

## 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 SUCCESSFULLY COMPLETES PASSENGER SERVICES SYSTEM TRANSFER

The 'Big Switch' to the new Sabre Airline Solutions 'SabreSonic' Customer Sales and Service (CSS) system was successfully completed with minimal operational disruption across the airline's global flight network during the cutover period in late February 2013.

The Big Switch started at 11pm (UAE time) on Friday February 22 and the main cutover was completed for start of business (UAE time) on Sunday February 24, with the SabreSonic CSS fully implemented and all sales channels, web and check-in systems back online by mid-afternoon.

The first passenger checked-in using the new system at 7pm on Saturday February 23 for flight EY 221 Abu Dhabi to Karachi. At the same time, the first sale made through the SabreSonic CSS at the Abu Dhabi Contact Centre was a Pearl Business Class ticket to Manila.

# ETIHAD AIRWAYS LAUNCHES NEW GLOBAL ADVERTISING CAMPAIGN

Etihad Airways launched a new global brand advertising campaign, which started on March 3, 2013 when its new television commercial was aired.

With the theme "The World Is Our Home, You Are Our Guest," the airline's first major campaign in three years is being supported with regional and international TV, print, outdoor, and digital media advertising.

The campaign reinforces the airline's guest proposition and explains how Etihad Airways draws inspiration from around the world to provide industry-leading signature moments on the ground and in the air.

Key performance indicators to-date for 2013	Jan 2012	Jan 2013	Variance
Pax numbers	742,138	863,067	16%
Cargo tonnage (tonnes)	27,892	32,563	17%
Seat factor	75%	79.9%	4.9 points



#### Our latest awards:

#### 2012 World Travel Awards:

- World's Leading Airline
- World's Leading First Class

#### 2012 World Travel Awards Middle East:

- Middle East's Leading Airline
- Leading Airline First Class
- Leading Airline In-Flight Entertainment
- Leading Cabin Staff

#### 2012 Skytrax World Airline Awards:

- Best First Class
- Best First Class Seats
- Best First Class Catering

#### **2012 Business Traveller Middle East Awards:**

- Airline with the Best Economy Class
- Airline with the Best Cabin Crew

#### 2012 CAPA Annual Awards for Excellence:

 Aviation Executive of the Year -James Hogan, Etihad Airways President and Chief Executive Officer

#### 2012 Aviation Business Awards:

· Airline of the Year

#### 2012 Premier Traveler:

• Best Airline in the Middle East

#### 2012 Belgian Travel Awards:

Best Long-haul Airline

#### 2012 Mercury Award:

Onboard Service Innovation

#### 2012 IIRME HR Excellence Awards:

• Recruitment Program of the Year

#### 2012 Irish Travel Trade News Awards:

• Best Longhaul Airline

Best Premium Class Airline

### 2013 Athens International Airport Airline Marketing Workshop

Fastest Growing Airline in the Middle East







### FAST FACTS AND FIGURES February 2013



# 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.

In December 2012 Etihad Airways acquired 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 airlines have also signed a comprehensive codeshare agreement to include 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, providing passengers with access to around 520 additional flights per week.

In return, Aer Lingus places its El 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 codeshares give us a combined passenger and cargo network of 338 destinations, and around 14,000 flights per week, more than any other Middle East airline.

Etihad Airways currently has over 100 interline relationships and a further 42 codeshare partnerships in place with:

- Aer Lingus
- airberlin
- Air Astana
- Air France
- Air Malta
- Air New Zealand
- Air Seychelles
- Alitalia
- All Nippon Airways
- American Airlines
- Asiana
- Bangkok Airways
- Brussels Airlines
- China Eastern Airlines
- Cyprus Airways
- Czech Airlines
- flybe
- flyNiki
- Garuda Indonesia
- Hainan Airlines
- Jet Airways
- · Kenya Airways
- KLM
- Kuwait Airways
- Malaysia Airlines
- Middle East Airlines
- nasair
- Olympic Airlines
- Philippine Airlines
- RAK Airways
- Royal Air Maroc
- Safi Airways
- Saudi Arabian Airlines
- Siberia Airlines (S7)
- SNCF (French railway)
- Sri Lankan Airlines
- TAP Portugal
- Turkish Airlines
- Ukraine International
- · Vietnam Airlines
- Virgin Australia
- Yemenia



# Our partners

#### Virgin Australia

Etihad Airways has a nine 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 February 28, 2013, comprises 72 passenger and cargo aircraft:

Aircraft type	Current Fleet	Aircraft arrivals		Total Fleet
Aircraft type		Remainder of 2013	2014-2020	2020
Airbus A320 family	19	5	12*	35
Airbus A330-200	16			18
Airbus A330-300	6			6
Airbus A340-500	4			4
Airbus A340-600	7			7
Airbus A350	-		12	12
Airbus A380	-		10	10
Boeing 777-300ER	13	5		18
Boeing 787	-		41	41
Airbus A300-600F (Freighter)	1			-
A330-200F (Freighter)	2			4
MD11F (Freighter)	1			-
B777-200F (Freighter)	2			3
Boeing 747-400F (Freighter)	1			-
Total	72	12		158

<sup>\*</sup>One A320 aircraft planned for retirement

#### **Codeshares:**

# ETIHAD SIGNS STRATEGIC PARTNERSHIP WITH KENYA AIRWAYS

Etihad Airways is to expand significantly its reach across Africa after signing a strategic commercial partnership agreement with Kenya Airways, the national flag carrier of Kenya.

Starting March 18, Etihad Airways will place its EY code on Kenya Airways flights from Nairobi on to Uganda for travel starting from April 1.

As part of the reciprocal codeshare agreement, Kenya Airways will place its KQ code on Etihad Airways' services from Nairobi into Abu Dhabi and from Abu Dhabi on to Sydney and Melbourne.

Both airlines will continue to expand the codeshare agreement further as regulatory approvals are received.

Kenya Airways will also launch a new three times-a-week service between Nairobi and Abu Dhabi from mid-summer 2013

The agreement paves the way for greater collaboration between the airlines on the joint procurement of services for ground handling, line and heavy maintenance, training and cargo operations.

### ETIHAD PURCHASES HEATHROW SLOTS FROM JET AIRWAYS

Etihad Airways has concluded a transaction with codeshare partner Jet Airways to purchase the Indian carrier's three pairs of Heathrow slots for US\$70 million.

The purchase is part of a sale and lease back agreement signed on Tuesday, February 26, 2013. Jet Airways will continue to operate flights to London utilising these slots.

## ETIHAD AND AIR FRANCE-KLM STRENGTHEN COOPERATION

Etihad has strengthened its relationship with Air France-KLM, by agreeing to wet-lease an Air France Airbus A340-300 for use on the Paris-Abu Dhabi route from May 15 to November 30

Air France will operate the 272 seat aircraft as one of Etihad Airways' two daily Paris-Abu Dhabi return services – EY37 and EY38 respectively.

#### ETIHAD AIRWAYS AND GARUDA INDONESIA INCREASE CODESHARE FLIGHTS AND DESTINATIONS

Etihad Airways and Garuda Indonesia have announced a number of new codeshare destinations in Indonesia, Europe, the Middle East, Singapore and Australia.

The Abu Dhabi-based airline's EY code is now on Garuda Indonesia flights between Jakarta and Singapore, Denpasar, Bali, Manado, Surabaya, Balikpapan and Makassar and between Abu Dhabi and Amsterdam.

Garuda Indonesia has also placed its GA code on Etihad Airways' flights to five new cities – Düsseldorf, Frankfurt, Munich, Bahrain and Brussels.

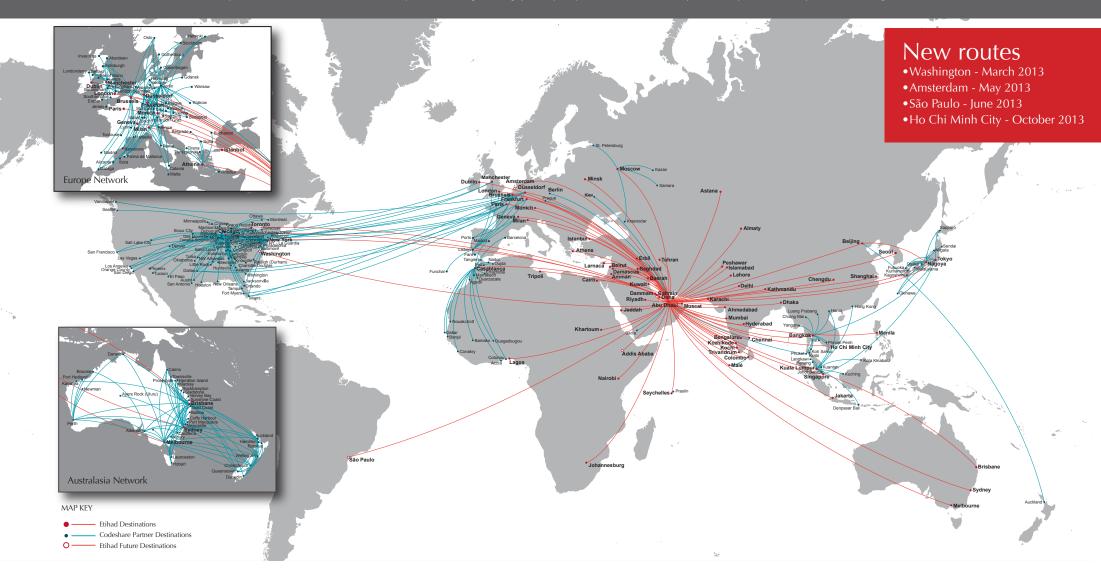
## SECOND ETIHAD CARGO BOEING 777 FREIGHTER ARRIVES

Etihad Cargo has taken delivery of its second Boeing 777 freighter. With a capacity of 102 metric tons, the B777F is the world's longest-range, twin-engine freighter. Etihad Cargo will use the freighter on routes to Johannesburg, Nairobi, Lagos and Amsterdam. Another B777F is scheduled for delivery and entry into service in Summer 2013.

### Our network

#### Etihad Airways currently serves 86 destinations in 55 countries, including passenger routes to:

Abu Dhabi, Addis Ababa, Ahmedabad, Almaty, Amsterdam (May 2013), Astana, Athens, Amman, Baghdad, Bahrain, Bangkok, Basra, Beijing, Beirut, Bengaluru (Bangalore), Brisbane, Brussels, Cairo, Calicut, Casablanca, Chennai, Chengdu, Chicago, Cochin, Colombo, Damascus, Dammam, Delhi, Dhaka, Doha, Dublin, Düsseldorf, Erbil, Frankfurt, Geneva, Ho Chi Minh City (October 2013), Hyderabad, Islamabad, Isl





### 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 North America.

**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 33 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 23 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 and 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), Portugese(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 limousines and insurance. 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 launches preferred partner program

Etihad has launched an innovative preferred partner program which will strengthen partnerships with key global and regional brands.

The partnership will be activated across the many touch points of the Etihad Airways passenger experience, on the ground and in the skies.

These touch points include direct communications, etihad.com, the chauffeur service, check-in, lounges, as well as Etihad Airways' in-flight publications and in-flight entertainment.

Etihad's first partners include Rotana Hotels, the Preferred Regional Hotel Partner, Hertz, Preferred Car Rental Partner, and Sky News Arabia, Preferred Regional Media Partner.

#### Etihad increases flights to Pakistan

Etihad has increased its service to Lahore from daily to 11 services a week. With the addition of the new services, Etihad now offers 27 weekly flights to four destinations in Pakistan which, along with Lahore, include Karachi, Islamabad and Peshawar.

#### Etihad increases Khartoum service to daily

Etihad has also increased its Khartoum services from five flights per week to a daily schedule. The new services on Thursdays and Saturdays cater to the growing passenger demand between Sudan and Abu Dhabi.

#### Etihad boosts Lagos flights to daily

Etihad will upgrade its Lagos service to daily from March 31 to meet growing demand from passengers travelling to and from Nigeria.

The airline launched its new service between Lagos and Abu Dhabi on July 1, 2012, with six flights a week.

## Etihad Airways to upgrade flights to Melbourne with B777-300ER

Etihad Airways will increase capacity on its daily flights between Abu Dhabi and Melbourne, with a new Boeing 777-300ER aircraft from December 1, 2013

The three-class, 328-seat Boeing 777 will replace the current Airbus A340 aircraft, delivering 252 more seats per week – a 12.3 per cent increase.



# Our community

Etihad Airways employs more than 10,500 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. In addition to very competitive compensation packages we continue to invest heavily in making the company a good 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.

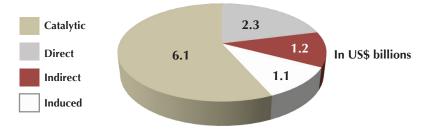
As a natural consequence of living and working in a multinational, cosmopolitan city and by virtue of its own diverse workforce, Etihad Airways sees it as a priority to connect people and support projects and initiatives that facilitate ongoing dialogue and engagement to promote cultural awareness and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

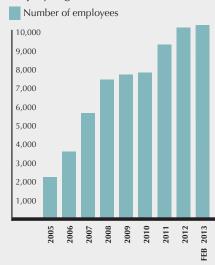
An induced GDP contribution of US\$1.1 billion and 15,434 additional jobs can be attributed to money spent during 2012 by employees of Etihad Airways and its suppliers.

#### 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.

#### Employee growth



AS AT 31 DECEMBER	Dec 2012	Feb 2013
Total staff	10,656	10,881
Head office staff - headquarters	8,957	9,144
Outstation staff	1,699	1,737
Cabin Crew	3,344	3,420
Pilots	1,332	1,369
Number of Emiratis	1,254	1,287

#### Absher intiative sees success at Etihad

Etihad Airways has welcomed more than 260 Emirati nationals to its workforce through the Absher initiative, since its launch in June 2012.

The Absher initiative was conceived by the President of the UAE, His Highness Sheikh Khalifa bin Zayed Al Nahyan, to support Emiratisation in the UAE labour market.

The initiative offers Emiratis exciting and worldclass training, in addition to highly attractive career prospects across the global business. Roles are diverse, including graduate managers, cadet pilots, technical engineers, sales managers, guest service agents, contact centre agents and airport operations managers.

As a result, Emirati nationals now comprise 22.4 per cent of Etihad Airways' core workforce, with more than 1,250 UAE nationals employed across the airline's seven divisions

In line with the Memorandum of Understanding signed in June 2012 with the Ministry of Presidential Affairs, Etihad Airways hopes to recruit an additional 1,500 Emirati citizens to its global team over the next five years.

#### Survey results show positive attitudes

Headline results from the airline's first 'MyEY' Employee Opinion Survey have been released, showing high levels of employee engagement. Two out of three employees completed the survey, run at the end of last year. The survey showed an overall employee engagement score of 76 per cent – 18 per cent better than the global average. Furthermore, 93 per cent of staff said that they are proud to work at Etihad Airways.



### 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.





