

ETIHAD AIRWAYS REPORTS STRONG PERFORMANCE IN 2014

Etihad Airways, the national airline of the United Arab Emirates, carried a record number of passengers and cargo in 2014, marking its strongest operational performance to date.

Almost 14.8 million passengers flew with Etihad Airways last year, a significant increase of 23 per cent over 2013 levels. The growth in passenger demand continued to outstrip the airline's capacity increase, highlighting the strength of its long-term growth strategy.

In total, Etihad Airways carried more than 74 per cent of the 19.9 million passengers who travelled through Abu Dhabi International Airport in 2014. With the addition of the airline's equity partners that operate flights into the UAE capital, the combined total rises to a significant 82 per cent of passenger traffic at Abu Dhabi International Airport.

James Hogan, President and Chief Executive Officer of Etihad Airways, said: "Our business model, which focuses on organic network growth, codeshare partnerships and minority equity investments in other airlines, continued to yield positive results in 2014 and surpassed our double-digit targets for passenger and cargo growth."

Etihad Airways introduced 10 additional destinations to its global route network in 2014, with new services launched to Medina, Jaipur, Los Angeles and Zurich in the first half of the year, and Perth, Rome, Yerevan, Phuket, San Francisco and Dallas in the second half of the year. In addition, frequencies were increased on 23 existing routes across the world in 2014.

Building on its organic growth, the airline also expanded its codeshare and equity partnerships last year. These partnerships delivered over 3.5 million passengers onto Etihad Airways flights, an increase of 40 per cent over the 2.5 million passengers in 2013.

New codeshare agreements were launched with Air Europa, jetBlue, Philippine Airlines, GOL, SAS, Hong Kong Airlines and Aerolineas Argentinas, while Etihad Airways' existing codeshares with South African Airways, Alitalia and Jet Airways were significantly expanded.

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In August 2014, the airline announced a €560 million investment in New Alitalia to acquire a 49 per cent shareholding in the carrier, a 75 per cent interest in Alitalia Loyalty, which operates the MilleMiglia frequent flier program, and five pairs of slots at London's Heathrow Airport, which will be leased back to Alitalia. The transaction received European Commission merger clearance in November 2014 and became effective on 31 December 2014.

Alitalia is the latest addition to Etihad Airways' equity partners network, which also includes airberlin, Air Serbia, Air Seychelles, Aer Lingus, Jet Airways and Virgin Australia. An investment is being formalised in Swiss-based Etihad Regional, operated by Darwin Airline.

In addition, Etihad Airways Partners was unveiled last year to offer passengers more choice through improved networks and schedules, plus enhanced frequent flyer benefits. The partnership also builds greater synergies for participating airlines, which currently include airberlin, Air Serbia, Air Seychelles, Etihad Airways, Etihad Regional, Jet Airways and NIKI.

Etihad Airways also reported strong cargo growth for 2014, with 568,648 tonnes of freight and mail flown in total, a 17 per cent increase year-on-year. The airline accounted for 89.6 per cent of cargo imports, exports and transfers at Abu Dhabi airport last year.

Over the course of last year, Etihad Cargo enhanced its global reach by offering bellyhold capacity on Etihad Airways' 10 new passenger destinations and expanding its freighter services to new markets such as Dar es Salaam, Entebbe, Hanoi and Moscow. A freighter service was also launched from Milan to Bogotá and from Bogotá to Amsterdam, following an agreement with Avianca Cargo, the cargo division of Latin American carrier Avianca.

Etihad Airways' fleet consisted of 110 aircraft at the end of 2014 (+24 per cent year-on-year), with an average age of 5.5 years. The airline took delivery of its first Airbus A380 and Boeing 787-9 in December, with both state-of-the-art aircraft offering new standards in cabin interiors, together with considerable fuel efficiency and environmental improvements.

An additional nine Airbus aircraft (two A330-200s, three A321s, three A320s and one A330-200F) and six Boeing aircraft (one 777-300ER, five 777-200LRs) were received in 2014, while further leased capacity was also added to enhance the airline's rapid growth.

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Mr Hogan added: “We enter 2015 as a stronger, more dynamic airline that will continue to enhance the growth of Abu Dhabi as one of the world’s emerging aviation hubs.”

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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 111 existing or announced passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas. The airline has a fleet of 110 Airbus and Boeing aircraft, and more than 200 aircraft on firm order, including 70 Boeing 787s, 25 Boeing 777-X, 62 Airbus A350s and nine Airbus A380s.

Etihad Airways holds equity investments in airberlin, Air Serbia, Air Seychelles, Aer Lingus, Alitalia, Jet Airways and Virgin Australia, and is in the process of formalising an equity investment in Swiss-based Etihad Regional, operated by Darwin Airline. 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