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Air Arabia (AIRA.DU)

February 17, 2009

- Air Arabia announced yesterday its preliminary results for FY2008 where it achieved a net profit of AED 510 million—an increase of 35.6% over the prior year. This result comes in line with our forecast of AED 507 million for 2008.
- Total revenues increased by 61% to AED 2.07 billion in FY2008, which was also in line with our forecast of AED 2.05 billion for the year.
- Air Arabia reported a load factor level of 85% for FY2008, a result that is one percentage point lower than our forecast of 86%.
- Around 959 thousand passengers flew with Air Arabia in 4Q2008 raising the total number of passengers for 2008 to 3.6 million.
- The board of directors has proposed the distribution of cash dividend of AED 0.10 per share. Based on yesterday's closing price this translates into a dividend yield of 10.5%.
- Full financials are expected to be out this week before the conference call on February 19, 2009.
- For now, we maintain our fair value target for Air Arabia of AED 1.41, which represents an upside potential of 48% compared to yesterday's close.

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Related Research

- Air Arabia Update - 20 Nov. 2008
- Air Arabia Update – 19 August 2008
- Air Arabia Update – 29 May 2008