

ETIHAD AIRWAYS LAUNCHES LEGAL APPEAL TO PROTECT AIRBERLIN INVESTMENT AND ENSURE CONSUMER CHOICE

Etihad Airways today launched fresh legal action in a bid to overturn a German court's decision to revoke the approval for 29 of its codeshare flights with airberlin.

Last week, the Administrative Court of Braunschweig decided that the German Ministry of Transport was entitled to reject the 29 Etihad Airways - airberlin codeshares, which had been approved only until 15 January 2016.

As the notice of appeal was filed in the higher administrative court in Lüneburg today, Etihad Airways President and Chief Executive Officer, James Hogan, reiterated the airline's unwavering support for airberlin, saying it remained committed to the German carrier, to competition and to consumer choice for German travellers.

"With airberlin, we are working to ensure that no traveller suffers as a result of this dispute, and all bookings will be honoured.

"We will fight all the way to protect our investment, to protect our partnership with airberlin and to protect competitive choice in German air travel."

Mr Hogan said Etihad Airways' commitment to airberlin was in stark contrast to the lack of support demonstrated by the German Ministry of Transport for a proud German airline.

Etihad Airways took a 29.2 per cent stake in airberlin in 2011, following encouragement from German regional and national Government representatives. The airlines had approval for codeshare services on a total of 63 air routes, providing German travellers with new choices to destinations around the world. In the summer of 2014, the German Ministry of Transport raised concerns about 29 of the codeshares, based on lobbying by Lufthansa, and in November 2015 only approved the 29 codeshares until 15 January 2016. The remaining codeshares remain unaffected.

Mr Hogan said: "Together, airberlin and Etihad Airways have created new competitive choice for German travellers, based on codeshare services to international destinations that have operated for years without any concerns being raised as they are pro-competitive and

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increase consumer choice. That was entirely correct, given that they meet the terms of the air services agreement between Germany and the UAE – a fact confirmed not just by our own legal team and expert advisors but by a former Director-General of Civil Aviation for Germany.

“Now, after four years of investing in Germany, supporting airberlin jobs as well as creating our own new employment in Germany, we find the rules have changed.

“As a global business, we focus our investments in markets which will deliver long-term returns. We were encouraged to invest in airberlin. However, since that initial investment, we have faced a series of significant challenges, including the introduction of airport taxes, which have directly eroded airberlin’s profitability.

“In other markets, such as Australia, India, Italy, Serbia and the Seychelles, our investments have been welcomed and supported. Yet in Germany, our commitment continues to be undermined by the lobbying efforts and protectionist tactics of Lufthansa, the national airline.

“Unless the German government can show its commitment to support all German companies and German jobs, its reputation as a safe country in which to invest is at stake. Investors need every reassurance that the integrity of their investments in Germany will be respected and protected.

“Etihad Airways is but one investor in one industry. But our experience will serve as a warning to others when it comes to making international investment decisions.

“Make no mistake. Protectionism will undoubtedly harm the investment landscape in Germany.”

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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 or has announced plans to serve 116 passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas. The airline has a fleet of 120 Airbus and Boeing aircraft, and approximately 200 aircraft on firm order, including 66 Boeing 787s, 25 Boeing 777Xs, 62 Airbus A350s and five Airbus A380s.

Etihad Airways holds equity investments in airberlin, Air Serbia, Air Seychelles, 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