

### **ETIHAD AIRWAYS' SUCCESS COMES FROM REWRITING THE AIRLINE RULEBOOK**

Etihad Airways has become the fastest-growing carrier in commercial aviation history, and one of the most successful, by “rewriting the rulebook”, the airline’s President and Chief Executive Officer, James Hogan, said today in his keynote address at the 2013 CAPA Australia Pacific Aviation Summit held in Sydney.

Mr Hogan’s address in Australia came just days after Etihad Airways announced an historic deal with the Government of Serbia to buy 49 per cent of Air Serbia, the country’s rebranded national airline, and a five-year management contract to run it.

Eschewing the traditional airline model and legacy alliances, Mr Hogan presented a new business model for global aviation describing the Abu Dhabi-based carrier’s unique strategy of building scale through organic growth, codeshare partnerships and minority equity investments in other carriers.

“There is ample evidence to show that the traditional airline model and legacy airline alliances are no longer relevant to today’s operating environment and that progress for the industry is unlikely without radical change,” Mr Hogan said. “A sustainable future for global aviation relies on a bold vision and a willingness to break with tradition and past practices.”

Mr Hogan said that global reach was beyond the capability of any single airline and that progress would come only through partnerships.

“Including Jet Airways, where we’re still going through the regulatory process, Etihad Airways will have six equity and 46 codeshare partners, offering a pool of over 96 million guests and a choice of more than 410 destinations on six continents, serviced by a fleet of approximately 500 modern aircraft,” said Mr Hogan.

“Cooperation includes joint procurement of assets, services and supplies such as aircraft, engines, fuel and insurance, as well as cooperation on issues such as maintenance, crew

training and sales activities, which reduces costs for all participating carriers. This is real value-add for our equity alliance and I am confident it is the way forward,” Mr Hogan said.

“We are delighted to welcome Air Serbia to our equity alliance, and look forward to receiving final approvals from regulators in India of our investment in Jet Airways,” he added.

In addition to the actions which airlines must take to ensure their own futures, Mr Hogan said other broader changes were required by governments and regulators including workforce deregulation, reform of airspace management, technology innovation, more investment in infrastructure and greater collaboration with industry.

He said one major and continuing issue for the air transport industry was constrained access to major airports, many of which were now at maximum capacity and could not be expanded, or would take many years to upgrade.

Mr Hogan said one option which should be considered was selective easing of noise curfews at major airports. In some cases, he said, curfews were introduced up to 50 years ago to mitigate the noise of 1950s-era jets including Boeing 707s, DC-8s and VC10s. However, regulators did not consider the billions of dollars invested by airlines on low noise, low emission aircraft such as today’s Airbus A380s and Boeing 787s, which remain constrained by the same noise curfews as the very first jet airliners. “Perhaps, to ease airport congestion, there should be curfew relief for next-generation, low-noise aircraft,” Mr Hogan said.

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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

## Media Release



investments in airberlin, Air Seychelles, Virgin Australia and Aer Lingus, will acquire 49 per cent of Air Serbia from January 2014, and, subject to regulatory approval, will acquire 24 per cent of India's Jet Airways. For more information, please visit: [www.etihad.com](http://www.etihad.com)