

PRESS RELEASE  
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## **ETIHAD AIRWAYS BECOMES BIGGEST SINGLE SHAREHOLDER IN AIRBERLIN**

- **Etihad Airways to increase stake in airberlin to 29 per cent as part of a wide ranging strategic partnership**
- **Combined network of 239 destinations**
- **airberlin to launch Berlin-Abu Dhabi flights**
- **Etihad Airways to provide five-year financing facilities of up to US\$ 255 million to support fleet development and future network growth**

Etihad Airways, the national airline of the United Arab Emirates, has agreed to increase its stake in airberlin, Europe's sixth largest airline, to 29.21 per cent, becoming airberlin's largest single shareholder.

The strategic move, announced today in Berlin by Etihad Airways Chief Executive Officer James Hogan and airberlin CEO Hartmut Mehdorn, connects the airlines' extensive networks and frequent flyer programs to offer travellers 239 destinations across 77 countries.

Hartmut Mehdorn said: "The strategic partnership with Etihad Airways opens up enormous opportunities for the future of our company."

"This applies especially to future market development and the realization of synergies."

"One of the key components of the new partnership is the launch of airberlin services to Abu Dhabi, which will become our new gateway to Asia and Australia."

"The agreement with Etihad Airways will also dramatically improve the global connectivity of our customers in Germany, Switzerland, Austria, and throughout the GCC and Middle East."

James Hogan said the deal was one of the most important in Etihad Airways' history.

"This new partnership expands our network reach, gives us access to 33 million new passengers, and provides us with a real opportunity for global growth. Through airberlin, we gain immediate access to a broad and complementary European market, with outstanding connectivity options for customers of both airlines."

“Our partnership strategy has been integral to our success over the past eight years, and the returns we have seen from this strategy have confirmed its value.”

“We are always looking for ways to grow and partnerships are a smart way to enhance our ability to compete on the world stage.”

“We now have a portfolio of 34 quality airline partners, but this is our first equity investment in another airline. It is a sign of our confidence in airberlin’s management and in the carrier’s potential to grow with us.”

“We expect such growth will also offer a host of additional employment opportunities, both in Europe and the United Arab Emirates,” Mr. Hogan said.

“Etihad Airways and the airberlin group carry a combined total of more than 40 million passengers a year, operate 233 aircraft, and employ 18,000 people. Together, the companies generate more than US\$ 9 billion in revenues.”

“We estimate each airline could achieve incremental revenues of between EUR 35 million and EUR 40 million just in the first year, and we believe the partnership has enormous potential to unlock a range of efficiencies.”

Under the partnership:

- airberlin will shift its Middle East operation from Dubai to Abu Dhabi;
- airberlin will operate four A330-200 flights a week between Berlin and Abu Dhabi from January 15, 2012 - with European travellers having immediate access to a total of 29 flights a week to and through Abu Dhabi from four German hubs, with a plan to increase to 42 flights from mid-April;
- the airlines will implement an extensive codeshare agreement, with Etihad Airways codesharing on 36 of airberlin’s 171 destinations and airberlin codesharing on 24 of Etihad Airways’ 82 passenger destinations, and plan further expansion of the pool of codeshare routes;
- Etihad Airways will sign codeshare agreements with the airberlin group for all European activities including NIKI, the Austrian airline, and Belair, the Swiss airline; and
- Etihad Guest and topbonus, the airlines’ frequent flyer programs, will be integrated, enabling passengers of both airlines to ‘earn and burn’ on each other’s flights and offering reciprocal benefits - including status earning - to top tier members.

Under the agreement, Etihad Airways will have two seats on the Board of Directors of the Air Berlin PLC.

The two companies will seek anti-trust immunity, which would allow greater coordination of route networks and of sales and marketing activities.

airberlin and Etihad Airways are committed to creating a joint procurement taskforce to look for cost efficiencies across the two companies, including areas such as fleet procurement and deployment, maintenance, repair and overhaul (MRO) and general procurement.

Etihad Airways' minority stake will consist of 27.03 per cent from a new share issue by airberlin, funded from operational cash flow, and an existing interest of 2.99 per cent (pre-dilution), which will amount to a total interest of 29.21 per cent. The new shares will be issued at a price of EUR 2.31.

**about airberlin:**

airberlin is Germany's second largest airline. The company has a workforce of 9,200 employees. In 2010 alone, airberlin received over 10 awards for service and quality. The fleet comprises 170 aircraft with an average age of five years, making it one of the most modern fleets in Europe. The airline's state-of-the-art jets are highly fuel efficient, which contributes toward a long-term reduction in pollution emissions from aircraft. As one of the major European airlines, airberlin flies to 171 destinations in 45 countries. In 2010, the airline carried 33.6 million passengers. airberlin has signed up for membership to the global airline alliance **oneworld®** and is expected to become a full member by spring 2012. airberlin operates codeshare flights with the **oneworld** members American Airlines, British Airways, Finnair, Iberia, Malév, Royal Jordanian and S7.

**about Etihad Airways:**

Etihad Airways, the national airline of the United Arab Emirates, began operations in 2003, and in 2010 carried more than seven million passengers. From its hub at Abu Dhabi International Airport, Etihad serves 82 cities in the Middle East, Africa, Europe, Asia, Australia and North America, with a fleet of 63 Airbus and Boeing aircraft, and 100 aircraft on order, including 10 Airbus A380s, the world's largest passenger aircraft. For more information, please visit: [www.etihad.com](http://www.etihad.com)

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