

ETIHAD AVIATION GROUP BOARD APPROVES JOINT VENTURE TO CREATE MAJOR EUROPEAN LEISURE AIRLINE GROUP

The Etihad Aviation Group (EAG) Board has approved plans to create a new European leisure airline group in a joint venture with TUI AG, with a fleet of around 60 aircraft, offering 15 million seats capacity per year, focused on point-to-point flying to connect key European tourist markets. The transaction is subject to approvals by aviation regulatory bodies and anti-trust authorities.

The planned transaction includes an agreement for EAG's subsidiary Etihad Investment Holding Company LLC (Etihad) to acquire the 49.8 per cent share indirectly held by airberlin in its subsidiary airline NIKI Luftfahrt GmbH. At closing of the transaction, Etihad will immediately contribute the share in NIKI to the new European leisure airline group and will not effectively control, or become a majority owner of NIKI. TUI will contribute its subsidiary TUIfly GmbH to the joint venture, including the 14 aircraft currently operated by TUIfly for airberlin under a wet-lease agreement.

This follows approval on Wednesday 23 November 2016 by TUI AG's Supervisory Board.

TUI AG will hold 24.8 per cent of shares in the joint venture company, with Etihad holding a 25 per cent stake. The remaining 50.2 per cent will continue to be held by the existing private foundation NIKI Privatstiftung.

The new leisure airline group, headquartered in Vienna, is scheduled to begin operations in April 2017, the start of the summer season, serving a broad network of destinations from Germany, Austria and Switzerland (Hanover, Berlin, Düsseldorf, Cologne, Frankfurt, Stuttgart, Munich, Nuremberg, Baden-Baden, Hamburg, Basel and Vienna). Key markets will include the Balearics, Canaries, mainland Spain and Greece.

Media release



The joint venture will be supported by the expertise of Etihad Aviation Group, the fastest-growing aviation group in the world, and TUI Group, the world's leading tourism business with a strong focus on hotels and cruises. It will be able to leverage synergies and economies of scale accessible through Etihad Airways Partners and the TUI Group to ensure a lean overhead structure and competitive production cost.

Further details regarding the future joint venture will be jointly presented by Etihad and TUI after successful completion of the negotiations.

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About Etihad Aviation Group

Etihad Aviation Group (EAG) is a diversified global aviation and travel group comprising four business divisions – Etihad Airways, the national airline of the United Arab Emirates, Etihad Airways Engineering, Hala Group and Airline Equity Partners. The group has minority investments in seven airlines: airberlin, Air Serbia, Air Seychelles, Alitalia, Jet Airways, Virgin Australia, and Swiss-based Darwin Airline, trading as Etihad Regional.

From its Abu Dhabi base, Etihad Airways flies to, or has announced plans to serve, over 110 passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas. The airline has a fleet of more than 120 Airbus and Boeing aircraft, with 204 aircraft on firm order, including 71 Boeing 787s, 25 Boeing 777Xs, 62 Airbus A350s and 10 Airbus A380s. For more information, please visit: etihad.com