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NEWS RELEASE

Hainan Airlines Announces New Nonstop Service to Beijing, China from Silicon Valley's Airport

-- Five Weekly Flights on the Modern Boeing 787 Dreamliner to Begin June 15, 2015 --

San José, Calif. – <u>Hainan Airlines</u> today announced new nonstop service between Beijing Capital International Airport (PEK) in the People's Republic of China and <u>Mineta San José International Airport</u> (SJC). The new service, to begin June 15, 2015, was announced today by San José Mayor Sam Liccardo and Hainan Executive Director - USA Joel Chusid at a news conference at SJC. Visit www.hainanairlines.com for fares and specials.

Hainan will operate five flights per week - Monday, Wednesday, Friday, Saturday and Sunday - on modern <u>Boeing 787 Dreamliner aircraft</u> on the Beijing-Silicon Valley route. The 213-seat, two-cabin class Dreamliner will offer 36 seats in Business and 177 seats in Economy. This will be first-ever nonstop service between SJC and China, marking Hainan's entry into the Bay Area market through the convenient SJC gateway. According to City studies, the flight's economic impact for the San José region is estimated at \$105 million annually.

"Since we began our Seattle route in June 2008, hundreds of thousands of people have experienced the award-winning service that Hainan Airlines provides between the United States and China" said Mr. Ji Chun Liu, Director of Hainan's International Department. "Now we are looking forward to welcoming even more travelers from Silicon Valley. With the growth of the technology industry, trade between China and the U.S., and especially this region, has expanded. Travelers will no longer have to endure traffic and taking longer routings when they are flying to or from Silicon Valley, and San José Airport is known for its amenities and accessibility."

"We're delighted to celebrate the announcement of Hainan Airlines' new direct service between Beijing and Silicon Valley," said Mayor Sam Liccardo. "With the enthusiastic support demonstrated by our global technology corporations, this new route will be a success. I thank Hainan Airlines for its significant investment in San José, and strongly encourage all business and leisure travelers to fly Hainan from Mineta San José International Airport."

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Flight 7990 will depart SJC at 1:10 p.m. and arrive Beijing at 4:40 p.m. the following day. Flight 7989 will depart Beijing at 2:30 p.m. and arrive SJC at 11:10 a.m. the same day. Flight time is 12 hours, 30 minutes westbound and 11 hours, 40 minutes eastbound. Connections to and from points throughout China are also possible throughout Hainan's extensive domestic network. Cargo service will be offered.

San José officials and Silicon Valley business leaders have been in discussions with Hainan since 2014. SJC Director of Aviation Kim Becker Aguirre and a member of the Airport's Business Development team traveled in October to Hainan's headquarters in Beijing to meet with airline executives about the benefits of a nonstop flight between Beijing and Silicon Valley.

Hainan officials subsequently traveled to Silicon Valley to meet with then-Mayor Chuck Reed, then-Mayor-elect Liccardo, Aguirre, Silicon Valley Leadership Group President and CEO Carl Guardino, San José Silicon Valley Chamber of Commerce President and CEO Matt Mahood, and other local business leaders. The Hainan team toured SJC and the region and received briefings about the strong passenger demand between SJC and PEK, the main international airport serving Beijing that is located 20 miles northeast of the city's center.

Beijing has been identified as a priority travel route for the greater San José region that has significant business and personal links to China. Silicon Valley companies have more than 500 locations throughout China, and have a growing focus on developing more business across Asia and the China market in particular. Hainan's nonstop flights to Beijing with connections to other Chinese cities will provide greater opportunities to enhance this business and take advantage of more efficient travel options.

With more than 220,000 Silicon Valley residents with Chinese heritage, China also is a top destination for travelers returning to visit family and friends. The service also is expected to be popular with tourists and college students traveling between the Bay Area and China.

"We are pleased to welcome Hainan Airlines to Silicon Valley's airport and we're confident our regional business and leisure travelers will respond favorably to this service," said Aguirre. "Hainan and the Boeing 787 Dreamliner are well-matched for our market with travelers who prefer to choose SJC for our convenience, on-time performance, and technologically-advanced facilities and services."

Hainan is headquartered in <u>Haikou</u>, China. It is the largest privately owned air transport company in China and the fourth largest airline in terms of fleet size. The airline offers scheduled domestic and international service on 500 routes from Beijing, Haikou, and other operating bases on the China mainland. In the US, Hainan also serves Boston, Chicago-O'Hare and Seattle airports.

SJC is currently constructing two additional international gates, scheduled to be completed by summer 2015, which will double the airport's international gate capacity. Arriving international passengers receive expedited processing and reduced wait times with automated Global Entry kiosks in SJC's International Arrivals facility.

Other nonstop international service offered at SJC includes <u>ANA</u>'s daily flight to Tokyo-Narita on the Dreamliner; daily flights to Guadalajara on <u>Alaska Airlines</u>' Boeing 737 aircraft and <u>Volaris</u>' Airbus A-320; and Alaska's five-weekly flights to Cabo San Lucas on Boeing 737s.

About Hainan Airlines

Hainan Airlines was founded in 1993 and has grown to be China's largest independent airline, with a fleet of about 130 aircraft, including wide body Airbus A330 and Boeing 787 Dreamliner jetliners. The airline is a subsidiary of the HNA Group, one of China's largest conglomerates, which has interests in logistics, tourism, hotels, financial services, as well as air transportation.

Hainan began service to the United States in 2008 and has progressively grown internationally, transporting hundreds of thousands of passengers to and from China and North America. The airline has a wide domestic network in China, serving more than 600 routes linking 90 cities, as well as points in Europe, Southeast Asia and the Middle East. It is a service-oriented enterprise, earning numerous awards for safety, punctuality and a high quality product. Based in Haikou on Hainan Island, the carrier has offices in Boston, Chicago, Seattle and Toronto in North America. Learn more at www.hainanairlines.com.

About Mineta San José International Airport

Mineta San José International Airport (SJC) is Silicon Valley's airport, a self-supporting enterprise owned and operated by the City of San José. SJC served 9.4 million passengers in 2014, a 7 percent increase year-over-year. SJC offers approximately 130 daily flights on 11 domestic and international carriers to 31 nonstop destinations.

SJC's five-star customer service experience sets it apart from other Bay Area and US airports. Airlines and passengers respond positively to SJC's customer amenities, including modern terminal buildings, free and fast WiFi, comfortable seating with built-in power outlets, a luxurious, award-winning lounge open to all travelers, a rental car center conveniently located across from the terminals and Global Entry kiosks to expedite arriving international passengers. Silicon Valley's airport is located in San José, California's third largest city and the nation's tenth largest city. SJC facts can be found here. For more airport information, visit www.flysanjose.com.