



Ethiopian Airlines Scores High with its Mid-Year Financial Performance of 2008/09 Fiscal Year

Despite the strong competition in the aviation industry, and the prevailing global economic downturn, Ethiopian Airlines increased revenues and profits in its mid-year performance compared to the same period of the previous year.

Addis Ababa, Ethiopia – March 20, 2009 - In the first half of the fiscal year 2008/09, Ethiopian Airlines registered higher revenues and profits compared to its performance during the same period of the previous year. Based on the preliminary reports, Ethiopian generated 599 million USD in operating revenues for the period in review, representing an increase of 54.8% over the six months result of 2007/08 budget year. A net profit of 46 million USD is also recorded for this period which is 9% higher than the results of the same period (July-December) last year.

Ethiopian Airlines transported 1.5 million passengers, a 19% growth in contrast with that of the first six months of the preceding year. It also carried 55 thousand tons of freight, up by 101% from the previous year's six months performance. According to Ato Girma Wake, the Chief Executive Officer of Ethiopian Airlines, "The first half of 2008/09 was another successful period for the national carrier despite the numerous challenges we had to deal with, and today Ethiopian remains optimistic that its performance will be sustained going forward, considering the strategic cost reduction efforts and improved operating procedures we have put in place."

The increase in revenue is mainly attributed to the growth in traffic, which was stimulated by the increase of frequencies, the introduction of new flights on the international sector, the augmentation in cargo revenues, and the strategic steps taken to streamline operational as well as marketing activities.

The major activities during the six months of the budget year 2008/09 included:

- Leasing of one B757 passenger aircraft.
- Purchase of two MD-11 freighters.
- Purchase of eight Bombardier Q-400 NextGen turboprop aircraft for the domestic operations.
- Completion of the design for the B787 simulator building and additional maintenance hangar.
- Launching of new services to Ouagadougou, Burkina Faso; Lubumbashi, Democratic Republic of the Congo; and Abuja, Nigeria
- Continued recruitment and employment of additional human resources in the face of the industry's downturn environment.

Despite the impact of high fuel prices during the first few months of the period in review which was followed by the global economic crisis and stiff market competition, Ethiopian achieved a substantial amount of revenues and profits; and all stakeholders of the airline contributed to this success while its employees were, as always, at the forefront. Ethiopian's management team takes this opportunity to express its appreciation to its loyal customers, employees and all other stakeholders.

The prevailing global recession has caused steep decline in demand for passenger and air cargo traffic. Accordingly the airline industry is passing through one of the most difficult and challenging recessions. Hence; looking forward, Ethiopian will continue to sustain its growth strategy with proper caution and monitoring of the operating environment.

About Ethiopian Airlines

In August 2008 Ethiopian won the 2008 Corporate Achievement Award of Aviation & Allied Business for setting the pace and continued contribution towards the growth of African aviation industry. In addition, Ethiopian is the first African carrier to win the 2008 Brussels Airport Company Award in recognition of its distinguished long haul operations which have been manifested through the development of new routes, new products and close cooperation with Brussels Airport in marketing activities.

Ethiopian also scooped the 2008 Best Airline in Africa Award at the African Travel Award in Lagos, Nigeria for its excellent network and convenient connections in Africa.

Ethiopian Airlines, one of the largest and fastest growing airlines in Africa made its maiden flight to Cairo in 1946. With the addition of new flight services to Ouagadougou, Burkina Faso; Lubumbashi, Democratic Republic of the Congo; and Abuja, Nigeria, Ethiopian provides dependable services to 33 cities in Africa and a total of 53 international destinations spread across the globe.

For more information about Ethiopian Airlines and tour packages to Ethiopia and East Africa, visit www.seeyouinethiopia.com.