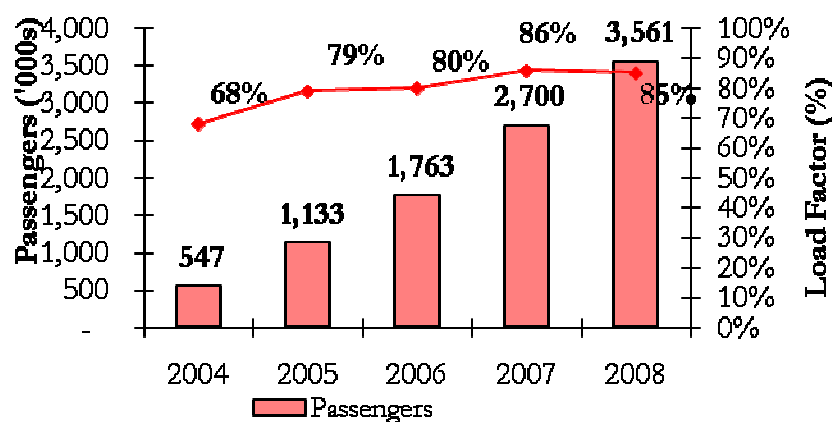
Number of Destinations



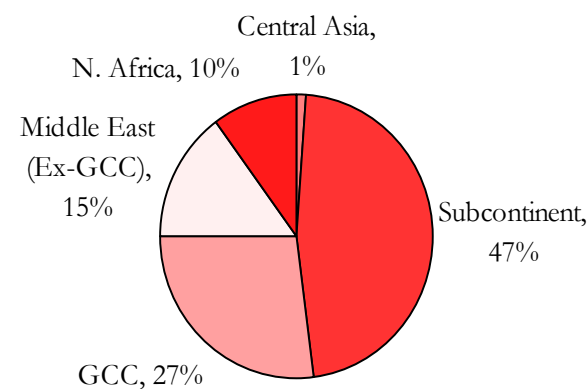
Fleet Size



Total Passengers and Load Factor

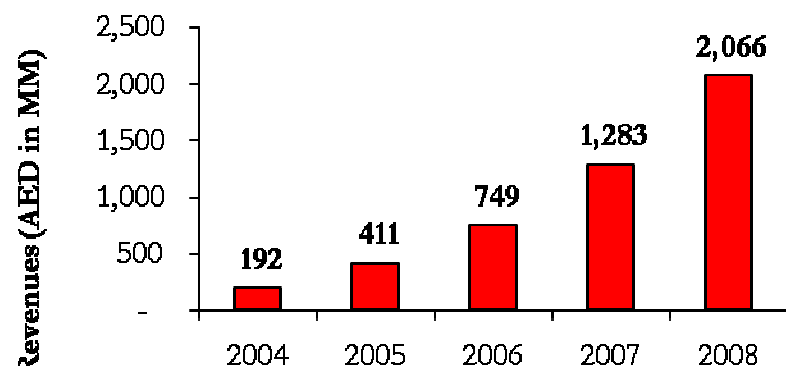


Geographic Distribution

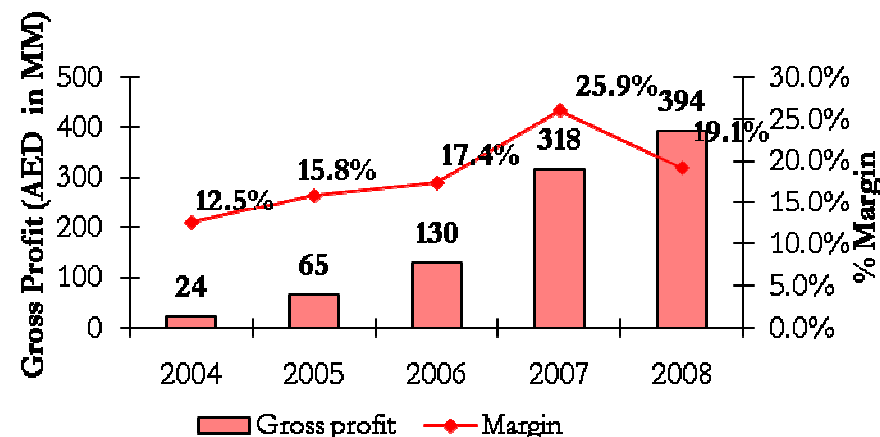


Historical Financial Performance (Group) FY08

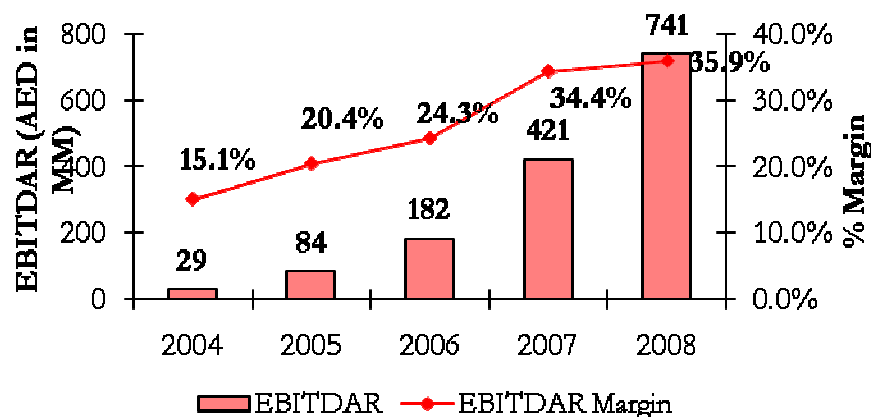
Revenues



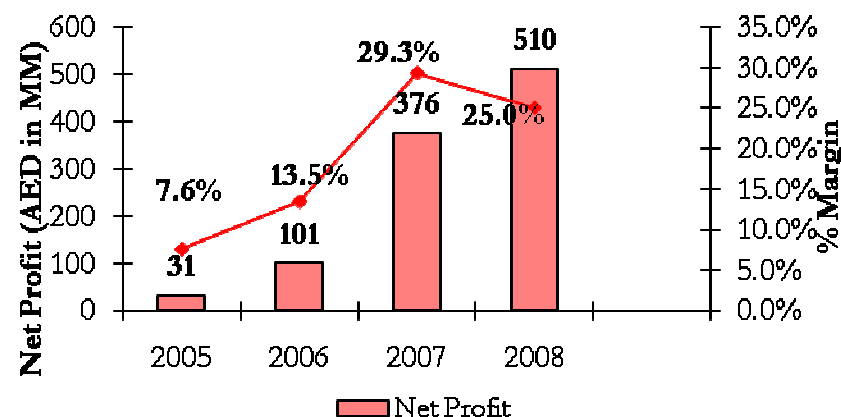
Gross Profit



EBITDAR

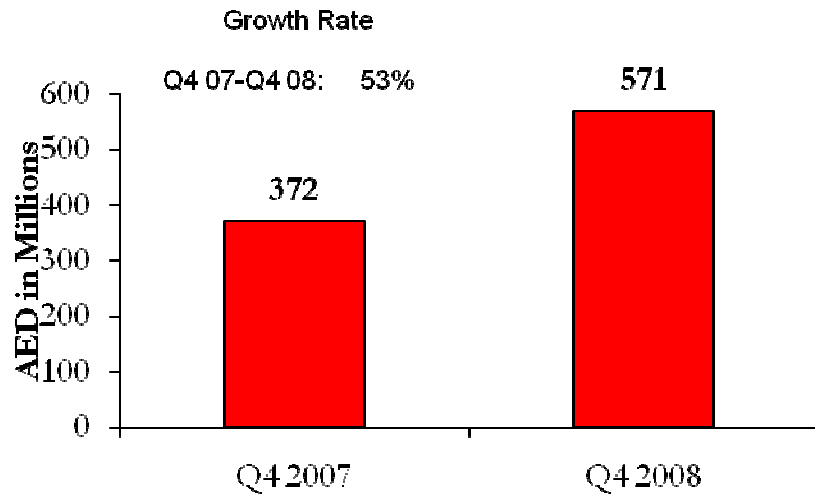


Net Profit

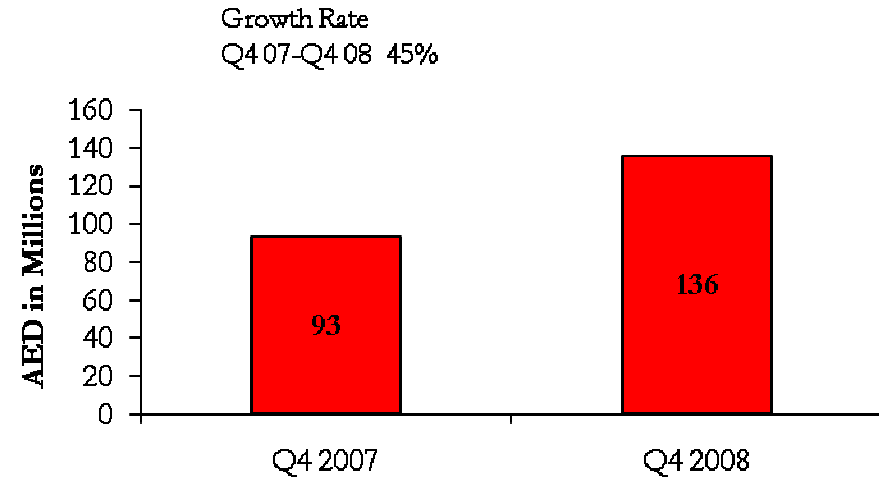


Financial Performance Q4 Highlights (Group)

Revenues

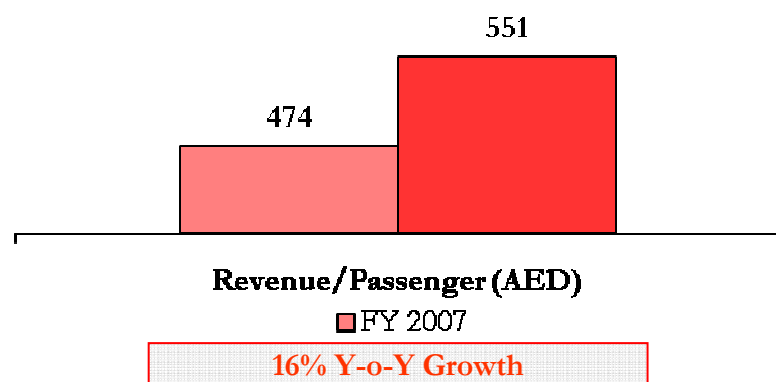


Net Profit

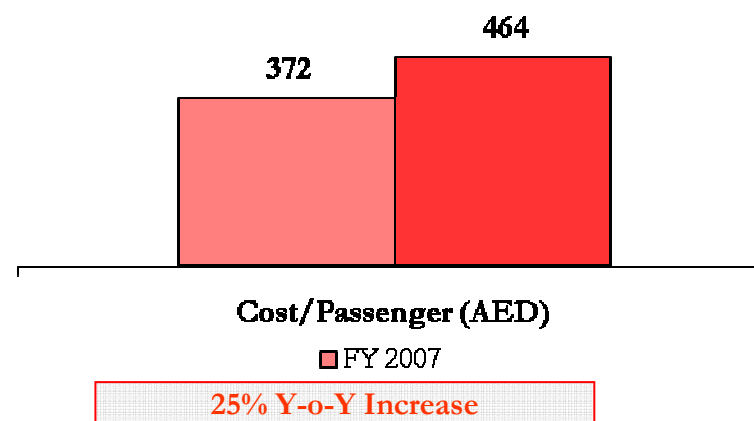


Highly Profitable Low Cost Carrier Business Model

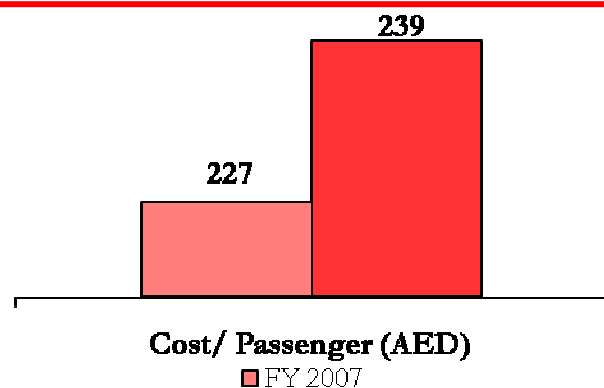
Revenue/Passenger – FY 2007 Vs. FY 2008



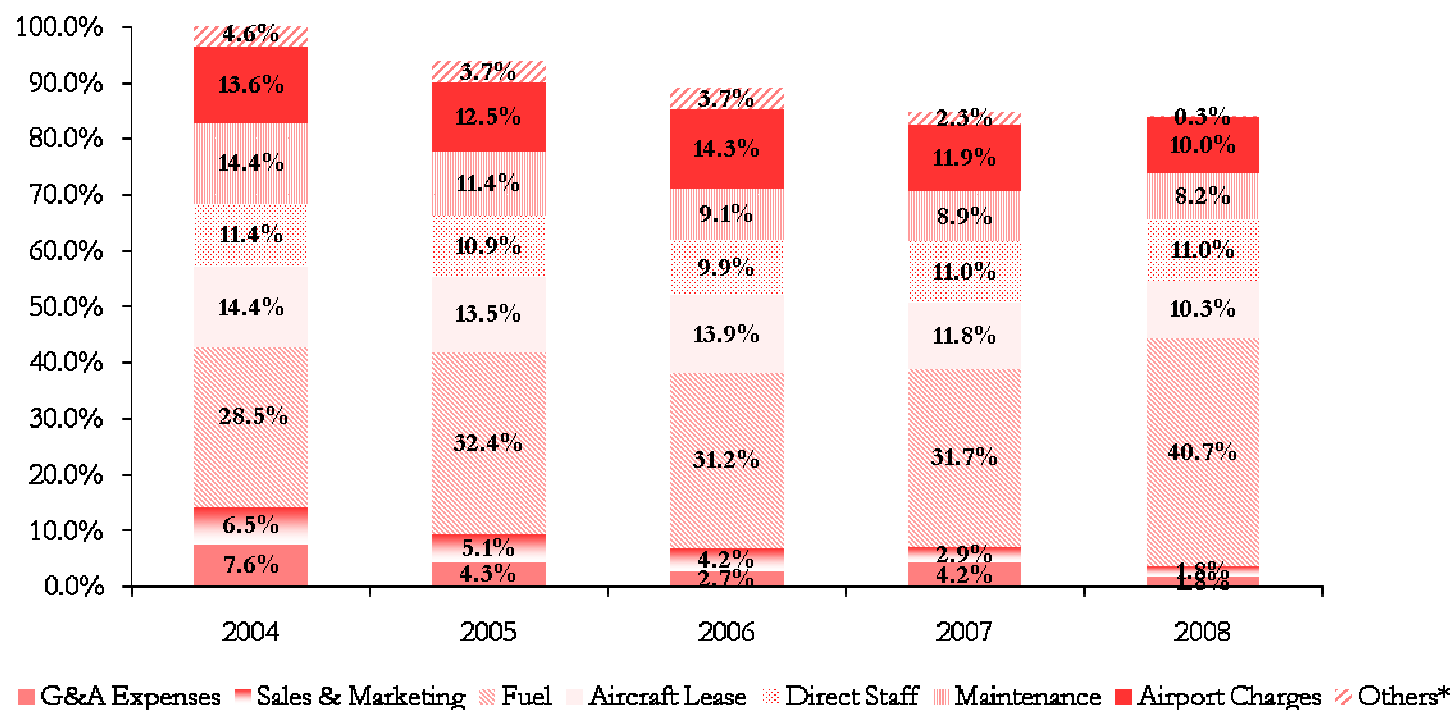
Cost/Passenger – FY 2007 Vs. FY 2008



Cost/Passenger – Excluding fuel



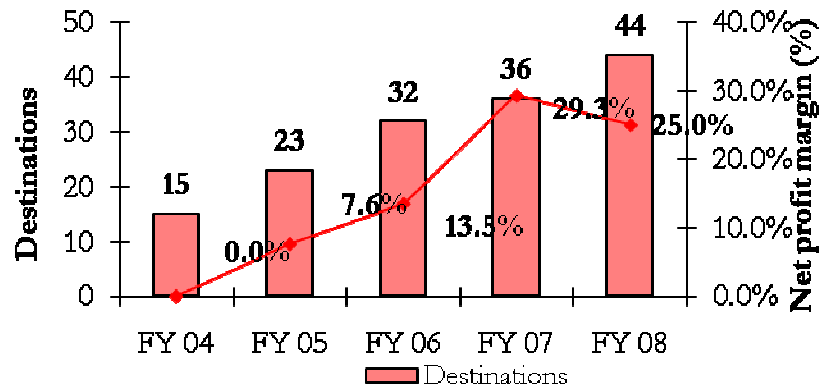
Operating costs as a percentage of revenue



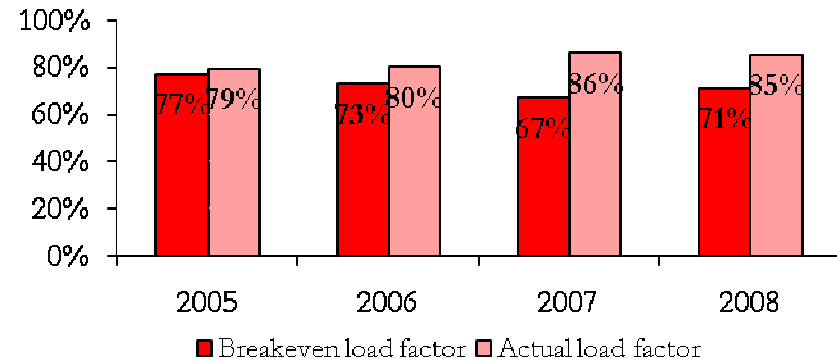
Drive Growth Through an Aggressive Expansion Plan

✈️ Track Record of Profitable Expansion

of Destinations vs. Net Profit Margin



Breakeven Load Factor vs. Actual Load Factor



Recent Routes	Start
Dhaka (Bangladesh)	June 08
Shiraz (Iran)	June 08
Kiev (Ukraine)	Oct 08
Nairobi (Kenya)	Oct 08
Hyderabad (India)	Oct 08

Operating Statistics

	2004	2005	2006	2007	2008
# of Aircrafts	3	5	8	11	16
Average Aircrafts	3.0	4.9	6.0	9.5	14.5
Destinations	15	23	32	37	44
# of Passengers (Millions)	0.6	1.1	1.7	2.7	3.6
RPK (Billions)	1.2	2.5	3.7	5.0	7.1
ASK (Billions)	1.8	3.2	4.7	5.8	8.3
Average Load Factor	68.0%	79.0%	80.0%	86.0%	85%
Revenue / Passenger	318.2	354.7	425.0	453.6	546
Cost / Passenger	348.9	345.3	382.1	351.6	460
Cost / Passenger (Ex-Fuel)	240.2	220.7	248.0	207.9	229
EBITDAR Margin	13.9%	20.4%	24.9%	34.4%	36%