

### **ETIHAD AIRWAYS REVENUE INCREASES 29 PER CENT IN Q3 2014, FOLLOWING ACCELERATED PASSENGER AND CARGO GROWTH**

- Total revenues increase to US\$1.8 billion during third quarter of 2014
- Passenger numbers grow 30 per cent to 3.9 million between July and September to outstrip capacity increase
- Available Seat Kilometres up from 19 billion in Q3 2013 to 22 billion in Q3 2014
- Etihad Cargo achieves 16 per cent growth in revenue for the quarter

Etihad Airways, the national airline of the United Arab Emirates, today reported total revenues of US\$1.8 billion for the third quarter of 2014, an impressive increase of 29 per cent year-on-year, achieved on the back of accelerated passenger and cargo growth during the summer.

A total of 3.9 million passengers travelled with Etihad Airways between July and September this year, 30 per cent higher than the three million passengers from the same period in 2013. Etihad Cargo also outperformed the global market, carrying 144,498 tonnes of freight and mail during the third quarter, a year-on-year increase of nine per cent, on only one per cent capacity growth.

The growth in passenger demand and revenue during the three month period once again outstripped the airline's capacity increase, highlighting the strength of its long-term growth strategy. Etihad Airways remains on track to achieve its strongest ever annual results, having carried 10.5 million passengers and almost 415,000 tonnes of cargo between January and September 2014.

James Hogan, President and Chief Executive Officer of Etihad Airways, said: "Our focus on organic growth, codeshare partnerships and minority investments in other airlines has continued to produce strong results, despite the prevalence of industry challenges such as volatile oil prices, economic and political instability, overcapacity in the market, and access constraints.

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“We are confident about sustaining our profitability in 2014 and there are a number of important milestones in the final quarter, including the entry into service of Etihad Airways’ ground-breaking Airbus A380 and Boeing 787-9 Dreamliner in our striking new livery. These aircraft will feature our next generation First, Business and Economy Class products, together with The Residence by Etihad™, the world’s first three-room private cabin. In addition, we will introduce Phuket, San Francisco and Dallas into our network over the remainder of this year.”

Following the launch of services to Medina, Jaipur, Los Angeles and Zurich in the first half of 2014, the third quarter included the start of Yerevan, Perth and Rome services, while frequencies increased on eight existing routes, including Dublin, Athens and Chennai. The airline’s global route network currently includes 110 existing or announced destinations, with flights launching to Phuket this month, San Francisco in November, and Dallas in December.

Organic growth was supported by codeshare and equity partnerships in the third quarter of 2014, delivering an estimated 1.1 million passengers onto Etihad Airways flights (+41 per cent year-on-year) and contributing revenue of US\$352 million, which represented 27 per cent of the airline’s passenger revenue. During this period, a new partnership agreement was signed with Philippine Airlines (PAL), covering codeshare flights, loyalty programs, airport lounges, cargo, and coordination of airport operations. Etihad Airways also expanded existing codeshares with partners such as Korean Air, KLM Royal Dutch Airlines, Air New Zealand and S7 Airlines.

Etihad Airways and Alitalia signed a transaction implementation agreement in August 2014, which, subject to regulatory approval, will result in a €1,758 million investment to build a reinvigorated Alitalia. This includes a €560 million investment by Etihad Airways to acquire a 49 per cent shareholding in Alitalia, a 75 per cent interest in Alitalia’s loyalty company, which operates the MilleMiglia frequent flier program, and five pairs of slots at London’s Heathrow Airport, which will be leased back to Alitalia on an arm’s length basis. Etihad Airways’ investment will be complemented by a €300 million investment from existing core Alitalia shareholders, up to €598 million in financial restructuring of debt, and €300 million of new loan facilities.

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Etihad Airways' passenger carrying capacity, measured in Available Seat Kilometres (ASK), was 22 billion by the end of Q3 2014, an increase of 16 per cent over the same period last year. The airline's fleet expanded to 105 aircraft, with three aircraft delivered in the third quarter.

An additional five aircraft are scheduled to be received in the final quarter of 2014, including Etihad Airways' first Airbus A380 and Boeing 787, which commence operations in December and will feature brand new First, Business and Economy Class products. The A380 will also include The Residence by Etihad™, a three-room private cabin that boasts a living room, separate double bedroom and ensuite shower, together with a personal butler service.

Etihad Airways unveiled a new livery design last month, which will be introduced across its fleet, starting with the A380 and B787. The livery is inspired by traditional Emirati design patterns, the landscapes of the desert, and geometric shapes found in the modern architecture of Abu Dhabi.

In the third quarter of 2014, Etihad Cargo optimised scheduling and connections globally, launched new freighter services to Moscow and Hanoi, increased frequencies on its existing freighter route to Milan, and deployed a new A330-200 Freighter. A specialist equine service was also unveiled for the transportation of horses and other similar species by air. The 'SkyStables' service is being rolled-out across Etihad Cargo's scheduled network of 44 freighter destinations, with personalised charter services available to other cities around the world.

Cargo revenue was US\$284 million in the third quarter of 2014, a year-on-year increase of 16 per cent. Etihad Cargo remains on track to become a billion dollar business in 2014, having reported US\$804 million in revenue during the first three quarters of the year.

Etihad Airways' workforce grew to 22,886 employees by the end of the third quarter, up 38 per cent year-on-year. Part of this significant increase can be attributed to the airline's acquisition of Abu Dhabi Aircraft Technologies LLC (ADAT) from Mubadala earlier this year.

Within the core airline, 1,716 employees are UAE nationals, 28 per cent more than the same period in 2013, and Emiratis are the number one nationality group at manager level. Last month, Etihad Airways announced plans to establish a dedicated Revenue Accounting Centre of

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Excellence in Al Ain, which will create job opportunities for more than 1,000 Emiratis over the next three years and create long-term economic value for the Emirate of Abu Dhabi. The centre will be a global leader in revenue accounting, offering a range of competitively priced services that will bring cost savings and operational efficiencies to airlines, including Etihad Airways.

## IN Q3 2014, ETIHAD AIRWAYS:

- Unveiled new 'Facets of Abu Dhabi' aircraft livery design
- Rolled out first Airbus A380 and Boeing 787-9 Dreamliner
- Signed transaction implementation agreement to acquire 49 per cent Alitalia shareholding
- Launched new passenger flights to Yerevan, Perth and Rome
- Increased frequencies to eight destinations, including Dublin, Athens and Chennai
- Commenced freighter services to the capital cities of Moscow and Hanoi
- Signed a major strategic partnership with Philippine Airlines (PAL)
- Opened new Arrivals Lounge at Abu Dhabi International Airport
- Established a dedicated Revenue Accounting Centre of Excellence in Al Ain
- Expanded support for Etihad Airways guests with new contact centre in Al Ain
- Increased fleet size to a total of 105 aircraft

## ETIHAD AIRWAYS Q3 2014 RESULTS (WITH Q3 2013 COMPARISON):

Key indicators	Q3 2014	Q3 2013	Variance
Total revenue	US\$1.8 billion	US\$1.4 billion	+29 per cent
Revenue from codeshare / equity partners*	US\$352 million	US\$245 million	+44 per cent
Passenger volumes	3.9 million	3 million	+30 per cent
Available seat kilometres (ASKs)	22 billion	19 billion	+16 per cent
Cargo volumes	144,498 tonnes	132,448 tonnes	+9 per cent
Aircraft	105	83	+26 per cent
Total employees	22,886	16,528	+38 per cent

\*Based on latest available estimates.

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### **About Etihad Airways**

Etihad Airways began operations in 2003, and in 2013 carried 11.5 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 105 Airbus and Boeing aircraft, and more than 200 aircraft on firm order, including 71 Boeing 787s, 25 Boeing 777-X, 62 Airbus A350s and 10 Airbus A380s. Etihad Airways holds equity investments in airberlin, Air Seychelles, Virgin Australia, Aer Lingus, Air Serbia and Jet Airways, and is in the process of formalising equity investments in Alitalia and Swiss-based Etihad Regional\*. For more information, please visit: [www.etihad.com](http://www.etihad.com)

\*Operated by Darwin Airline