

### **ETIHAD AIRWAYS ANNOUNCES STRONG FIRST QUARTER WITH POSITIVE GROWTH OVER PREVIOUS YEAR**

- Total revenues up 27 per cent to US\$1.4 billion during first quarter of 2014
- Double-digit growth in passenger numbers to 3.2 million between January and March
- Available Seat Kilometres up from 15.9 billion in Q1 2013 to 19.2 billion in Q1 2014
- Etihad Cargo achieves 26 per cent revenue growth and 26 per cent tonnage growth

Etihad Airways, the national airline of the United Arab Emirates, has announced its strongest ever passenger and cargo volumes for a first quarter, together with US\$1.4 billion in total revenues during the three-month period, marking a year-on-year increase of 27 per cent.

A total of 3.2 million passengers travelled with Etihad Airways during the first quarter of 2014, over 14 per cent higher than the 2.8 million passengers from the same period last year. The growth rate is more than double a recent estimate from the International Air Transport Association (IATA) that passenger demand will increase 5.8 per cent this year on a global basis.

Etihad Cargo also outperformed the global market, carrying 127,821 tonnes of freight and mail in the first quarter. This marks a year-on-year increase of 26 per cent, almost seven times higher than IATA's prediction that the international cargo market will grow by four per cent in 2014. The airline's cargo revenue also increased by 26 per cent to US\$243 million, placing Etihad Cargo on track to become a billion dollar business in 2014.

James Hogan, President and Chief Executive Officer of Etihad Airways, said: "Although the global airline industry has faced challenges such as higher-than-expected fuel prices and fierce competition in key international markets during the first quarter of 2014, we have continued to outperform the passenger and cargo markets, and raise the bar even further for Etihad Airways.

"Our strong performance highlights the continued success of Etihad Airways' strategic master plan, which focuses on the three fundamental pillars of organic network growth, codeshare

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partnerships and minority equity investments in other airlines around the world. This unique strategy, and the investments we have made in product, service and infrastructure, means that Etihad Airways is positioned strongly for top-line growth and bottom-line delivery in 2014.”

Etihad Airways’ volumes were boosted by the fast-paced growth of its international route network, with 95 destinations operational by the end of Q1 2014, an increase of six compared to the same period in 2013. Network highlights in the first quarter included the start of a daily service to Medina, Etihad Airways’ fourth destination in Saudi Arabia, while frequencies increased on six existing routes, including New York in the US, Munich in Germany, Colombo in Sri Lanka, and Chengdu in China. The airline will commence services to eight more destinations over the remainder of 2014, increasing its global route network to 103 by the end of the year.

Organic growth was supported by the development of codeshare and equity partnerships, which delivered 678,000 passengers onto Etihad Airways flights in the first quarter of 2014, 25 per cent higher than the same period last year. Revenue from codeshare and equity partners rose 23 per cent to US\$223 million, representing 22 per cent of total revenue in the quarter.

During this period, new codeshare agreements were signed with Air Europa and JetBlue, while an existing codeshare with airBaltic was expanded. Etihad Airways also obtained regulatory approval to acquire a 49 per cent share of Air Serbia.

To accommodate the double-digit growth in passenger volumes, Etihad Airways’ fleet expanded to 95 aircraft in the first quarter of 2014, marking an increase of 30 per cent in the fleet size over the same period last year, while the airline’s passenger carrying capacity, measured in Available Seat Kilometres (ASK), increased by 21 per cent year-on-year to 19.2 billion.

A number of factors contributed to the rapid growth of Etihad Cargo’s revenues in the first quarter compared to the same period in 2013, including stellar performances in the India (+32 per cent) and China (+14 per cent) markets, the launch of new routes to Brazil and Vietnam, and heavy demand for charter solutions. Cargo volumes were also strengthened by the launch of a joint freighter service with DHL, serving Pakistan and the GCC markets out of Abu Dhabi.

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At the close of the first quarter, Etihad Airways employed 18,543 employees, an increase of 69 per cent year-on-year. Part of this significant increase can be attributed to Etihad Airways' acquisition of Abu Dhabi Airport Services (ADAS), Abu Dhabi In-Flight Catering (ADIFC) and Abu Dhabi Cargo Company (ADCC) in 2013. Within the core airline, 1,516 employees are UAE nationals, 18 per cent more than the same period last year. The Etihad Airways Emiratisation program includes schemes for cadet pilots, engineers and graduate managers.

Etihad Airways also won four awards in the first quarter, including the Airline Market Leadership Award at Air Transport World magazine's 40th Annual Airline Industry Achievement Awards.

### In Q1 2014, Etihad Airways:

- Unveiled new Etihad Aviation Group structure that includes Etihad Airways, the newly formed Hala Group, Etihad Airport Services, and Group support functions
- Introduced daily flights between Abu Dhabi and Medina, and increased frequencies on six routes, including destinations such as New York, Munich, Colombo and Chengdu
- Signed new codeshares with Air Europa and JetBlue, and expanded airBaltic codeshare
- Launched joint freighter service with DHL serving the Pakistan and GCC markets
- Increased fleet size to 95 with six additional aircraft
- Launched sleep program and limited edition amenity kits on long-haul flights
- Became Official Airline Partner of Major League Soccer in the United States

### Q1 2013 and Q1 2014 comparison:

Key indicators	Q1 2014	Q1 2013	Variance
Total revenue	US\$1.4b	US\$1.1b	27 per cent
Revenue from codeshare / equity partners	US\$223m	US\$182m	23 per cent
Passenger volumes	3.2m	2.8m	14 per cent
Available seat kilometres (ASKs)	19.2 billion	15.9 billion	21 per cent
Cargo volumes	127,821	101,776	26 per cent

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Aircraft	95	73	30 per cent
Direct destinations	95	89	7 per cent
Total employees	18,543	10,982	69 per cent

– Ends –

### 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 103 existing or announced passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas. The airline has a fleet of 95 Airbus and Boeing aircraft, and more than 220 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 seeking regulatory approval to invest in Swiss-based regional carrier Darwin Airline. For more information, please visit: [www.etihad.com](http://www.etihad.com)

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