



IT'S NOT JUST AN AIRLINE. IT'S ISRAEL

The story of El-Al is intertwined with the history of the State of Israel. The opening of the skies to competition and a series of strategic challenges in the global airline market forced the company to develop new areas that would maintain and strengthen the brand as well as the company's status in Israel and around the world as the national airline of the State of Israel and the Jewish nation

El-Al was officially founded in 1949 but its first flight took off in September 1948, bringing President Chaim Weizmann from Geneva to Israel. In 2005, privatization of the company was completed and ownership was transferred to Knafaim. Over the years, the company reinforced its status as the national carrier of Israel and of the Jewish nation in Israel and around the world.

The Competitive Environment

The global airline market, considered one of the most competitive markets in the world, frequently changes in order to adapt itself to the consumer, technological and business environment. Accelerated competition and the opening of Israel's skies to regular airlines and Low Cost companies, combined with the location in a unique geopolitical environment, creates extremely complex challenges for El-Al.

The Marketing Challenge

Competition among premium airlines is increasing, and the attempt to create strong preference among consumers is becoming more difficult. The attempt to

create differentiation over competition forces El-Al to emphasize its distinct advantages under the value of Israeli excellence. This value represents four cornerstones that lead El-Al on its way to being the leading airline in Israel and around the world: the best pilots, technicians, flight attendants and security staff in the world, combined with the feeling – home away from home.

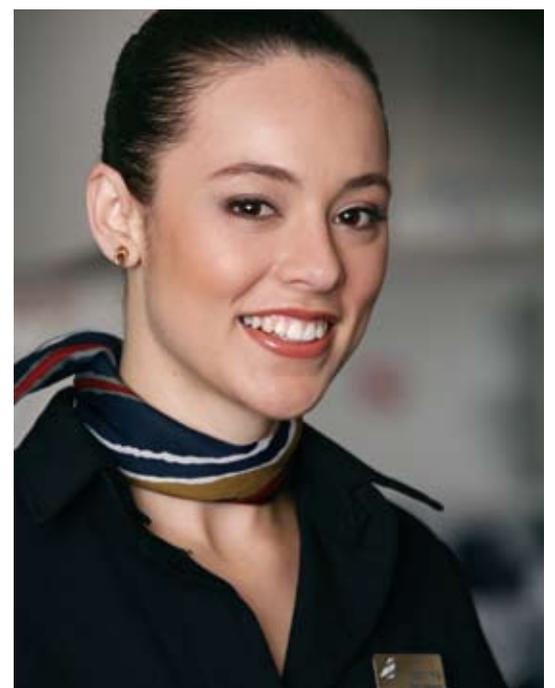


The Strategic Challenges

The new competitive environment compels El-Al to initiate and expand its line of products and services that it offers its customers in Israel and around the world so that it will be the first choice among Israeli and foreign consumers while maintaining the cornerstones that make the brand unique.

The Operation Strategy

Reinforcement of the brand and its values – El-Al's brand identity is based on four differentiating values: "home away from home" (warm, family-like, familiar, accessible and available service, familiar language). "Israeli pride" (maintaining El-Al's status as the national carrier that proudly bears the Israeli flag to any destination in the





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world), "International excellence" (the drive for excellence in relation to leading airlines around the world with emphasis on measurable standards) and "Constant Renewal" (a company that is not stagnant, that is diverse and constantly renewing issues pertaining to its planes, its products and its services).

Strategic ties with leading organizations in Israel and abroad – El-Al is aiming to affiliate itself with leading organizations and companies in Israel and around the world in a range of sectors in order to be able to offer its customers the finest products and services. Among the various partners is Harel Insurance and airline giant American Airlines.

Upgrade the customer experience through technological advancements – the company has in recent years invested in the

creation of a uniform and different brand experience at every point of contact with the customer – before, during and after the flight. This is done through launching of new, unique services such as online check-ins, pre-flight services from the home and cellular applications.

The upgrade of sales channels and marketing initiatives – El-Al has in recent years made unprecedented investments in the development of a direct interface with customers through its website and telephone call center, in addition to continued fostering of the strategic ties with travel agents. Furthermore, El-Al has taken it upon itself to head the marketing agenda in the airline and tourism market through special deals, collaborations and launching of new tourism products.

Upgrade of loyalty channels – El-Al has and is still investing in improving and enhancing its frequent flier



club, making it a key platform in the creation of long-term loyalty while upgrading its advantages and creating exclusive loyalty interfaces for unique segments (VIP customers, businesses, etc.)

Expansion of routes – El-Al has recently expanded its routes and destinations that it offers its Israeli customers, Diaspora Jews and tourists from around the world. Amongst others, direct flights to Los Angeles, Sao Paulo and Eilat have been included and cooperation agreements have been signed with leading companies around the world such as American Airlines, American company Jet Blue and Air China.

Investment and development of Far East destinations – In 2010, El-Al significantly increased the frequency of flights and number of seats to Far East destinations – China, India and Thailand while focusing on the needs of

Things You Didn't Know About El-Al

- The name El-Al was chosen by David Remez, Israel's first Minister of Transportation, and is based on a verse from the book of Hosea.
- In 1961, El-Al set a world record for that period for the longest consecutive commercial flight: Boeing 707 non-stop flight from Tel-Aviv to New York.

the premium segment and the business sector.

Entry into the domestic tourism market – In August 2010, El-Al launched its first regular line in Israel to Eilat. This line is a breakthrough and welcoming news to outgoing and incoming tourism consumers due to the possibility of connecting the line to all El-Al flights around the world. The line leads to improved service, bringing the outlying suburbs closer to central Israel and the development of the Negev and city of Eilat.

The Marketing Achievements

El-Al reinforced its status as a 'national symbol' and was selected as Israel's No. 1 brand and the most preferred airline by a clear majority of the public.

The leading tourism magazine in the US, Global Traveler Magazine, ranked El-Al as the leading airline in the world in security.



1948

El-Al's inaugural flight brings President Chaim Weizmann from Geneva to Israel.

1950-6

El-Al leads Operations Magic Carpet and Ezra and Nehemia to bring Jews from Yemen, Iran and India to Israel.

1991

1087 immigrants from Ethiopia get on one jumbo jet in Operation Solomon.

2005

Following El-Al's privatization, ownership is transferred to Knafaim.

2009

El-Al launches the first regular direct flight in history between Israel and South America.

2010

El-Al launches a direct flight to Eilat.