

Monday, July 8, 2013

## **ETIHAD AIRWAYS POSTS RECORD RESULTS FOR SECOND QUARTER AND FIRST HALF OF 2013**

Etihad Airways today announced its strongest second quarter and half-year financial performances on record, reflecting continued solid growth in its airline alliance strategy and global cargo operations.

The national carrier of the United Arab Emirates achieved an eight per cent increase in Q2 2013 passenger revenues, generating US \$921 million (2012: US \$855 million), while passenger revenues for the first half of 2013 reached US \$1.8 billion (2012: \$1.6 billion), up by 13 per cent.

Revenue generated by codeshare and equity alliance airline partners was US \$184 million in Q2 2013. This was 25 per cent above the US \$147 million turnover in the same period of 2012. Partnership revenue comprised 20 per cent of the airline's total passenger revenue in both Q2 and the first half of 2013.

The President and Chief Executive Officer of Etihad Airways, James Hogan, said the company's Q2 and half year results were achieved despite the continuation of unsteady economic and geopolitical factors, with air fare yields slightly lower for the quarter, compressed by strong competitive capacity growth and resultant price competition.

"Despite the tough global trading climate, we have still achieved record, double digit growth in both Q2 and the first half of 2013," Mr Hogan said.

"This reflects not only the continuing popularity of our Abu Dhabi hub, but the growing maturity of our airline partnership strategy and the

strength of our cargo operations, which continue to well exceed industry growth rates.”

Mr Hogan said a significant achievement in Q2 was the improved contribution of the Etihad Airways equity alliance partners, in particular Germany’s airberlin, which has become the largest codeshare contributor. This reflects increased connectivity between the integrated networks of the two airlines.

Etihad Airways increased its codeshare partnerships during Q2, adding Serbia’s national carrier, JatAirways, and announced new partnerships with Air Canada, South African Airways and Belavia of Belarussia, all to take effect during Q3. With these inclusions, Etihad Airways will have 45 codeshare partners and a virtual global network of more than 350 destinations, the most comprehensive of any alliance or Middle Eastern airline.

In Q2, Etihad Airways’ Available Seat Kilometres (ASKs) – reflecting network seat capacity – rose by 13 per cent to 17.2 billion (2012: 15.2 billion). Revenue Passenger Kilometres (RPKs) – reflecting traffic – increased by 13 per cent to 13.3 billion in Q2 2013 (2012: 11.8 billion).

This growth was achieved through the delivery of two new Boeing 777-300 passenger aircraft – a three-class version seating 328 passengers and a two-class model seating 380 - and a corresponding increase in flights, including new services to Amsterdam, Sao Paulo and Belgrade.

Results for Q2 were further strengthened by the introduction late in March of daily flights to a fourth new destination, Washington, D.C.

Etihad Cargo continued to achieve the strongest growth in the company, with 112,963 tons uplifted in Q2 2013 (2012: 89,470 tons) and 215,124

tons in the first half of 2013 (2012: 174,622 tons). This reflected a massive 26 per cent growth in Q2 and 23 per cent growth for the first half of 2013.

The growth in cargo volumes was underpinned by the delivery in Q2 of three new freighter aircraft – one Airbus A330-200F, one Boeing 777-200F and the company's first Boeing 747-8F, which was wet leased from Atlas Air – taking the cargo fleet to nine. Cargo performance was further boosted by increased passenger services, providing more under-floor freight capacity.

During Q2 Etihad Airways announced that, subject to regulatory approvals, it would acquire 24 per cent of India's Jet Airways, enlarging the Etihad Airways equity alliance and group network.

In addition, Etihad Airways signed an Initial Memorandum of Understanding with the Government of Serbia to discuss potentially investing in JatAirways. Etihad Airways also secured Australian regulatory approval to increase its equity stake in Virgin Australia from 10 per cent to 19.9 per cent.

As well as its Virgin Australia stake, Etihad Airways holds a 29 per cent shareholding in airberlin, 40 per cent of Air Seychelles and three per cent of Aer Lingus.

**In Q2 2013, Etihad Airways:**

- Introduced daily flights between Abu Dhabi and Amsterdam, Netherlands
- Introduced daily flights between Abu Dhabi and Belgrade, Serbia
- Introduced an initial three flights per week between Abu Dhabi and Sao Paulo, Brazil

- Commenced codesharing with JatAirways, and announced new agreements with Air Canada, South African Airways and Belavia, effective from Q3
- Expanded codeshares with carriers including KLM, Air France, Aer Lingus and Alitalia
- Initiated discussions with the Serbian Government to acquire equity in the national carrier, JatAirways
- Secured Australian regulatory approval to increase shareholding in Virgin Australia from 10 per cent to 19.9 per cent.
- Added two new passenger aircraft and three new freight aircraft
- Won all three titles in the First Class category of the 2013 Skytrax Awards for airline excellence – Best First Class (fourth consecutive year), Best First Class Seats and Best First Class Catering.

#### **Q2 2013 and Q2 2012 comparison:**

<b>Key indicators</b>	<b>Q2 2013</b>	<b>Q2 2012</b>	<b>Variance</b>
Passenger revenue	US \$921 million	US \$855 million	+ 8 per cent
Cargo revenue	US \$216 million	US 180 million	+20 per cent
Total revenue	US \$1,327 million	US \$1,245 million	+7 per cent
Rev passenger kilometers	13.3 billion	11.8 billion	+13 per cent
Available seat kilometers	17.2 billion	15.2 billion	+13 per cent
Seat factor	77.3 per cent	77.6 per cent	- 0.3 percentage points
Cargo tonnage	112,963 tons	89,470 tons	+26 per cent
Fleet	78 aircraft	67 aircraft	+11

#### **First half year 2013 and 2012 comparison:**

<b>Key indicators</b>	<b>First half 2013</b>	<b>First half 2012</b>	<b>Variance</b>
Passenger revenue	US \$1.8 billion	US \$1.6 billion	+13 per cent
Cargo revenue	US \$411 million	US \$346 million	+19 per cent
Total revenue	US \$2.5 billion	US\$2.2 billion	+14 per cent

Rev passenger kilometers	26.1 billion	22.7 billion	+15 per cent
Available seat kilometers	33.1 billion	29.5 billion	+12 per cent
Seat factor	78.9 per cent	76.9 per cent	+2 percentage points
Cargo tonnage	215,124 tons	174,622 tons	+23 per cent