



ETIHAD AIRWAYS AND GOVERNMENT OF SERBIA UNVEIL STRATEGIC PARTNERSHIP TO SECURE FUTURE OF SERBIAN NATIONAL AIRLINE

- Etihad Airways to acquire 49 per cent of JatAirways
- JatAirways to be renamed and rebranded Air Serbia
- Etihad Airways awarded five year management contract for new airline
- Etihad Airways and Government of Serbia both to inject USD 40 million
- Etihad Airways and Government of Serbia to each provide up to USD 60 million further funding
- Air Serbia to launch flights to Abu Dhabi from October 2013

Etihad Airways, the national airline of the United Arab Emirates (UAE) has unveiled plans to acquire 49 per cent of JatAirways. The Abu Dhabi-based carrier has also been awarded a five year management contract for the Serbian national airline.

These are two of the key components of a wide-ranging strategic partnership agreement, signed by Etihad Airways and the Government of Serbia, which includes a fleet of new aircraft, and a new integrated network of international destinations enabling greater access for business and leisure travellers to Serbia.

The historic agreement follows the launch of Etihad Airways flights between Abu Dhabi and Belgrade in June and will significantly enhance trade and investment relations between the United Arab Emirates and Serbia as well as boosting the tourism sector in both countries.



Economic ties between the two countries, valued at EUR 23.3 million in 2012, three times greater than in 2011, continue to expand with a number of key government agreements signed in recent months which will see investments in agriculture, defence, technology, and tourism.

The strategic partnership agreement was announced by James Hogan, President and Chief Executive Officer of Etihad Airways and Aleksandar Vučić, Deputy Prime Minister of the Serbian Government, at a media conference in Belgrade today, Thursday 1 August 2013.

Within the agreement Etihad Airways will make available a USD 40 million loan facility which will be converted into equity on 1 January 2014, subject to regulatory approval. This will be matched by an equal funding injection by the Government of Serbia.

Etihad Airways and the Government of Serbia will also each provide further funding through shareholder loans and other funding mechanisms of up to USD 60 million to meet working capital requirements and support network development for the newly created Air Serbia.

James Hogan, Etihad Airways' President and Chief Executive Officer, said: "We are delighted to welcome Air Serbia to our equity alliance and look forward to working constructively with them and their stakeholders to build a sustainable, competitive, and profitable airline.

"In addition to creating scale, our renowned business model provides a unique common platform to drive synergies and cost savings which will be of considerable benefit to Air Serbia as the new airline evolves.



"We will have tough decisions to make but the financial investment by Etihad Airways and the Government of Serbia, together with the positive impact of our joint management expertise and experience, will help ensure this airline, with its proud history, now has an even brighter future."

Aleksandar Vučić, Deputy Prime Minister of the Serbian Government, said: "Etihad Airways' reputation, financial strength and stability will be of significant benefit to Air Serbia and we are delighted to launch this strategic partnership. Air travellers to and from Serbia will soon benefit from an incredible range of new products and services.

"The partnership will provide passengers with an extensive route network and smooth flight connections. It will also consolidate and enhance both airlines' market competitiveness as the relationship deepens over the coming months."

The rebranding and renaming of JatAirways to Air Serbia is a significant moment in the history of the Serbian carrier which is more than 80 years old. Tail fins on Air Serbia aircraft will feature the Serbian coat of arms and the country's state colours on both sides.

The new livery was designed by a team in Serbia and the UAE and provides a new look and feel for the national airline. The aim was to make a break with past practice, but not with Serbian heritage and also offer an unmistakable national identity.

Among other planned developments will be an enhanced flight network, codesharing with Etihad Airways and airberlin, adding to Air Serbia's current network of 33 cities another 12 destinations in Africa, Europe and the Middle East.

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The new destinations are Abu Dhabi (complementing Etihad Airways' daily service), as well as Banja Luka, Beirut, Bucharest, Budapest, Cairo, Kiev, Ljubljana, Prague, Sofia, Varna, and Warsaw.

Among the first new destinations to be launched by Air Serbia will be a four flights a week service between Belgrade and Abu Dhabi.

Complementing Etihad Airways' current daily flights, the new Air Serbia service will start in October 2013 and will move to daily when the new fleet grows to facilitate an increased service.

The new A319 aircraft will be in Air Serbia livery, with a stylish cabin trim and product of a standard never seen before operating out of Belgrade.

The current JatAirways fleet of 10 Boeing 737-300 aircraft will be retired from scheduled operations, and in the short term will be replaced by leased narrow body aircraft. In the longer term, an Air Serbia order will be made for 10 new narrow body aircraft.

The strategic partnership agreement will also offer unprecedented career development opportunities for Air Serbia cabin and flight deck crew, who will have access to Etihad Airways' world class Training Academy and facilities in Abu Dhabi.

Air Serbia will become Etihad Airways' sixth equity partner following investments in airberlin (29.21 per cent), Air Seychelles (40 per cent), Virgin Australia (10.5 per cent), Aer Lingus (2.99 per cent) and most recently Jet Airways (24 per cent – subject to regulatory approval).

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About Etihad Airways

Etihad Airways, the national airline of the United Arab Emirates, began operations in 2003, and in 2012 carried 10.3 million passengers. From its hub at Abu Dhabi International Airport, Etihad Airways serves 94 passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas, with a fleet of 78 Airbus and Boeing aircraft, and over 80 aircraft on firm order, including 41 Boeing 787-9 Dreamliners and 10 Airbus A380s, the world's largest passenger aircraft. Etihad Airways also holds equity investments in airberlin, Air Seychelles, Virgin Australia, Aer Lingus and, subject to regulatory approval, will acquire 24 per cent of India's Jet Airways. For more information, please visit:

www.etihad.com

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