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**Air Arabia (AIRA.DU)****November 10, 2008**

- Air Arabia's total revenues reached AED 624.7 million in 3Q2008, a 69% increase from the same period last year. This was 4% below our revenue forecast for 3Q2008.
- Even though Air Arabia saw a 34% increase in the number of passengers, there was a drop in load factor from 92% in 3Q2007 to 87% in 3Q2008; compared to our forecast of 93%.
- Air Arabia achieved an EBITDAR of AED 190 million for 3Q2008 (approximately 23% higher than 3Q2007). This was 18% lower than our forecast of AED 231 million for the quarter. We do not have the operational statistics to highlight the areas of major differences, as of yet, but our projections of a higher load factor stands out as one.
- Air Arabia's net income increased by 30% in 3Q2008, over the same period last year, to reach AED 214 million. This result is 4% above our forecast of AED 206 million; however, this was due to Air Arabia reporting, for the first time, a dividend income of AED 55.8 million, which it received from investments classified as available-for-sale.
- We will be issuing an update on Air Arabia to incorporate the latest performance.

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**Related Research**

- Air Arabia Update – 19 August 2008
- Air Arabia Update – 29 May 2008
- Air Arabia Update – 12 Nov. 2007