

Reaching new heights in treasury

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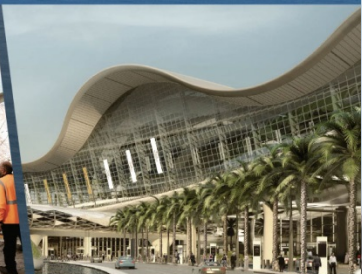
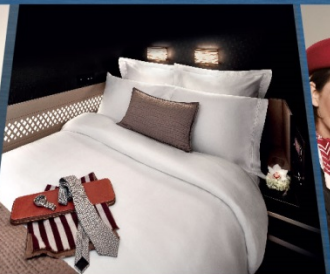




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ETIHAD
AIRWAYS
ABU DHABI

ETIHAD AVIATION GROUP

Group Treasury March 2017



Together we are the world's seventh largest airline group

US\$ 25 billion

revenue



120 million

passengers per year



700+

aircraft



340+

unique destinations



73,000+

employees



A unique equity partner strategy



Equity partners



A winning business model

- ▶ Five key pillars: passenger air transport, air cargo operations, Abu Dhabi hub operations, distribution and loyalty
- ▶ Strong performance has been the result of successful execution of an enriched business model

Enriched Business Model

| Passenger Air Transport | Air Cargo Operations | Abu Dhabi Hub Operations | Distribution | Loyalty |
|--|---|---|--|---|
| <p>Be a leading global network carrier that can build on a strong Abu Dhabi home market</p> <ul style="list-style-type: none">• Organic• Codeshares• Franchising• Equity Alliance | <p>Be a leading cargo carrier, building on Abu Dhabi's economic plan</p> <ul style="list-style-type: none">• Abu Dhabi warehouse• Joint ventures to take specialty business• Expanding cargo business | <p>Develop Abu Dhabi airport into a world-class hub</p> <ul style="list-style-type: none">• Manage all handling and support | <p>Support Group through strong distribution in key markets and contribution to Abu Dhabi as destination</p> <ul style="list-style-type: none">• Develop Travel Management company• Develop EY Holidays | <p>Be a Global Loyalty and Life Experience Programme</p> <ul style="list-style-type: none">• Global 'House of Brands' including airline, retail and hospitality offerings |

Abu Dhabi Centres of Excellence

EAG Group Treasury

Objective: A centralized 'value add' center of excellence

| Treasury & Insurance | Payment Solutions | Tax | Corporate Finance | Property & Infrastructure |
|--|---|---|--|---|
| <ul style="list-style-type: none">• Risk Management• Market dealing• Cash & Liquidity planning• Treasury Operations• Treasury Systems• Aviation & Corporate insurance | <ul style="list-style-type: none">• Credit Card Risk management• Operational support• Reconciliations• Fraud prevention• Charge back management | <ul style="list-style-type: none">• Direct tax management• In-direct tax management• Management of various tax projects 2017/2018 | <ul style="list-style-type: none">• Corporate Financing• Structured Financing• Asset Financing | <ul style="list-style-type: none">• Project Management• Property Planning• Facilities management• Real Estate management |

Created in 2007 when the airline was 4 years old

Not a 'standard' Group Treasury function

Group wide responsibility for 5 key areas of the business

140 multi-cultural employees – fully centralized

Group Treasury Key Measures (BSC)

FINANCIAL

100% in line with hedging policies

100% in budget

100% leave balance utilization

100% in line with funding requirements

CUSTOMER

≥ 20 FX Hedging relationships

≥ 20 Fuel Hedging relationships

Provide Treasury services to the Group

≥95% Internal Customer Expectations

INTERNAL PROCESS

Global Roll out of CTRMS

ALL projects delivered on time

≥99% accuracy on Treasury deals

100% Adherence to deliver schedule

LEARNING & GROWTH

Key Employee Retention

Certified Team

'Shukran' Culture

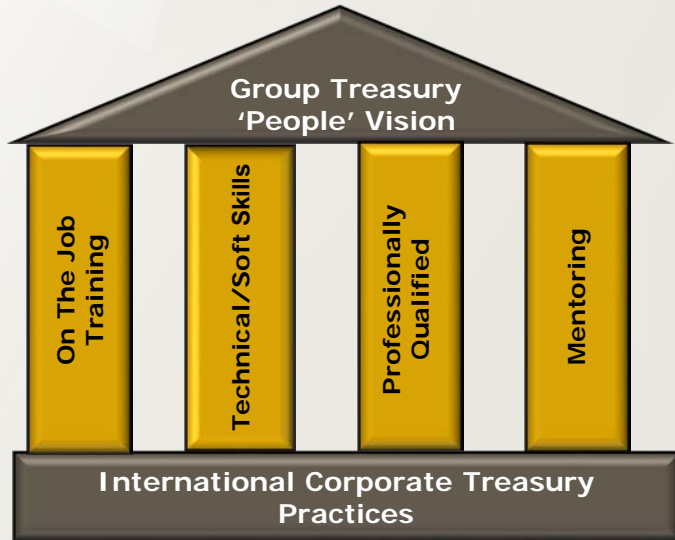
100% in budget

CLEAR, TRANSPARENT AND UNDERSTOOD

Creating a sustainable team

Group Treasury 'People Vision'

To have a motivated talent pool who understand and operate under the good practice concepts of International Corporate Treasury management, thereby adding value to the wider Etihad Group.



Emiritization

Group Treasury currently has 24% Emiritization ratio, with Emirate talent evenly allocated across the various departments.

A formal mentoring programme has been implemented within Group Treasury for all Emirate team members.

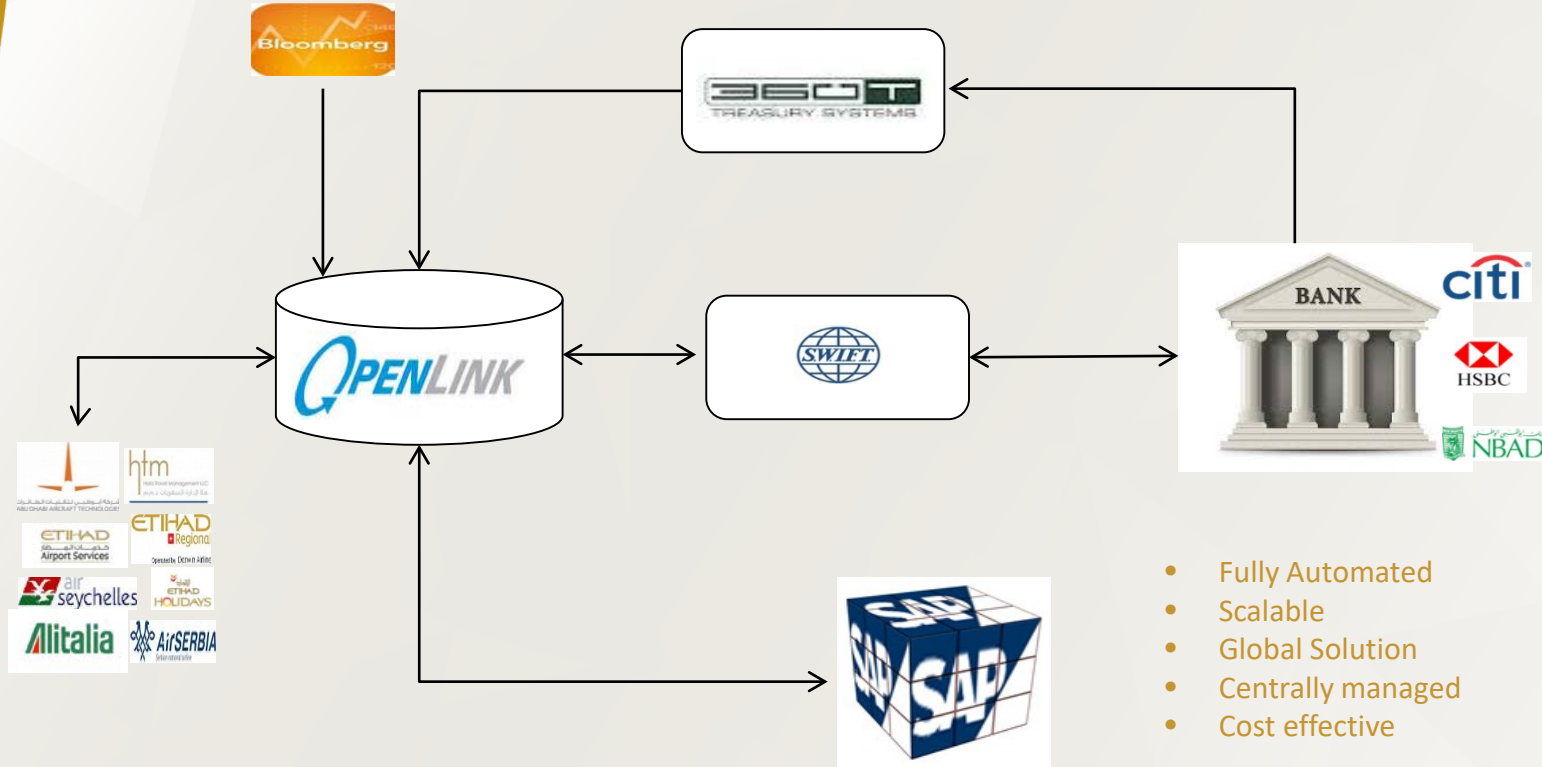
Emirati Treasury Graduate scheme:

- 30 Month rotation programme
- Covers each area of Group Treasury (except property)
- AMCT qualification
- Mentoring and coaching on soft skills

RECENT KEY TREASURY PROJECTS

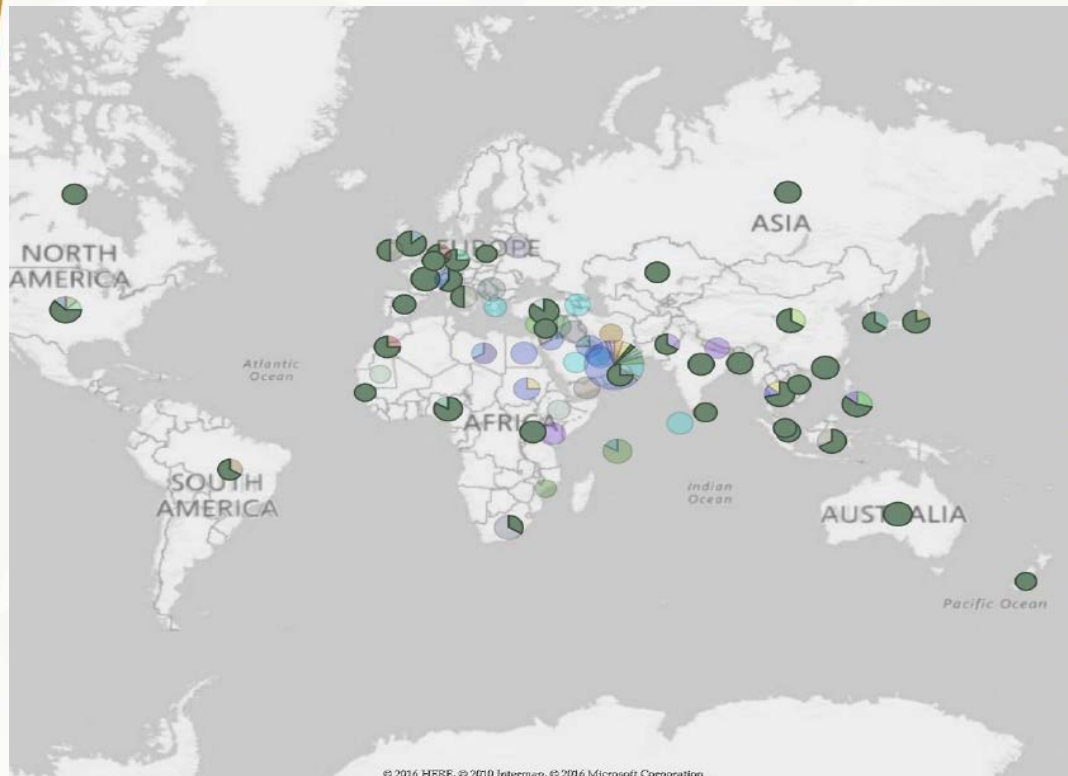


Strategy – Centralized Treasury & Risk Management System (CTRMS)



- Fully Automated
- Scalable
- Global Solution
- Centrally managed
- Cost effective

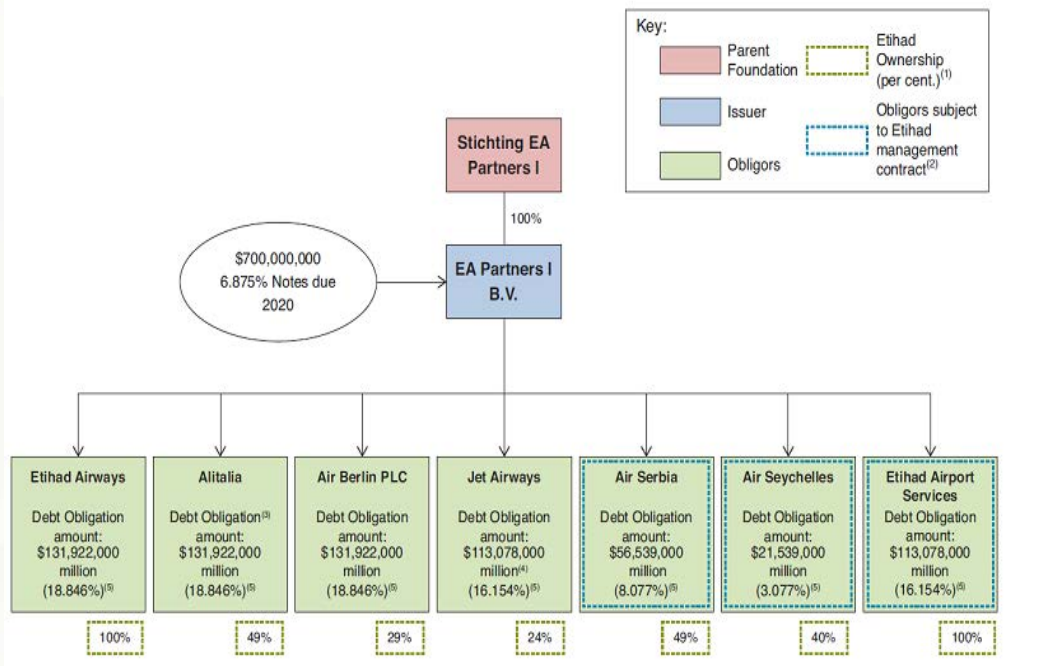
Strategy – Transactional Banking Framework



Project Benefits

- Net Cost/interest income increase of approx. \$1.4M per annum resulting to cost savings of \$7M in 5 years
- Decrease of 50% in transactional banking partners
- Utilization of strategic partner bank networks for collections
- Etihad will have a 'leaner' transactional banking structure which will result in greater visibility, reporting and control.
- Optimized interest return through innovative liquidity structures
- Increased payment straight through processing
- Increased automated of global reconciliation of bank accounts

Strategy – Group Financing Platform (EAP BOND)



- This transaction marks Etihad Airways' equity partners' inaugural bond issuance.
- The success of this transaction is a major endorsement of the shared vision and strategies of these businesses by the global financial community. The deal allowed Etihad to educate global investors on the Etihad Partners "story" and strategy and has established a presence in international capital markets.
- The Centralized Funding vehicle enables Etihad equity partners (EAP) group to efficiently access the capital markets in a sustainable, cost effective manner, and in a size that makes it attractive to investors.

Thank you &
Questions

Winner, Treasury Today's Top Treasury Team 2016

“ *I think the most important thing is the excellent recognition that we get. It validates the work that we've done as a team, not just to us but to our senior management and to our board and our shareholders. Coming from an organisation like Treasury Today, which is obviously world class and global, just adds so much more to that validation.*

Ricky Thirion, Group Treasurer, Etihad Airways

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Nominations for the 2017 Adam Smith Awards are now OPEN