

ETIHAD AIRWAYS WELCOMES EUROPE'S AVIATION POLICY REVIEW AS OPPORTUNITY FOR BOLD, EXCITING CHANGE

- **Airline lodges detailed submission to European Commission's review of European air transport policy**
- **Says aviation is "global, not local", and urges EC to put competition and consumers first in Strategic Aviation Package**
- **Calls for easing of restrictions on market access and investments by non-European airlines**

Etihad Airways, the national airline of the United Arab Emirates, has urged the European Commission to embrace "bold, exciting and world-leading reforms" as part of the Strategic Aviation Package to overhaul Europe's air transport industry.

In a detailed submission to the Commission, the airline advocates a policy which actively facilitates competition and consumer choice, addresses critical shortfalls in aviation infrastructure and eases restrictions on market access and investments by non-European airlines.

Etihad Airways says: "We welcome the opportunity to contribute to this important process, given our significant operations into Europe and our investments in a number of European carriers. We believe that this gives us a unique perspective on the current regulatory environment in Europe, as well as a sense of what needs to change in order to ensure a vibrant and competitive industry in the future.

"The Strategic Aviation Package proposed by the European Commission represents a significant 'window of opportunity' to strengthen the European air transport sector as an economic and social enabler, and a key driver of growth, through bold, exciting and world-leading initiatives which improve the efficiency of the industry and increase global flight connectivity."

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Etihad Airways proposes nine principles for progress:

1. Put competition and consumers at the forefront of policy development;
2. Think globally, not locally;
3. Ensure that connectivity is at the heart of EU aviation and transport policy;
4. Support innovation in business models, and not artificially constrain them;
5. Promote transparency, efficiency and legal certainty in order to attract external investment;
6. Take a holistic approach to security;
7. Tackle regulatory obstacles and infrastructure inefficiencies, and fully reflect Better Regulation practices;
8. Encourage structural reforms in the air transport industry, and;
9. Promote open skies.

The airline supports its submission with expert research from three global consultancies, Oxford Economics, Edgeworth Economics and The Risk Advisory Group.

Oxford Economics conducted a major economic impact study which shows that Etihad Airways' core operations and capital spending in 2015 alone will support over 51,200 European jobs and contribute €3.3 billion to the EU's GDP. The report also shows that in 2015, Etihad Airways will contribute €1.7 billion to EU GDP through connectivity improvements.

The Risk Advisory Group prepared an analysis of the state support received by European flag carriers prior to and following their privatisation. While Etihad Airways does not challenge the European system, it seeks to demonstrate that this system has created a distorted playing field for new entrants.

Edgeworth Economics conducted an analysis of competition and connectivity in the European air travel industry which showed significant growth in flights and demand between Europe and the key regions served by Etihad Airways, as well as the competition and connectivity impact of Etihad's equity investments and codeshare partnerships.

The full content of these studies can be accessed by visiting www.KeepTheSkiesOpen.com.

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Commenting on the European aviation review, the President and Chief Executive Officer of Etihad Airways, James Hogan, said: “Aviation in 2015 is global, not local. By taking a strategic and holistic approach to aviation policy-making, the European Commission can deliver meaningful change, not just for Europe, but also for the benefit of air travellers and the airline industry worldwide, just as the US did with its visionary Open Skies Policy.”

Etihad Airways has invested in five European airlines - Alitalia (49 per cent), airberlin (29 per cent), Air Serbia (49 per cent), Aer Lingus (4.99 per cent) and the Swiss regional operator Darwin Airline, which trades under the Etihad Regional brand (33 per cent).

In addition to strengthening these airlines and providing more choice for travellers to, from and within Europe, the investments by Etihad Airways have supported more than 17,000 European jobs within partner airlines, and supported European economies through increased flights, improved connectivity, and local expenditure and investments.

Mr Hogan said: “The European Commission has declared that it wants to revive Europe as an economic powerhouse, and a hub for jobs, for growth and for investment. Air transport is essential for such a promising agenda and for international trade.

“Etihad Airways recognises the enormous growth achieved by liberalisation of intra-European airline operations, and urges the European Commission to now be the catalyst for global air transport reforms by easing restrictions on non-European airline access to member states and global investment in airlines domiciled within the EU. Such liberalisation would align with the Commission’s commitment to adopt policies which create investment, employment and economic confidence, while also providing access to new sources of capital via international investment.

“The Strategic Aviation Package clears the way for a new round of change, not just for aviation within Europe, but for European aviation in a global market. The European Commission has a rare and important opportunity to reset the agenda with bold, exciting and world-leading reforms, which increase competition, benefit consumers and drive economic growth.”

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About Etihad Airways

Etihad Airways began operations in 2003, and in 2014 carried 14.8 million passengers. From its Abu Dhabi base, Etihad Airways flies to 110 existing or announced passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas.

The airline has a fleet of 116 Airbus and Boeing aircraft, and more than 200 aircraft on firm order, including 69 Boeing 787s, 25 Boeing 777-X, 62 Airbus A350s and eight Airbus A380s.

Etihad Airways holds equity investments in airberlin, Air Serbia, Air Seychelles, Aer Lingus, Alitalia, Jet Airways, Virgin Australia, and Swiss-based Darwin Airline, trading as Etihad Regional. Etihad Airways, along with airberlin, Air Serbia, Air Seychelles, Alitalia, Etihad Regional, Jet Airways and NIKI, also participate in Etihad Airways Partners, a new brand that brings together like-minded airlines to offer customers more choice through improved networks and schedules and enhanced frequent flyer benefits. For more information, please visit: www.etihad.com