



MARKET

The Middle East aviation industry has been steadily growing in recent years and is currently the world's fastest growing region. Six of the world's top twenty growth markets for the aviation sector are located in the Middle East. The near-perfect geographical location of the Gulf connecting East and West, rapidly-expanding tourism, banking and finance sectors, its high liquidity and economic boom and its fast rate of population growth have all contributed significantly to the dynamic growth of the aviation sector in the region.

Middle East airlines have recorded a healthy 18.1% growth in passenger traffic in 2007 alone, way above the global average rate of 5% and the passenger traffic is predicted to increase at an average annual growth of 7% to 8% between 2007 and 2015.

An indication of this robust trend is that approximately 500 aircraft will be coming to the region in the next seven years. The size of the order clearly represents the rising prominence of the Middle East and its increasing emergence as the new strategic hub of global aviation.

Surely, the Middle East has become the aviation powerhouse in the world.

Operating in this huge market opportunity is Gulf Air, the national carrier of the Kingdom of Bahrain.

Gulf Air has several advantages over other regional carriers;

- The airline is ranked number three in the region in terms of passenger numbers and is estimated to carry around six million passengers by the end of 2008.
- Bahrain's strategic location at the doorstep of Saudi Arabia - the region's biggest country in terms of market size - and its unparalleled access to the booming Middle East and North Africa (MENA) region - a 400 million person market with a combined GDP of nearly US\$1,900 billion - offers Gulf Air a readily available catchment area over other carriers in the region.
- The Kingdom itself offers a great opportunity; "Business Friendly Bahrain" has a stable economy, low inflation rate (2.1%) and a steady growth (7.8%), - is ranked as the most fiscally liberal country in the Middle East and

North Africa (MENA) region and is already home to hundreds of international banking and financial institutions - a great home market for Gulf Air. (WSJ-Heritage Foundation Survey)

ACHIEVEMENTS

The passion for innovation and high quality service delivery for which Gulf Air earned its reputation in the 70s and 80s continues even today; in recent years Gulf Air has won several awards; Some of the most notable recognitions include:

- Best Onboard Catering in First Class 2007 (SkyTrax Awards)
- Best Onboard Catering in First Class 2006 (SkyTrax Awards)
- Best Onboard Catering in Business Class 2006 (SkyTrax Awards)
- Best Business Airline 2006 (British Travel Awards)
- Best Onboard Service 2006 (Gold) (Mercury Awards).

Apart from these awards Gulf Air has achieved several feats under the new management that took over in 2008;



- Overall yield increased by 13% which is 12% higher than 2007.
- The revenue per available seat capacity (RASK) has increased by 16%
- Highest seat-load factors in Gulf Air's history in May to October 2008;
- Highest revenue in the history of Gulf Air for August 2008.
- Best summer season ever in terms of revenue in Gulf Air history despite having a significantly smaller fleet.
- Online sales improved by 600% in the last five months

HISTORY

Gulf Air was founded in 1950 - not as a commercial service but primarily to serve the oilfields in the region and some local customers. From a modest one-aircraft operation the airline, then called Gulf Aviation, grew to be one of the region's biggest airlines and was jointly owned by the states of Qatar, Sultanate of Oman, Emirate of Abu Dhabi and the Kingdom of Bahrain until 2007.

Today Gulf Air is fully owned by the Kingdom of Bahrain and its network stretches from Europe to Asia and currently covers 42 cities in 27 countries.

Fifty eight years on Gulf Air is today more than just an airline carrying passengers; it is probably the only airline in the Pan Arab region with a rich history and deep-rooted cultural heritage etched with unforgettable memories, nostalgic experiences and continuous success stories.

PRODUCT

Gulf Air has always been a pioneer in introducing innovative service concepts and products. The airline won international recognition in the 80s for its luxurious five-star Tristar services on board.

Lately the airline has won a series of awards for its products and services such as Sky Nanny - the Norland-trained cabin crew specially deployed to look after children on board; Sky Chef - the Michelin-rated internationally experienced chefs to prepare and serve signature cuisine to premium class passengers; the fully flat Sleeper Seat, giving the 'total sleep experience' and the 'Dine-on-Demand' service where customers can choose to order food to be served at a time convenient to them.

RECENT DEVELOPMENTS

Under the new management that took over in early 2007 Gulf Air has seen several developments;

In July 2007 the airline introduced a new 'wave' model network that improved fleet punctuality and reduced transit time between flights.

In summer 2008 Gulf Air launched services to two new destinations - Hyderabad (India) and Shanghai (China) with three more destinations planned for 2009.



After the initial phase of consolidation Gulf Air is now all set to expand its fleet. Gulf Air has placed its biggest ever order in 2008 to purchase 35 Airbus and 24 Boeing 787 Dreamliners.

The airline has also planned to launch services to three destinations per year.

PROMOTION

Gulf Air has launched several promotions to market its brand, products and services over the years; from the "Colour Your Sky" campaign that was one of the most colourful and successful television commercials, to the recent Shanghai launch promotion connecting the commercial capital of China to the Pearl of the Gulf, to the "Lowest Fares Guaranteed" press campaign to promote online bookings, Gulf Air's every promotion has proved to be successful.

BRAND VALUES

As a pioneer of the Middle East aviation industry with nearly six decades of experience and heritage, Gulf Air has clearly demonstrated that 'age' is no barrier to enthusiasm and innovation.

The golden falcon image on the tails of its aircraft has etched itself in the minds of almost

every traveller flying out or flying into the region. The brand is symbolic of the bird's qualities; sharp, dynamic, agile and youthful.

The modern image which Gulf Air now sports is a reflection of the personality of Gulf Air - bold, contemporary, innovative, entrepreneurial and, above all, a corporate statement that sets out the hallmark Arabian hospitality building on its strong geographic, historic and cultural links in the region

More than half a century later the regional, geographic and cultural values that the airline has embraced are still central in defining the brand and service ethos within the contemporary and global environment.

www.gulfair.com



Things you didn't know about GULF AIR

- Gulf Air is one of the oldest airlines in the region.
- Gulf Air is the only airline in the world to offer Sky Nannies onboard its aircraft.
- Gulf Air has one of the oldest frequent flyer programmes in the region.
- Gulf Air is the title sponsor of the FORMULA 1 GULF AIR SAUDI GRAND PRIX since 2004 and through to 2013.
- Currently Gulf Air is the region's third biggest airline in terms of passenger numbers.
- It was the region's first airline to introduce Sky Chefs.

Superbrands