Our business

Etihad Airways, the national airline of the United Arab Emirates, was set up by Royal (Amiri) Decree in July 2003. Etihad Airways commenced operations in November 2003 and in nearly 10 years has become one of the fastest growing airlines in the history of commercial aviation.

The airline has received a range of awards that reflect its position as one of the world’s leading premium airline brands, including ‘World’s Leading Airline’ at the World Travel Awards for four consecutive years.

Its main business is the international air transportation of passengers. Etihad Airways also operates Etihad Cargo, Etihad Holidays, and a global contact centre organisation as part of its commercial group.

Etihad Airways makes equity investment in Jet Airways

Etihad Airways will acquire, subject to regulatory approval, a 24 per cent stake in Indian carrier Jet Airways by subscribing for 27,263,372 new shares in the airline.

The value of the equity investment is US $379 million. The wider overall commitment to Jet Airways includes the injection of US $220 million to create and strengthen a wide-ranging partnership.

This is in addition to the US $70 million Etihad Airways paid to purchase Jet Airways’ three pairs of London Heathrow slots as part of a sale and lease back agreement announced in February 2013. Jet Airways continues to operate flights to London utilising these slots.

Etihad Airways will invest US $150 million by way of a majority equity investment in Jet Airways’ frequent flyer program ‘Jet Privilege’, subject to appropriate regulatory and corporate approvals and final commercial agreements which are expected to be completed within the next six months.

Under the strategic partnership, which will be subject to full regulatory and shareholder approval, Etihad Airways and Jet Airways will gradually expand existing operations and introduce new routes between India and Abu Dhabi. Jet Airways will establish its Gulf hub in Abu Dhabi.

Key performance indicators to-date for 2013

<table>
<thead>
<tr>
<th></th>
<th>Jan to April 2012</th>
<th>Jan to April 2013</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers carried (millions)</td>
<td>3.18</td>
<td>3.67</td>
<td>+ 15%</td>
</tr>
<tr>
<td>Cargo carried (Tonnes)</td>
<td>113,306</td>
<td>136,382</td>
<td>+ 20%</td>
</tr>
<tr>
<td>Seat factor</td>
<td>76.93%</td>
<td>79.58%</td>
<td>+ 2.65 points</td>
</tr>
</tbody>
</table>
Our partners

**airberlin**
In December 2011 Etihad Airways increased its stake in airberlin – Europe’s sixth largest airline and Germany’s second biggest carrier – to 29.21 per cent, becoming airberlin’s single largest shareholder. Under the agreement, Etihad Airways has two seats on the Board of Directors of Air Berlin PLC.

The deal was Etihad Airways’ first equity investment in another airline. Under the partnership, airberlin operates daily flights from Berlin and Düsseldorf to Abu Dhabi, and additionally operates daily services from Abu Dhabi to Phuket in Thailand.

Etihad Airways codeshares on all airberlin flights to/from Abu Dhabi and beyond the four German hubs of Berlin, Düsseldorf, Frankfurt and Munich to a number of points in Europe and North America. Combined, these provide passengers with access to around 900 additional flights per week. Etihad Airways also codeshares on flyNiki flights beyond Frankfurt, Munich and Milan into Vienna.

Etihad Airways holds a 70 per cent stake in a new entity incorporated to own airberlin’s topbonus frequent flyer program, the first step in the establishment of a global loyalty platform. airberlin has the remaining 30 per cent.

**Air Seychelles**
In January 2012 Etihad Airways acquired a 40 per cent stake in Air Seychelles Ltd, as part of a strategic partnership. The agreement, the first of its kind in Africa, includes a five-year management contract for Etihad Airways to support the implementation of strategic measures guiding Air Seychelles’ long-term commercial growth.

The comprehensive codeshare agreement includes Etihad Airways-marketed flights across Air Seychelles’ network, providing Etihad Airways’ passengers with access to around 100 extra flights per week. Air Seychelles cooperates on Etihad Airways flights from the Seychelles to Abu Dhabi and beyond, to Etihad Airways’ destinations across Europe, the Middle East, the GCC, Asia and Australia.

**Aer Lingus**
Etihad Airways acquired a 2.987 per cent stake in Aer Lingus on May 1, 2012 with the intention of forging a commercial partnership with the Irish national carrier.

Building on this relationship, the carriers signed an historic interline and codeshare agreement in July 2012, enabling Etihad Airways to place its EY code on Aer Lingus flights from Dublin, Manchester and London Heathrow, to destinations in the United Kingdom, the Channel Islands, Portugal, and the Netherlands.

Additionally, following approval from the United States (US) Department of Transportation in April 2013, Etihad Airways can now put its EY flight code on Aer Lingus’ transatlantic services via Dublin to Boston, Chicago and New York, providing passengers with access to around 550 flights per week.

In return, Aer Lingus places its EI code on Etihad Airways flights between Abu Dhabi and Dublin, and has full access to flights across the network beyond Abu Dhabi to points including Australia, Asia Pacific, and the Middle East.
Our partners

Virgin Australia
Etihad Airways has a 10 per cent equity stake in Virgin Australia Holdings.

This equity investment in Virgin Australia’s domestic operations significantly strengthens the 10-year strategic partnership forged by the two carriers in August 2010 which makes provision for codesharing on flights, joint marketing initiatives and reciprocal ‘earn-and-burn’ on their respective frequent flyer programs.

Together, Etihad Airways (25) and Virgin Australia (3) operate 28 flights a week between Abu Dhabi and Australia. Etihad Airways codeshares on all Virgin Australia’s domestic Australian and trans-Tasman services, giving passengers access to over 3,000 additional flights per week.

Our fleet
Etihad Airways fleet is one of the youngest in the world and, as at April 30, 2013, comprises 73 passenger and cargo aircraft:

<table>
<thead>
<tr>
<th>Aircraft type</th>
<th>Current Fleet</th>
<th>Aircraft arrivals</th>
<th>Total Fleet 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Remainder of 2013</td>
<td>2014-2020</td>
</tr>
<tr>
<td>Airbus A320 family</td>
<td>19</td>
<td>5</td>
<td>12*</td>
</tr>
<tr>
<td>Airbus A330-200</td>
<td>16</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Airbus A330-300</td>
<td>6</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Airbus A340-500</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Airbus A340-600</td>
<td>7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Airbus A350</td>
<td>-</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Airbus A380</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Boeing 777-300ER</td>
<td>14</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Boeing 787</td>
<td>-</td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>Airbus A300-600F (Freighter)</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A330-200F (Freighter)</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B777-200F (Freighter)</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Boeing 747-400F (Freighter)</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73</strong></td>
<td><strong>11</strong></td>
<td><strong>158</strong></td>
</tr>
</tbody>
</table>

*One A320 aircraft planned for retirement

Codeshares:

STRATEGIC PARTNERSHIP WITH SOUTH AFRICAN AIRWAYS
Etihad Airways and South African Airways have signed a Memorandum of Understanding allowing the two airlines to introduce a comprehensive range of codeshare and interline air services as well as explore synergy and efficiency opportunities.

Initially, Etihad Airways will place its EY code on flights from Johannesburg to 10 South African Airways destinations across South Africa and the African continent as well as South America. In return, South African Airways will place its SA code on 12 Etihad Airways’ routes. The agreement also makes provision for passengers to earn and redeem miles through the airlines’ frequent flyer programs.

CODESHARE PLANS WITH AIR CANADA
Etihad Airways and Air Canada have signed a Memorandum of Understanding (MoU) for a commercial cooperation agreement that will enhance travel services between the United Arab Emirates and Canada.

The two carriers, which currently have interline agreements in place for passenger and cargo services, intend to offer customers through-checked bags, reciprocal codeshare services and frequent flyer benefits.

The MoU provides for reciprocal codeshare services to Abu Dhabi and select points in North America served by Air Canada via its Toronto hub. Discussions have commenced to finalise details with the objective of introducing codeshare services in the third quarter 2013.

ETIHAD AIRWAYS TO CODESHARE WITH JATAIRWAYS
Etihad Airways has signed a codeshare agreement with JatAirways, Serbia’s national carrier, and will commence daily nonstop flights between Abu Dhabi and Belgrade, the capital of Serbia, from June 15, 2013.

JatAirways will place its JU code on the new service, as well as to 21 destinations on the Etihad Airways network. In return Etihad Airways will place its EY code on 23 of JatAirways’ European flights. All subject to government and regulatory approval.
Our network
Etihad Airways currently serves 89 destinations in 55 countries, including passenger routes to:

New routes
• Amsterdam - May 2013
• São Paulo - June 2013
• Belgrade - June 2013
• Sana’a - September 2013
• Ho Chi Minh City - October 2013
Our sales

Sales teams are based in every market in which the airline operates. Each market is managed by a General Manager who reports into one of six geographical regions, led by a regional Vice President. The regions include:

- the Americas;
- Europe;
- Africa and the Middle East;
- the UAE and Oman;
- Asia Pacific North and the Indian Subcontinent, and
- Asia Pacific South and Australasia.

Global Accounts: a dedicated global sales team manages the commercial relationships with the airline’s biggest customers across a wide variety of industry sectors. These key partners include: multinational corporate accounts, travel management companies, online travel agents, tour operators, marine and student agents and specialist consolidators.

Etihad Holidays: through strong partnerships with tourism boards, international hotel chains and tourism service providers, Etihad Holidays offers a range of holiday packages, tours and excursions to over 200 destinations in 43 countries in Africa, Australia, Asia, Europe, the Middle East and the Americas.

Hala Abu Dhabi: is the in-house destination management company and professional conference organiser of Etihad Airways, and provides visitors to Abu Dhabi and the UAE with a wide range of unrivalled business and leisure activities. For further information, refer to www.halaabudhabi.ae

Essential Abu Dhabi: this program promotes awareness of Abu Dhabi, the capital of the UAE, as one of the world’s top business and tourist destinations. A detailed directory of the Emirate’s attractions and exclusive offers on a wide range of products and services, including hotel accommodation, dining, shopping and cultural activities in more than 35 venues in Abu Dhabi is available on the dedicated website: www.essentialabudhabi.com

Global contact centres: Etihad Airways currently has four global contact centres located in Abu Dhabi, Al Ain, Mumbai and Manchester, employing over 500 people who service guests in 34 markets in 15 languages. The teams handle over 8,000 calls per day. Etihad Airways has set up an all-female call centre in Al Ain with a team of Emirati women the first of its kind – which is a key example of the airline’s Emiratisation program in action.

Etihad Cargo: operates a fleet of seven dedicated cargo aircraft that fly on scheduled services to 24 of the airline’s passenger destinations in Europe, the Middle East, Asia and Africa. The airline also operates cargo freighters to a further seven freighter-only destinations that include: Benghazi, Eldoret, Guangzhou, Hong Kong, Houston, Kabul, Sharjah. Three further freighters are scheduled for delivery in 2013 and 2014. Worldwide freighter charter services are also available, and further information is available at: www.etihadcargo.com

Etihad.com: is an integrated sales and marketing channel for the airline. The website is available in 15 languages – English, Arabic, French, German, Italian, Chinese, Japanese, Korean, Thai, Russian, Spanish (European), Portuguese (Brazilian), Greek, Turkish and Dutch – and has over 91 country-specific websites. Customers can book flights on the site, as well as car hire, hotels, chauffeur-driven cars. Guests can also update and manage their booking as well as check-in and select their seat.

Hala Travel Management: is a joint venture between Etihad Airways (80 per cent) and BCD Travel (20 per cent) providing various travel management services to the Government of Abu Dhabi and its clients and supporting the growing requirement for a comprehensive service for corporate and government clients, including global airline reservations, hotel accommodation, car rental and insurance.

‘Access Abu Dhabi’: is an innovative joint initiative between Etihad Airways and Abu Dhabi Tourism and Culture Authority (TCA Abu Dhabi) that promotes the Emirate as a leading leisure destination, and provides international trade partners with ‘Preferred Incentive Packages’ that include dedicated sales and marketing support, joint roadshows and familiarisation programs.

Our services

Etihad Cargo broadens network East and West

Etihad Cargo has added Washington D.C. to its global cargo network, in addition to boosting frequency to Hong Kong courtesy of strategic partner Air Seychelles.

The US capital is Etihad Cargo’s fifth destination in North America, while Hong Kong is already part of the carrier’s five-destination Greater China cargo network.

Etihad announces Sana’a as latest destination

Etihad Airways will launch direct flights to Sana’a, Yemen’s political and commercial capital on September 1, 2013.

Sana’a will be the airline’s eighteenth destination on the Arabian Peninsula beyond Abu Dhabi, joining Bahrain, Dammam, Doha, Jeddah, Kuwait, Muscat and Riyadh. Flights to Sana’a will operate four times a week.

Locally financed aircraft

Etihad Airways has taken delivery of its first aircraft to be financed by a local UAE bank since 2008. Abu Dhabi-based First Gulf Bank has provided the finance for two Boeing 777-300ER aircraft to be delivered to Etihad Airways in 2013, through a Sharia-compliant Ijara Muntahia Bittamleek structure.

Etihad travel mall opens in Dubai

Etihad Airways has unveiled the new Etihad Travel Mall, its flagship one-stop travel retail and check-in facility in Dubai. The new facility enables guests to purchase a ticket, check-in for a flight, drop off baggage and board an Etihad Express luxury coach bound for Abu Dhabi International Airport, and replaces the airline’s previous facilities at Chelsea Tower on Sheikh Zayed Road.

Three of the airline’s subsidiaries, Etihad Holidays, Hala Abu Dhabi and Hala Travel Management have facilities within the Etihad Travel Mall, making it a valuable resource for a range of travel needs.

New Gold Elite benefits

Etihad Guest has unveiled a range of new benefits for Gold Elite members, including an increase in tier bonus miles from 50 per cent to 75 per cent as well as a complimentary nomination to Etihad Guest Gold for any other member of their choosing.

In addition, regardless of the cabin they are flying in, Etihad Guest Gold Elite members now have access to Etihad Airways’ First Class lounges for themselves and a companion, as well as access to First Class check-in. Gold Elite members are also guaranteed to be able to purchase a Business Class seat, when booking at least 48 hours prior to departure.
Our community

Etihad Airways employs nearly 11,500 staff representing more than 125 nationalities. This diverse workforce is our most important asset, and their wellbeing is critical to our successful growth and sustainability. Our competitive employee package includes pay, benefits and rewards, including staff travel benefits, long service awards and retail discounts. A recent global staff survey highlighted that employees were proud to be working at Etihad Airways, and we continue to invest in making this a great place to work.

In the local community and across our network, the airline continues to invest in the people – empowering and developing individuals to take up meaningful economic roles in their communities. This commitment is no better illustrated than at our home base in Abu Dhabi by Etihad Airways’ career development and nationalisation programs. Further afield, the airline supports a range of educational initiatives to develop both business skills and artistic talent in all disciplines.

As a natural consequence of living and working in a multinational, cosmopolitan city and by virtue of its own diverse workforce, Etihad Airways sees it as a priority to connect people and support projects and initiatives that facilitate ongoing dialogue and engagement to promote cultural awareness and understanding.

Etihad Airways continues to drive economic growth

According to the latest study by leading UK think tank, Oxford Economics, Etihad Airways and its partners continue to play a crucial role in supporting and driving economic growth in the UAE.

The airline’s growth and sustained commercial success are good for Abu Dhabi. The economic contributions are classified into four key areas: direct (within Etihad Airways), indirect (suppliers to Etihad Airways), induced (spending of direct and indirect employees) and catalytic (impacts on other industries).

The Etihad Airways group contributed a total of US$10.7 billion to Abu Dhabi’s GDP in 2012. This represents 10.5 per cent of the non-oil GDP of the Emirate. The Group supported 83,500 jobs in total.

Direct economic contribution:
The airline contributed US$2.3 billion to Abu Dhabi’s GDP in 2012.

Indirect economic contribution:
Etihad Airways made an indirect economic contribution of US$1.2 billion and supported an additional 16,695 jobs in 2012 through fuel purchases, maintenance and repair, airport rental and landing fees, marketing, advertising, IT ventures and communications.

Induced economic contribution:
An induced GDP contribution of US$1.1 billion and 15,434 additional jobs can be attributed to money spent during 2012 by employees of Etihad Airways and its suppliers.

Catalytic economic contribution:
Etihad Airways played an important role in improving air links between Abu Dhabi and the rest of the global economy, and the airline’s expanding network was a key factor in encouraging businesses to invest in the Emirate and the UAE. These activities provided a catalytic economic contribution of nearly US$6.1 billion, and supported nearly 41,540 jobs.

Etihad Airways was also a key contributor to the development and growth of tourism in the UAE, in 2012, carrying 10.3 million passengers through its hub in Abu Dhabi.

Graduation ceremony
Etihad Airways has formally praised and recognised more than 200 staff graduates at a graduation ceremony. The graduates comprised 15 UAE National cadet pilots and 29 cadet pilots of other nationalities, 24 graduate managers, five of whom completed the Finance Development Program, and 169 contact centre staff, including 35 Omani nationals.

Abu Dhabi Award for Excellence in Government Performance
Etihad Airways is participating in the third cycle of the Abu Dhabi Award for Excellence in Government Performance (ADAEP). ADAEP is a mandatory initiative for all Abu Dhabi government entities and departments. The program is based on the European Foundation for Quality Management Excellence Model (EFQM) which provides a practical framework to assess where organisations are on the path to excellence.

UAE Nationals take up Airport Manager roles
Etihad Airways has appointed 34 Emirati employees to key roles across the airline’s global network. The UAE Nationals were appointed as Airport and Airport Duty Managers in 25 destinations across Europe, the United States, Middle East, South East Asia and the Pacific region.
Our environment

Etihad Airways’ environmental strategy and program is driven primarily by its commitment to reduce its carbon dioxide emissions. Nevertheless, the overall strategy is diverse, looking at the environmental performance of aircraft operations and the supporting ground activities.

Emissions management

The introduction of more aircraft inevitably means an overall increase in resource use and emissions. However, there have been substantial improvements in fuel efficiency when measured per passenger kilometre. Continued efforts in fuel saving have seen a 17 per cent reduction in carbon dioxide emissions per passenger kilometre across our passenger fleet since 2006. Initiatives include:

Greener engines: Starting in 2011 Etihad Airways began an engine upgrade program with 16 of the airline’s A330 aircraft with Trent 700 engines being retrofitted with enhanced performance kits. Savings of more than 3,000 tonnes of fuel, nearly 10,000 tonnes of carbon dioxide emissions are estimated.

Lighter cargo containers: Etihad Airways has replaced 3,000 of the original aluminium containers with environmentally-friendly lightweight versions. Manufactured from a range of composite materials including Kevlar, there is an average weight saving of 17kg per container with an estimated carbon dioxide emissions saving of 5,000 tonnes.

Green flights: Working with the various stakeholders engaged in the ‘Indian Ocean Strategic Partnership to Reduce Emissions’ program, Etihad Airways identifies opportunities for fuel saving and emissions reductions. An Etihad Airways flight from Abu Dhabi to Sydney resulted in savings of more than 15 tonnes of carbon dioxide emissions. This is a clear demonstration of the massive savings in emissions that can be achieved if airlines are able to make more effective use of the on-board computerised systems for calculating the most efficient routes based on current weather conditions; and the removal of airspace restrictions, many of which simply require political will.

Carbon efficiency improvements

Whilst the increase in total carbon emissions from our aircraft operations will increase with the expansion of the airline, we can see marked improvements in our efficiency per revenue passenger kilometer (RPK). This chart shows the emissions per 100 RPK and the monthly improvements in efficiency compared to the same month in previous years.

There are a number of reasons for this including:
- Improved flight planning through all flight stages
- Reduction of unnecessary weight
- Adjustment of potable water carried depending on sector flown
- Decrease in uplift of unnecessary surplus fuel
- Reduced engine Taxi-In procedures

Driving the development of alternative, sustainable fuels

Despite substantial efforts to reduce fuel burn, there will continue to be a net growth in emissions in line with global economic and social demands. Etihad Airways recognises this and the role it can play in helping to support the move towards viable sustainable alternatives to regular fossil fuel, with actions including:

- Membership of the Sustainable Aviation Fuel Users Group (SAFUG). SAFUG consists of 23 international airlines, all committed to enabling and supporting the commercialisation of sustainable alternatives to aviation fuel.
- A founding partner together with Boeing and Honeywell’s UOP of the Masdar Institute-led Sustainable Bioenergy Research Consortium, an initiative focused on the research and development of biofuels in the region.