

ETIHAD AIRWAYS STRENGTHENS REVENUE WITH SOARING PASSENGER AND CARGO VOLUMES IN FIRST HALF OF 2014

- Total revenues increase 28 per cent to US\$3.2 billion during first half of 2014
- Passenger numbers grow 22 per cent to 6.7 million between January and June
- Available Seat Kilometres up from 33.1 billion in H1 2013 to 39.4 billion in H1 2014
- Etihad Cargo achieves 27 per cent revenue growth and 25 per cent tonnage growth

Etihad Airways, the national airline of the United Arab Emirates, has reported double-digit growth in passenger and cargo volumes during the first half of 2014, marking its strongest ever performance for the six-month period, with total revenues increasing to US\$3.2 billion.

A total of 6.7 million passengers travelled with the airline between January and June this year, almost 22 per cent higher than the 5.5 million passengers in the same period last year.

Etihad Cargo also outperformed the global market, carrying 268,713 tonnes of freight and mail during the first half of 2014, up 25 per cent year-on-year, and contributing significantly to the airline's total revenue. It remains on track to become a billion dollar business in 2014.

The impressive performance was supported by Etihad Airways' continued growth in the second quarter of 2014, with 3.5 million passengers and 140,892 tonnes of freight and mail carried over the three-month period, both up 25 per cent on the same period last year.

James Hogan, President and Chief Executive Officer of Etihad Airways, said: “At a time when the global airline industry has struggled with high fuel prices, intense competition and a slowdown in the cargo market, Etihad Airways has achieved record success, carrying more passengers and cargo to more destinations around the world, with our biggest fleet to date.

“We have ambitious plans to build on this momentum in the second half of 2014, with five more destinations being introduced into our global network, and our ground-breaking Airbus A380 and Boeing 787 also entering service, which will reinforce our status as a global market leader.”

Passenger and cargo volumes were boosted by the fast-paced growth of Etihad Airways’ global route network, with 98 destinations operational by the end of H1 2014, compared to 92 in the same period last year. Following the launch of Medina flights in the first quarter of 2014, the second quarter included the start of new services to Jaipur, Zurich and Los Angeles, while frequencies increased on five existing routes, including Moscow and Cochin. The airline’s network will increase to 103 destinations by the end of the year, with Yerevan flights launched this month and Rome, Perth, Phuket and Dallas to follow over the remainder of 2014.

Organic growth was supported by codeshare and equity alliance partnerships in the first half of 2014, delivering an estimated 1.4 million passengers onto Etihad Airways flights (+28 per cent year-on-year) and contributing revenue of US\$471 million, which represented 23 per cent of the airline’s passenger revenue. In the second quarter alone, a new codeshare agreement was signed with GOL and existing codeshares were expanded with partners such as Jet Airways, airberlin, Air Serbia, Air France and South African Airways, while 754,050 passengers were

delivered onto Etihad Airways flights (+32 per cent year-on-year), contributing revenue of US\$247 million.

Etihad Airways' passenger carrying capacity, measured in Available Seat Kilometres (ASK), was 39.4 billion by the end of H1 2014, an increase of 19 per cent year-on-year. The airline's fleet also expanded to 102 aircraft, with seven aircraft delivered in the second quarter alone.

An additional six aircraft will be received in the second half of 2014, including Etihad Airways' first Airbus A380 and Boeing 787, which commence operations in December and will feature brand new first, business and economy class products. The A380 will also include The Residence by Etihad™, the world's first three-room private cabin, boasting a living room, separate double bedroom and ensuite shower, together with a personal butler service.

Etihad Cargo followed its record first quarter with a number of milestones in the second quarter, including optimised scheduling and connections globally, the launch of weekly freighter services to Dar es Salaam and Entebbe, increased frequencies on existing freighter routes to Beijing, Almaty and Bangalore, and more bellyhold capacity to Munich, New York and Chengdu.

Demand was also boosted by a new global incentive that awards Etihad Guest Miles for the booking of personal cargo shipments, which can be redeemed for flights and other rewards. This complements the existing Etihad CargoConnect program, which rewards small-to-medium sized freight forwarders with miles for their cargo business. A Partner Elite program was also launched in the second quarter to recognise Etihad Cargo's larger key multinational customers.

Etihad Airways' workforce grew to 20,149 employees by the end of the first half, up 28 per cent year-on-year. Within the core airline, 1,628

employees are UAE nationals, 19 per cent more than the same period in 2013, and Emiratis are the number one nationality group at manager level. Last month, Etihad Airways welcomed the latest group of graduates from its innovative development program to join divisions across the airline as pilots, managers, contact centre staff and technical engineers. The 217 graduates, who included 65 Emirati cadet pilots and 20 cadet pilots of other nationalities; 74 Emirati graduate managers, 44 Emirati contact centre staff and 14 Emirati technical trainees, were recognised at a gala ceremony held in Abu Dhabi.

Etihad Airways won 27 awards in the first half of 2014, 23 of which were presented in the second quarter, including the Middle East's Leading Airline, Middle East's Leading Airline – First Class and the Middle East's Leading Cabin Crew at the World Travel Awards Middle East 2014.

In Q2 2014, Etihad Airways:

- Launched new passenger flights to Jaipur, Zurich and Los Angeles
- Increased frequencies to five destinations, including Moscow and Cochin
- Launched weekly freighter services to Dar Es Salaam (Tanzania) and Entebbe (Uganda)
- Unveiled new Airbus A380 and Boeing 787 product and service offering, including The Residence, First Apartment, First Suites, Business Studio, and Economy Smart Seat
- Opened new First and Business Class Lounge at Kingsford Smith International Airport in Sydney – the airline's first in Australia
- Acquired Abu Dhabi Aircraft Technologies LLC (ADAT) from Mubadala
- Entered the process of acquiring the fixed wing training division from Horizon International Flight Academy (Horizon) prior to creating the new Etihad Flight College

- Announced that the Etihad Guest loyalty program had become a separate entity
- Increased fleet size to 102, with 23 additional aircraft over the same period last year

ETIHAD AIRWAYS H1 2014 RESULTS (WITH H1 2013 COMPARISON):

Key indicators	H1 2014	H1 2013	Variance
Total revenue	US\$3.2 billion	US\$2.5 billion	+28 per cent
Revenue from codeshare / equity partners	US\$471 million	US\$358 million	+31 per cent
Passenger volumes	6.7 million	5.5 million	+22 per cent
Available seat kilometres (ASKs)	39.4 billion	33.1 billion	+19 per cent
Cargo volumes	268,713 tonnes	215,124 tonnes	+25 per cent
Aircraft	102	79	+29 per cent
Direct destinations	98	92	+7 per cent
Total employees	20,149	15,709	+28 per cent

– Ends –

About Etihad Airways

Etihad Airways began operations in 2003, and in 2013 carried 11.5 million passengers. From its Abu Dhabi base Etihad Airways flies to 103 existing or announced passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas. The airline has a fleet of 102 Airbus and Boeing aircraft, and more than 210 aircraft on firm order, including 71 Boeing 787s, 25 Boeing 777-X, 62 Airbus A350s and 10 Airbus A380s. Etihad Airways holds equity investments in airberlin, Air Seychelles, Virgin Australia, Aer Lingus, Air Serbia and Jet Airways, and is in the process of formalising its equity investment in Swiss-based Etihad Regional*. For more information, please visit:

www.etihad.com

*Operated by Darwin Airline