

ANCILLARY REVENUE REPORT SERIES FOR 2012

The Amadeus Yearbook of Ancillary Revenue by IdeaWorks Company

Researched and written by Jay Sorensen

Edited by Eric Lucas



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About Jay Sorensen, Writer of the Report

Jay Sorensen's research and reports have made him a leading authority on frequent flier programs and the ancillary revenue movement. For 2012 he was a speaker at the FFP Spring Event at the Freddie Awards in New York; he will speak at the IATA Passenger Services Symposium in Abu Dhabi and the MEGA Ancillary Revenue and FFP Event in San Diego. His published works are relied upon by airline executives throughout the world and include first-



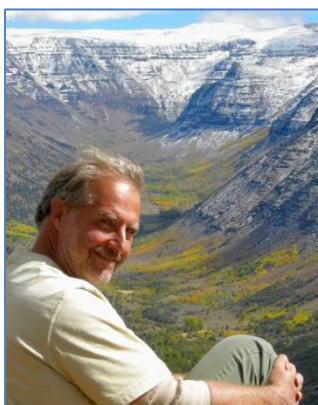
Jay, with sons Anton and Aleksei on the Agnes Gorge Trail in North Cascades National Park in Washington.

ever guides on the topics of ancillary revenue and loyalty marketing. He was acknowledged by his peers when he received the Airline Industry Achievement Award at the MEGA Event in 2011.

Mr. Sorensen is a veteran management professional with 28 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has enhanced the generation of airline revenue, started loyalty programs and co-branded credit cards, developed products in the service sector, and helped start airlines and other travel companies. His career includes 13 years at Midwest Airlines where he was

responsible for marketing, sales, customer service, product development, operations, planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

About Eric Lucas, Editor of the Report



Eric, at his favorite summer retreat, Steens Mountain, Oregon.

Eric Lucas is an international travel, natural history and business writer and editor whose work appears in MSN.com, Michelin travel guides, Delta Sky magazine, *Alaska Airlines Magazine*, *Westways Magazine* and numerous other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of six books, including the 2009 Michelin *British Columbia Green Guide*. Eric has followed and written about the travel industry for more than 20 years. He lives in Seattle, Washington, where he grows and sells organic garlic; visit him online at www.TrailNot4Sissies.com.



Airline Ancillary Services

Maximise profit with an end-to-end multichannel solution



Amadeus Airline Ancillary Services is a fully industry compliant, flexible and truly multi-channel solution allowing for a consistent merchandising strategy across the entire sales cycle. Our solution is integrated in the different Amadeus shopping platforms in the classic GDS interface and in the graphical interfaces (Amadeus Selling Platform, Altéa Reservation Desktop and Web Services).

The story so far

46
airlines

have signed up for Amadeus Ancillary Services for direct and/or indirect channels

21
airlines

have signed up to sell ancillary services using the Amadeus solution in the travel agency channel

6
airlines

Air France, KLM, Iberia, Finnair, Qantas and Corsair are currently selling ancillary services through travel agencies

15
countries

travel agencies currently use our solution to sell ancillary services in France, the Netherlands, Belgium, Luxembourg, Spain, Denmark, Norway, Sweden, Finland, Czech Republic, Estonia, Latvia, Lithuania, Italy and Poland.

57
airlines

have contracted Amadeus' EMD Server to enable the provision of EMD's, facilitating the sale of airline ancillary services

32
airlines

have implemented Amadeus' EMD Server

4 million
EMD

were processed in 2011, using the Amadeus EMD server.

Why Amadeus?

Unified merchandising strategy across the entire sales cycle

- ✓ Automation through all retail touch points, including the low fare search engines
- ✓ Increased exposure and visibility of your optional services in all channels at the optimal purchase time
- ✓ Consistent level of choice and quality of delivery across all channels and touch points which results in more customer satisfaction and loyalty

Brand differentiated shopping experience

- ✓ Airline defines which services are chargeable and has the ability to customise an offer according to frequent flyer status and/or corporate account code
- ✓ Airline has the ability to package ancillary services according to the fare and/or cabin class
- ✓ Seat selection fees may vary according to a variety of factors including seat characteristics and may support multiple policies, including corporate travel policies (Amadeus e-Travel Management)
- ✓ Ability to display flight option with filter on optional services (online travel agencies)

Optimised customer upsell / cross-sell

- ✓ Generate more revenue per passenger / per segment
- ✓ Increase bookings through ancillary services differentiation
- ✓ Promote ancillary services with specific description after flight selection and push offers on behalf of the airline

Adaptive and scalable architecture

- ✓ Ability to manage all types of services

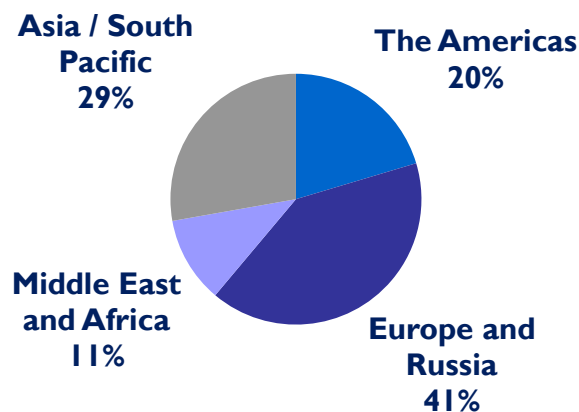
➤ For more information on how Amadeus can help increase your ancillary revenues, please contact your Account Manager.

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2012 Amadeus Yearbook of Ancillary Revenue

IdeaWorksCompany analyzed financial statements from 108 airlines to develop a picture of ancillary revenue activity by carriers worldwide. Of the 108 airlines, 50 reported revenue details identifying ancillary activities. The carriers that comprise the 108 airlines provide financial statements or investor presentations and typically offer shares to the public. IdeaWorksCompany used a number of resources, such as airline stock indexes, to identify these publicly-held airlines. Some of the carriers included do not offer shares to the public, but provide financial information at airline websites. Airlines which are privately owned and don't disclose financial results are not included in this analysis.

IdeaWorks Analyzed Financial Statements from 108 Airlines Worldwide

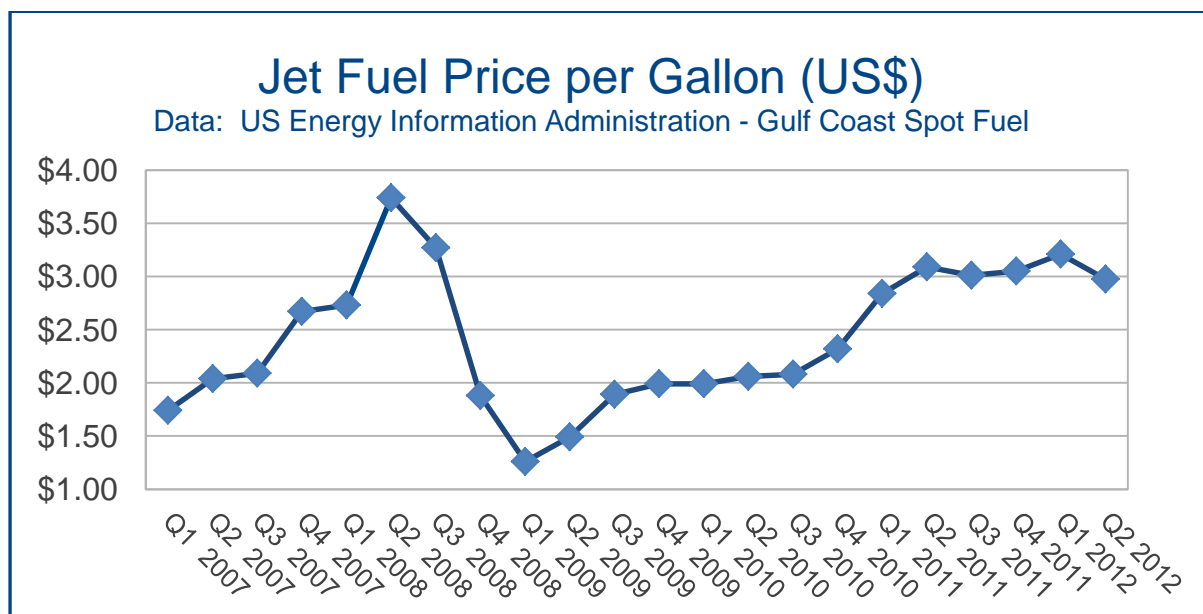


The first report on ancillary revenue was issued in 2008 with only 23 airlines worldwide disclosing ancillary revenue activity in financial filings, and the result was a modest €1.72 billion (\$2.45 billion). Once largely limited to low fare airlines, ancillary revenue has now become a financial necessity for airlines all over the globe. Today, 50 airlines disclose ancillary revenue activity of €18.23 billion (\$22.64 billion). This represents ancillary revenue growth of 66% in two years from the 2009 result of €10.95 billion.

Annual Financial Disclosures of Ancillary Revenue				
2011 Results Posted by 50 Airlines €18.23 billion (\$22.64 billion)	2010 Results Posted by 47 Airlines €15.11 billion (\$21.46 billion)	2009 Results Posted by 47 Airlines €10.95 billion (\$13.47 billion)	2008 Results Posted by 35 Airlines €7.68 billion (\$10.25 billion)	2007 Results Posted by 23 Airlines €1.72 billion (\$2.45 billion)
<i>Annual results are associated with a fiscal period that has ended in the year indicated.</i>				

Some airlines, such as Qantas Airways and TAM, build ancillary revenue through robust frequent flier programs and co-branded credit cards. The majority of the world's carriers, from low fare airlines to global giants, grow ancillary revenue from a variety of sources such as checked baggage fees, buy onboard cafes, and commissions earned on the sale of hotel accommodations. While methods may vary, every airline in this annual **Amadeus Yearbook of Ancillary Revenue** shares one objective ... to create profits in an era of ever-rising fuel costs while keeping fares modest in a recession-weary world.

As displayed in the graph below, airlines face a relentless challenge. Consumers sometimes grouse that airlines should simply increase fares to accommodate higher expenses. However, in a marketplace where air travel is often labeled a commodity and with competitors eager to compete on lowest price, meaningful fare increases are difficult to achieve. Ancillary revenue helps airlines fill the expense gap. The “unbundling” method also allows carriers to offer a basic product - - at the lowest price - - and to gain revenue by selling services which were once included in the price of a ticket when oil prices were much lower. Airlines can also offer service enhancements that add to a traveler’s comfort and convenience.



Ancillary revenue continues to grow and better retailing methods and product innovation are contributing factors. For example, Korean Airlines has literally taken retailing to new heights with the inclusion of a fully stocked 64-item duty free shop on its Airbus A380 aircraft. Korean clearly anticipates meaningful returns as evidenced by the carrier’s decision to remove 13 passenger seats to accommodate retail activity. It’s a smart and savvy innovation and those are attributes shared by other developments occurring in the ancillary revenue arena.

Here’s a brief tour of the unique services that IdeaWorksCompany uncovered in its global review of ancillary revenue activities. KLM allows passengers to pre-order upgraded meals on intercontinental flights from Amsterdam. Economy class passengers can opt for one of five selections, such as the Bella Italia meal for €12 to €15 extra. AirAsia rolled out a Red Carpet Service offering elite-style perks from a low fare airline. Starting at MYR 80 (€20), passengers can enjoy fast track security, lounge access, early boarding, and a ride to the plane in an electric cart. Vueling will hold the middle seat empty, board you early, and provide a drink and snack for a scant €60. United offers a MileagePlus Explorer Visa card providing a free checked bag, two annual airport lounge passes, early boarding, bonus miles and more for a \$95 annual fee the second year. Qantas sells its Q Bag Tag for AUD 49.95 (€39) as a permanent baggage tag with wireless RFID technology that links to a traveler’s booking and permits easy self-checking of bags on flights within Australia.

Big companies generate big results, and the current analysis confirms the largest ancillary revenue results are achieved by large airlines. The top 10 “Total Ancillary Revenue” list (see Table I) is dominated by major brands in the global network and low fare categories. American, Delta, and United attain their status through a blend of activities, which notably features checked baggage and the sale of frequent flier miles to bank partners. Qantas and TAM are unique because frequent flier program revenue is the primary reason for placement in the top 10. IdeaWorksCompany adds a “Primary Source” column to this year’s tables to identify each carrier’s primary ancillary revenue methods. “Various” describes a range of activities, while “FFP” indicates more than 75 percent of disclosed ancillary revenue relies upon partner revenue generated from a frequent flier program. Data is expressed in US dollars in Tables 1a and 3a at the end of this section.

Table I: Top 10 Airlines – Total Ancillary Revenue (euros)				
Annual Results – 2011		Primary Source	Annual Results – 2010	
€ 4,162,655,000	United Continental	Various	€ 3,530,000,000	United Continental
€ 2,039,870,000	Delta	Various	€ 2,612,200,000	Delta Air Lines
€ 1,700,965,000	American	Various	€ 1,379,524,000	American
€ 1,141,720,000	Qantas Airways	FFP	€ 1,087,268,000	Qantas Group
€ 949,900,000	Southwest	Various	€ 834,492,000	US Airways
€ 890,122,000	easyJet	Various	€ 801,600,000	Ryanair
€ 886,200,000	Ryanair	Various	€ 654,824,400	easyJet
€ 874,230,000	US Airways	Various	€ 426,240,000	Emirates
€ 537,315,924	TAM Airlines	FFP	€ 390,065,000	Alaska Air Group
€ 491,050,000	Alaska Air Group	Various	€ 359,489,220	TAM Airlines

*Currency exchange based upon rates in effect when data was collected.
2011 carrier results were based upon recent 12-month financial period disclosures, which may have ended during 2011 or 2012; the equivalent criteria apply for 2010 results.*

As a group, these ten airlines garnered revenue in excess of €13.7 billion, or 75 percent of the total amount disclosed by airlines for 2011. Airlines generally moved up the chart for 2011 in terms of overall ancillary revenue produced. easyJet passed Ryanair for the first time, which will likely bring a smile to Carolyn McCall, the CEO who joined the airline in 2010 and has emphasized a la carte services. Delta's ancillary revenue results decreased during 2011 due to a combination of reasons. The airline refined how it discloses ancillary revenue results, now excluding revenue from some aviation-related businesses. IdeaWorksCompany also believes the large advance payment received from American Express during 2010 boosted the cash amount registered that year.

Southwest is a new member of the top 10 list for total ancillary revenue. The carrier has gradually moved up the rankings since it first appeared in the 2009 list. The carrier has vociferously denounced checked baggage fees while embracing the sale of convenience-adding services.

Revenues produced by Southwest’s EarlyBird service, which provides early boarding for a modest \$10 fee, were \$142 million (€114 million) during 2011. The Business Select product is designed to attract commercial travelers and provides a package of benefits such as priority airport screening, early boarding, and a welcome cocktail. Ancillary revenue from this initiative was \$96 million (€77 million) for 2011. The biggest number was likely posted by Southwest’s revamped Rapid Rewards frequent flier program. Management has expressed glee over the \$250 million (€201 million) revenue bump from improved co-branded credit card results during 2011.

Low fare airlines dominate the “% of Total Revenue” top 10 list (see Table 2) due to the inherent statistical advantage of selling lower fares. Ancillary revenue is naturally a larger piece of the revenue pie for a lower-fare carrier such as easyJet or Tiger Airways. Spirit Airlines rose to the top of this list for 2011 based upon its unbending desire to reward shareholders. The carrier broke the 30 percent mark with a very solid 33.2 percent. Management teams are warned that Spirit’s methods – such as the notorious fee for larger carry-on bags – are not for the faint of heart.

Spirit has garnered abundant negative media coverage for its bare-knuckled approach to cost cutting and fee collection. Contrary to the pundits, consumers voted favorably with their pocketbooks by giving the carrier plenty of business. A recent article in the 12 May 2012 edition of the *Wall Street Journal* reported the airline “earned 40 percent more per airplane than any other US airline.” That type of result only occurs when planes are filled with passengers . . . and revenue.

Table 2: Top 10 Airlines – Ancillary Revenue as a % of Total Revenue				
Annual Results – 2011		Primary Source	Annual Results – 2010	
33.2%	Spirit	Various	29.2%	Allegiant
27.1%	Jet2.com	Various	22.6%	Spirit Air
27.0%	Allegiant	Various	22.1%	Ryanair
20.8%	easyJet	Various	21.0%	Jet2.com
20.5%	Ryanair	Various	20.5%	Tiger Airways
19.1%	Tiger Airways	Various	19.2%	easyJet
17.8%	AirAsia Group	Various	18.7%	AirAsia Group
17.0%	Flybe	Various	18.1%	AirAsia X
16.5%	AirAsia X	Various	15.7%	Flybe
15.3%	Jetstar	Various	14.7%	United Continental

2011 carrier results were based upon recent 12-month financial period disclosures, which may have ended during 2011 or 2012; the equivalent criteria apply for 2010 results.

Consumers choosing a low fare airline can pay a small fare for basic transportation, or opt for everything on the a la carte menu and pay a price comparable to those charged by a global network competitor such as American Airlines or British Airways. Navigating the booking process associated with these ancillary revenue champs constitutes a labyrinth of fee-based choices for baggage, seat assignments, early boarding, and offers for travel insurance, hotel accommodations, and car rentals. Some even promote a €1 fee to have a flight itinerary sent to a mobile phone. With 15 to 33 percent of revenue produced through these methods, ancillary revenue success is a matter of financial survival for these low fare airlines.

The only global giant on last year's list - - United Airlines - - was edged off by the addition of Jetstar. The Qantas Group provided sufficient disclosures in its annual report to allow the inclusion of value-based Jetstar in this year's analysis. The 16.5-million-passenger airline generates ancillary revenue from a variety of sources. Jetstar uses the traditional a la carte approach by charging for onboard dining and entertainment, checked bags, and extra leg room seats. It has also learned from the success of its parent by offering a co-branded MasterCard that provides cardholders a choice of Qantas Frequent Flyer Points or Jetstar Dollars redeemable for Jetstar flight vouchers.

The "Per Passenger" top 10 list (see Table 3) provides an interesting mix of global giants, low fare airlines, regional carriers, and traditional network airlines. The Qantas Frequent Flyer Program generates an amazing amount of revenue on a per passenger basis, notably from the power of its Australian network of co-branded credit cards. The airline takes the novel approach of maintaining multiple bank relationships, unlike the usual method of selecting one bank per consumer market. The program achieved revenue of AUD 1.148 billion (€896 million) during fiscal year 2011. With 8 million members, that's AUD 143.50 (€112) per program member.

Table 3: Top 10 Airlines – Ancillary Revenue per Passenger (euros)				
Annual Results – 2011		Primary Source	Annual Results – 2010	
€ 40.91	Qantas Airways	FFP	€ 29.45	AirAsia X
€ 33.61	Spirit	Various	€ 26.24	Qantas Group*
€ 33.30	Jet2.com	Various	€ 24.23	United Continental
€ 30.79	AirAsia X	Various	€ 24.20	Jet2.com
€ 29.36	United Continental	Various	€ 23.20	Allegiant
€ 27.37	Allegiant	Various	€ 17.76	Spirit Airlines
€ 19.81	Alaska Air Group	Various	€ 17.67	Aer Lingus
€ 18.80	Jetstar	Various	€ 16.72	Alaska Air Group
€ 17.73	Aer Lingus	Various	€ 16.06	Delta Air Lines
€ 17.65	Flybe	Various	€ 14.84	Flybe

2011 carrier results were based upon recent 12-month financial period disclosures, which may have ended during 2011 or 2012; the equivalent criteria apply for 2010 results.
*Qantas Group includes Jetstar.

The airline also generates a fair amount of revenue from traditional a la carte activities. The Qantas Club collection of airport lounges posted AUD 84 million (€66 million) and retail/advertising activities contributed AUD 54 million (€42 million) during fiscal year 2011. Qantas Airways results for 2011 exclude Jetstar, which was included under the Qantas Group results listed for 2010.

Airlines have become more active retailers of travel. Jet2.com, a holiday-oriented airline based in the United Kingdom, and Allegiant Airlines in the US, appear in the top 10 list largely based upon their ability to sell vacation packages. Allegiant has dubbed itself a travel company that happens to own an airline. Visiting the Jet2.com website yields an endless buffet of holiday destinations that overwhelm the company's visual identity as an airline. This list proves there are many ways to reach the top.

The results described in this report portray the evolution that is occurring in how travel is sold to consumers. There are still hints of a gold rush mentality here, or "grab every buck, quid, or kopek while you can" from consumers. That's a shortsighted view that invites the scrutiny of regulators, the wrath of journalists . . . and the eventual exit of consumers. Best practices allow consumers to view a running total of their purchases and provide detailed descriptions of the products or services offered. Imagine yourself in a grocery store where prices are only discovered at the checkout lane or the label is intentionally blurred to disguise the ingredients. You would cry "foul" and never visit that shop again. This is a lesson for every airline executive wanting to make a run for the top.

Successful companies serve their customers successfully . . . and that's the secret to keeping a positive relationship with employees, consumers, and investors.

Tables 1a and 3a - US Dollars

The following tables reflect actual dollar disclosures by US-based airlines. All other financial disclosures have been converted to US dollars using rates in effect when data was collected. Carrier rankings remain the same as euro-based tables but year over year changes for individual carriers will be different due to exchange rate fluctuations.

Table 1a: Top 10 Airlines – Total Ancillary Revenue (US dollars)				
Annual Results – 2011		Primary Source	Annual Results – 2010	
\$5,171,000,000	United Continental	Various	\$5,000,000,000	United Continental
\$2,534,000,000	Delta	Various	\$3,700,000,000	Delta
\$2,113,000,000	American	Various	\$1,954,000,000	American
\$1,418,285,709	Qantas Airways	FFP	\$1,532,846,000	Qantas Group*
\$1,180,000,000	Southwest	Various	\$1,182,000,000	US Airways
\$1,105,741,611	easyJet	Various	\$1,130,256,000	Ryanair
\$1,100,869,561	Ryanair	Various	\$926,239,400	easyJet
\$1,086,000,000	US Airways	Various	\$603,840,000	Emirates
\$667,473,195	TAM Airlines	FFP	\$552,500,000	Alaska Air Group
\$610,000,000	Alaska Air Group	Various	\$509,069,792	TAM Airlines

Currency exchange based upon rates in effect when data was collected.
 2011 carrier results were based upon recent 12-month financial period disclosures, which may have ended during 2011 or 2012; the equivalent criteria apply for 2010 results. *Qantas Group includes Jetstar.

Table 3a: Top 10 Airlines – Ancillary Revenue per Passenger (US dollars)				
Annual Results – 2011		Primary Source	Annual Results – 2010	
\$50.82	Qantas Airways	FFP	\$41.60	AirAsia X
\$41.75	Spirit	Various	\$37.00	Qantas Group*
\$41.37	Jet2.com	Various	\$34.32	United Continental
\$38.25	AirAsia X	Various	\$34.24	Jet2.com
\$36.47	United Continental	Various	\$32.86	Allegiant
\$34.00	Allegiant	Various	\$25.16	Spirit
\$24.61	Alaska Air Group	Various	\$24.91	Aer Lingus
\$23.35	Jetstar	Various	\$23.68	Alaska Airlines
\$22.02	Aer Lingus	Various	\$22.75	Delta
\$21.92	Flybe	Various	\$20.99	Flybe

Currency exchange based upon rates in effect for 2011 and 2010.
 2011 carrier results were based upon recent 12-month financial period disclosures which may have ended during 2011 or 2012; the equivalent criteria apply for 2010 results. *Qantas Group includes Jetstar.

Ancillary Revenue Defined

The definition of ancillary revenue offered by IdeaWorks in 2008 has been adopted by airlines all over the world and has become accepted as the industry's definition.

Ancillary Revenue Defined

Revenue beyond the sale of tickets that is generated by direct sales to passengers, or indirectly as a part of the travel experience.

IdeaWorks further defines ancillary revenue using these categories:

1) frequent flier activities, 2) a la carte features, 3) commission-based products, and 4) advertising sold by the airline.

To add a bit more clarity to this declaration, IdeaWorks offers these explanations:

- **Frequent Flier Programs:** The frequent flier category largely consists of the sale of miles or points to program partners such as hotel chains and car rental companies, co-branded credit cards, online malls, retailers, and communication services. Sales of miles or points made directly to program members also qualify.
- **A la Carte Features:** These represent the items on the ancillary revenue menu and consist of the amenities consumers can add to their air travel experience. The list continues to grow and the following are typical activities: 1) onboard sales of food and beverages, 2) checking of baggage and excess baggage, 3) assigned seats or better seats such as exit rows, 4) call center support for reservations, 5) fees charged for purchases made with credit or debit cards, 6) priority check-in and screening, 7) early boarding benefits, 8) onboard entertainment systems, and 9) wireless internet access.
- **Commission-Based Products:** Ancillary revenue activities also include the commissions earned by airlines on the sale of hotel accommodations, car rentals and travel insurance. The commission-based category primarily involves the airline's website, but it can include the sale of duty-free and consumer products onboard aircraft.
- **Advertising Sold by the Airline.** This category and includes any advertising initiative linked to passenger travel. The following are typical activities: 1) revenue generated from the inflight magazine, 2) advertising messages sold in or on aircraft, loading bridges, gate areas, and airport lounges, and 3) fee-based placement of consumer products and samples.

The list is not intended to be exhaustive or complete; that would violate the spirit of creativity. However, caution is advised when considering revenue sources not linked to the passenger travel experience. This includes air cargo, mail revenue, ground handling, and inflight kitchen operations. Some carriers consider this ancillary revenue, but they are best defined by the category of other revenue.

About Individual Airline Listings

The individual airline listings are intended to clarify the type of ancillary revenue activity attributed to each airline in this report. Some airlines are vague in their descriptions and merely provide an “ancillary revenue” line on the income statement without further details. Some of the carriers don’t specifically list ancillary revenue, but describe qualifying activities such as “revenue from the sale of frequent flier miles to partners” or “onboard retail including food and merchandise.” Other airlines provide extensive details and seem very proud of their ancillary revenue accomplishments. Airlines sometimes choose to provide additional information in the presentations made to investment analysts.

The Total Revenue and Passenger numbers for each airline are intended to reflect the activities associated with the generation of ancillary revenue. Financial figures have been converted to euros with the exception of information provided in the Notes from Financial Reports box for each listed. The exchange rates used are listed at the end of this report. Group results may apply for some airline listings. For example, activity reported for the Alaska Air Group includes Alaska Airlines and Horizon Air.

The explanatory material provided for each reporting airline is an edited version of information found in sources such as financial statements, annual reports, analyst research, and investor relations presentations. The greater length of some listings, such as Allegiant Air, indicates the company dedicated more space in its reports to the topic of ancillary revenue. Interpretation by IdeaWorks provides added context regarding the unique qualities of a carrier’s a la carte activity.

Airlines Posting Ancillary Revenue Results

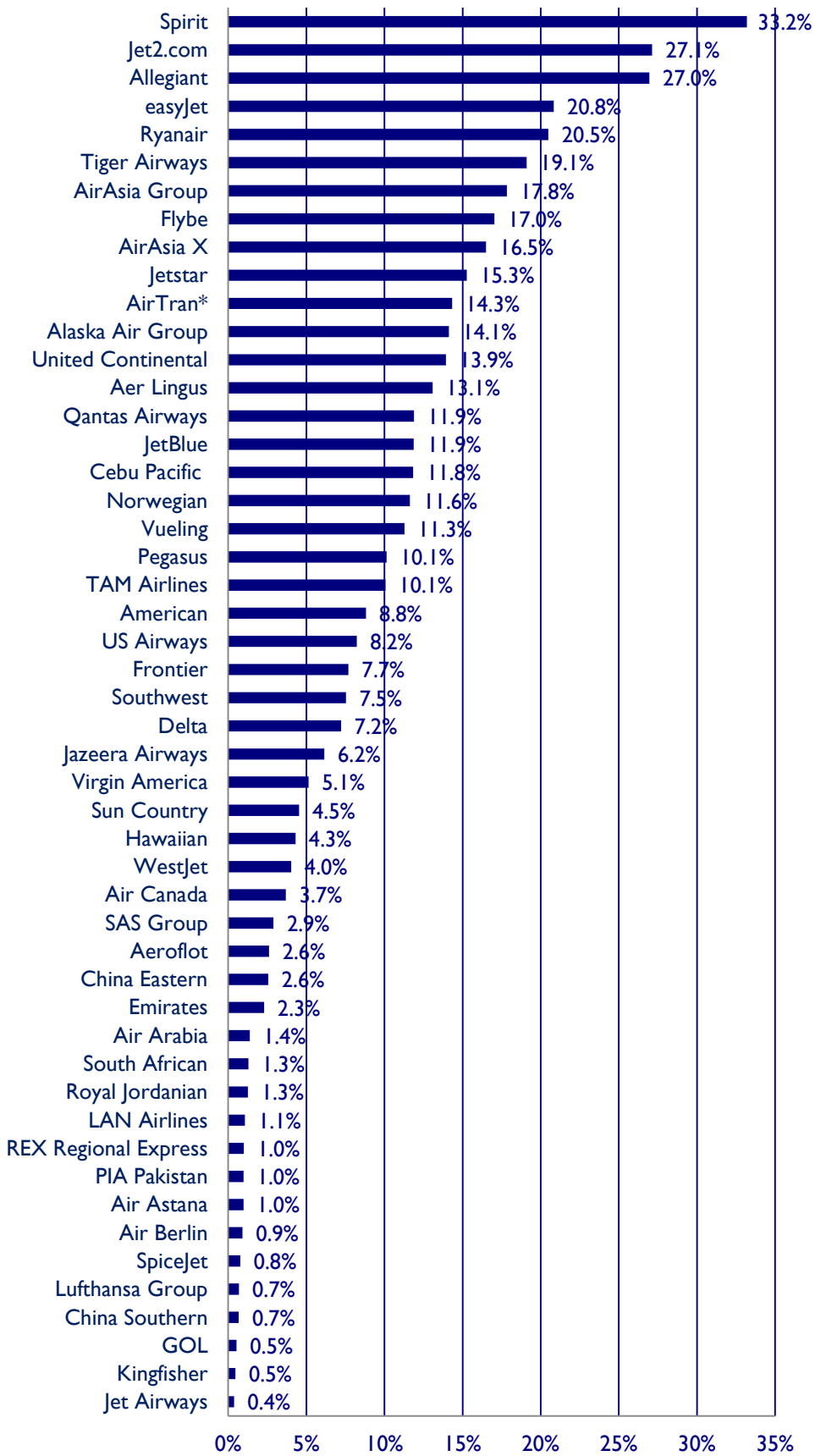
For most recent full-year period, listed in alphabetical order.

Carriers	Ancillary Revenue in Euros	% of Total Revenue	Euros per Passenger	US\$ per Passenger	Region
Aer Lingus	€ 168,651,000	13.1%	€ 17.73	\$22.02	Europe and Russia
Aeroflot	€ 113,102,500	2.6%	€ 7.96	\$9.89	Europe and Russia
Air Arabia	€ 7,359,933	1.4%	€ 1.57	\$1.95	Middle East and Africa
Air Astana	€ 6,068,895	1.0%	€ 2.02	\$2.51	Asia / South Pacific
Air Berlin	€ 38,592,000	0.9%	€ 1.09	\$1.36	Europe and Russia
Air Canada	€ 332,200,800	3.7%	€ 10.38	\$12.90	The Americas
AirAsia Group	€ 327,160,341	17.8%	€ 10.96	\$13.61	Asia / South Pacific
AirAsia X	€ 77,893,200	16.5%	€ 30.79	\$38.25	Asia / South Pacific
AirTran*	€ 102,557,000	14.3%	€ 13.26	\$16.47	The Americas
Alaska Air Group	€ 491,050,000	14.1%	€ 19.81	\$24.61	The Americas
Allegiant	€ 169,045,170	27.0%	€ 27.37	\$34.00	The Americas
American	€ 1,700,965,000	8.8%	€ 16.04	\$19.93	The Americas
Cebu Pacific	€ 76,334,113	11.8%	€ 6.40	\$7.95	Asia / South Pacific
China Eastern	€ 266,555,520	2.6%	€ 3.88	\$4.82	Asia / South Pacific
China Southern	€ 77,364,000	0.7%	€ 0.96	\$1.19	Asia / South Pacific
Delta	€ 2,039,870,000	7.2%	€ 12.45	\$15.47	The Americas
easyJet	€ 890,122,000	20.8%	€ 16.33	\$20.29	Europe and Russia
Emirates	€ 309,447,000	2.3%	€ 9.11	\$11.31	Middle East and Africa
Flybe	€ 129,990,000	17.0%	€ 17.65	\$21.92	Europe and Russia
Frontier	€ 109,398,695	7.7%	€ 7.32	\$9.10	The Americas
GOL	€ 15,987,338	0.5%	€ 0.44	\$0.55	The Americas
Hawaiian	€ 57,185,590	4.3%	€ 6.60	\$8.20	The Americas
Jazeera Airways	€ 10,195,405	6.2%	€ 8.50	\$10.55	Middle East and Africa
Jet Airways	€ 7,834,400	0.4%	€ 0.53	\$0.66	Asia / South Pacific
Jet2.com	€ 146,524,728	27.1%	€ 33.30	\$41.37	Europe and Russia
JetBlue	€ 430,675,000	11.9%	€ 16.33	\$20.29	The Americas
Jetstar	€ 311,087,400	15.3%	€ 18.80	\$23.35	Asia / South Pacific
Kingfisher	€ 4,284,000	0.5%	€ 0.36	\$0.44	Asia / South Pacific
LAN Airlines	€ 48,964,930	1.1%	€ 2.17	\$2.69	The Americas
Lufthansa Group	€ 197,000,000	0.7%	€ 1.96	\$2.43	Europe and Russia
Norwegian	€ 160,435,700	11.6%	€ 10.22	\$12.69	Europe and Russia
Pegasus	€ 63,822,849	10.1%	€ 5.63	\$6.99	Europe and Russia
PIA Pakistan	€ 10,331,280	1.0%	€ 1.74	\$2.16	Asia / South Pacific
Qantas Airways	€ 1,141,720,000	11.9%	€ 40.91	\$50.82	Asia / South Pacific
REX Regional Express	€ 1,872,780	1.0%	€ 1.56	\$1.94	Asia / South Pacific
Royal Jordanian	€ 7,377,500	1.3%	€ 2.31	\$2.86	Middle East and Africa
Ryanair	€ 886,200,000	20.5%	€ 11.69	\$14.52	Europe and Russia
SAS Group	€ 133,200,000	2.9%	€ 4.90	\$6.08	Europe and Russia
South African	€ 26,696,000	1.3%	€ 3.14	\$3.90	Middle East and Africa
Southwest	€ 949,900,000	7.5%	€ 7.45	\$9.25	The Americas
SpiceJet	€ 3,109,260	0.8%	€ 0.36	\$0.45	Asia / South Pacific
Spirit	€ 286,265,245	33.2%	€ 33.61	\$41.75	The Americas
Sun Country	€ 10,871,525	4.5%	€ 9.83	\$12.21	The Americas
TAM Airlines	€ 537,315,924	10.1%	€ 14.26	\$17.71	The Americas
Tiger Airways	€ 73,568,201	19.1%	€ 13.46	\$16.72	Asia / South Pacific
United Continental	€ 4,162,655,000	13.9%	€ 29.36	\$36.47	The Americas
US Airways	€ 874,230,000	8.2%	€ 14.37	\$17.85	The Americas
Virgin America	€ 39,420,850	5.1%	€ 8.15	\$10.12	The Americas
Vueling	€ 97,414,000	11.3%	€ 7.91	\$9.83	Europe and Russia
WestJet	€ 95,898,600	4.0%	€ 5.98	\$7.43	The Americas

Data source: Research conducted March through June 2012 by IdeaWorksCompany of the financial statements filed by 50 airlines worldwide. Please refer to individual carrier listings for details.

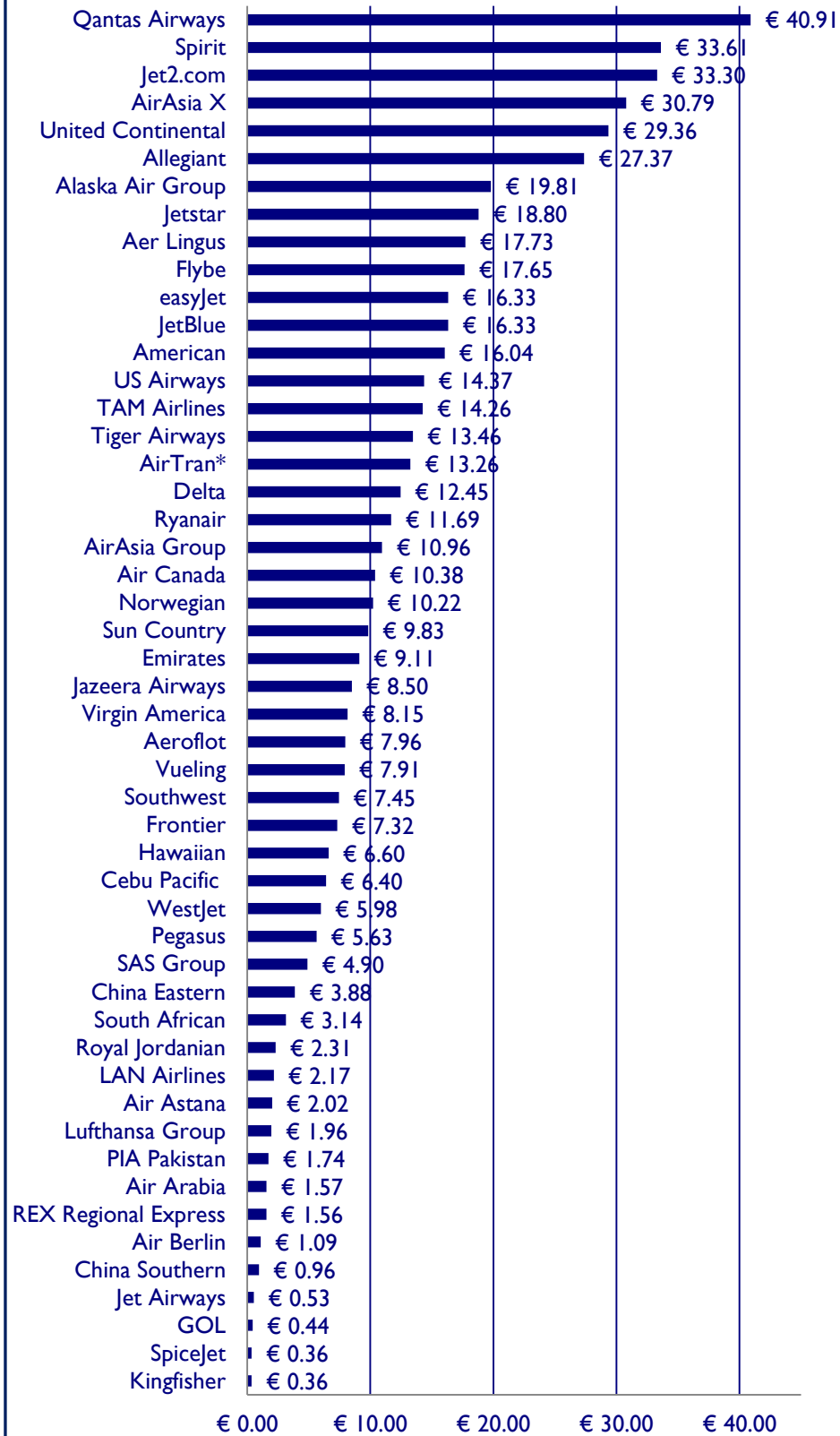
* AirTran results are for partial year - January through April 2011.

Ancillary Revenue as a % of Total Revenue - 2011



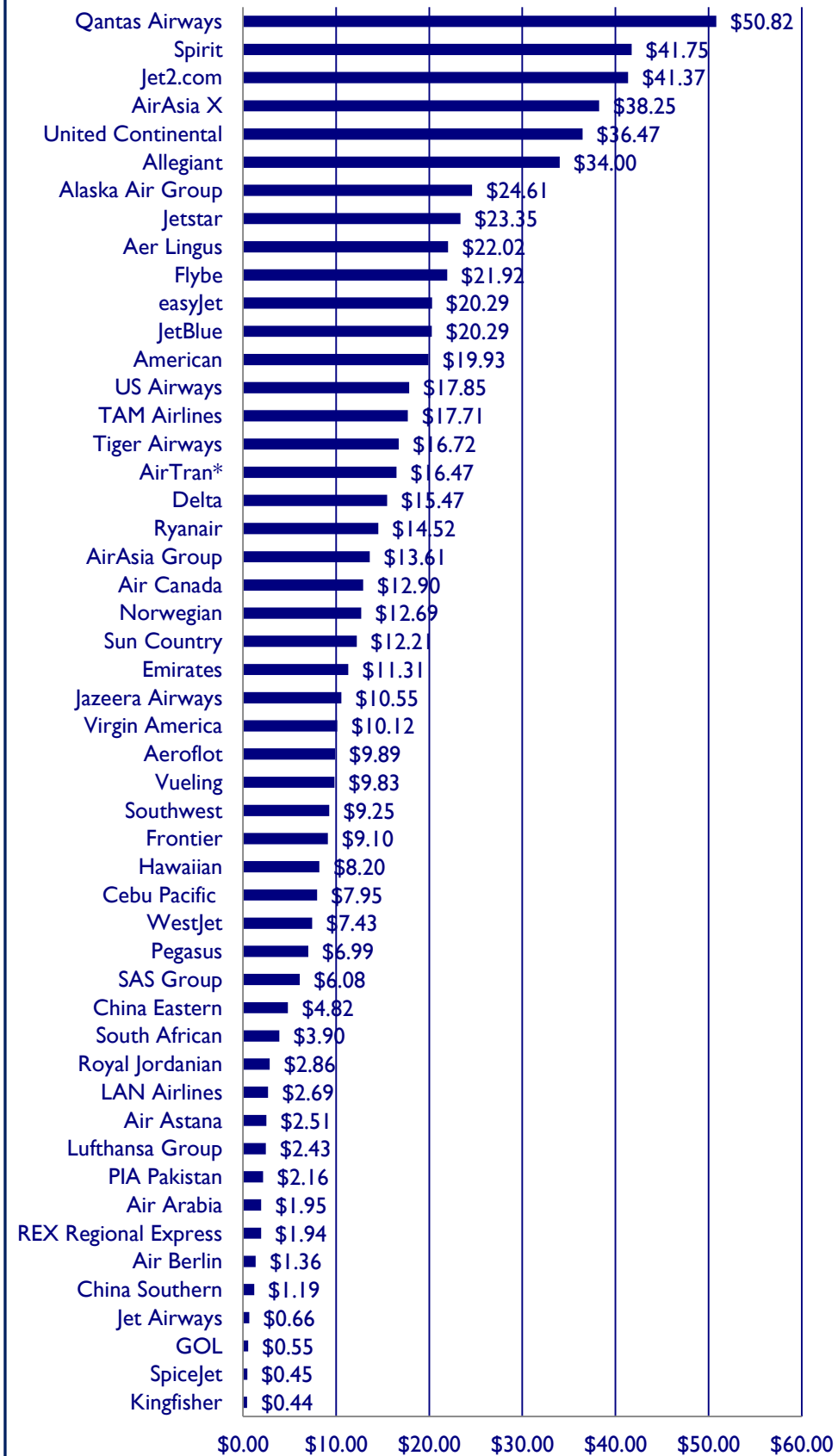
* AirTran results are for partial year - January through April 2011.

Ancillary Revenue in Euros per Passenger - 2011



* AirTran results are for partial year - January through April 2011.

Ancillary Revenue in US\$ per Passenger - 2011



* AirTran results are for partial year - January through April 2011.

Europe and Russia

Aer Lingus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 168,651,000
As a % of Revenue	13.1%
Euros per Passenger	€ 17.73
Reporting Period	Calendar year 2011
Total Revenue	€ 1,288,300,000
Passengers	9,513,000
Information Source	2011 Preliminary Full Year Results Presentation Dated 28 February 2012 and Preliminary statement of annual results (unaudited) for the year ended 31 December 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Ancillary revenue product launches in 2011: <ul style="list-style-type: none"> – Strategy to offer choice and value. – Fare family options tailored to customer needs: price, convenience, and flexibility. – Introduced advance seat selection to on-line booking flow. – Refresh of on-board sales product with revised menus supported by electronic point of sale technology. • Ancillary revenue activity: total ancillary revenues increased by 2.2% above 2010 results to €168.7 million. This increase was the result of the additional passengers carried and a slight increase in per passenger spending. Average retail spend per passenger increased by 0.4% to €17.73. This relatively low increase was due to changing passenger spending patterns, including a lower volume of checked baggage, coupled with lower volumes on leisure routes, which in turn drove a lower level of checked baggage revenues. The most significant ancillary revenue products continue to be in-flight sales revenue, baggage fees, online booking fees, seat selection fees, and commissions. • As noted earlier, the Aer Lingus Group continued to develop its retail offering in 2011 in order to improve results from the existing discretionary retail offering and to align this offering more closely with customer demand. Aer Lingus successfully re-launched its pay-to-use lounge access product, initiated an improved advance seat selection option for passengers and re-modeled its inflight catering choices under the new “Sky-Deli” brand.

Aeroflot

Source and Type	Onboard retail merchandise sales
Ancillary Revenue	€ 113,102,500
As a % of Revenue	2.6%
Euros per Passenger	€ 7.96
Reporting Period	Calendar year 2011
Total Revenue	€ 4,329,209,500
Passengers	14,200,000
Information Source	Consolidated Financial Statements for the year ended 31 December 2011 and Operating Highlights from the Website
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in US dollars. • The sale of duty-free for 2011 was \$140.5 million. The cost of duty free goods sold was \$63.5 million, representing profit of \$77 million, or a mark-up of 121% on cost. • Revenue for the year ended 31 December 2011 was \$5,377,900,000.

Air Berlin

Source and Type	Onboard retail including food and merchandise
Ancillary Revenue	€ 38,592,000
As a % of Revenue	0.9%
Euros per Passenger	€ 1.09
Reporting Period	Calendar year 2011
Total Revenue	€ 4,227,300,000
Passengers	35,300,209
Information Source	Air Berlin Annual Report for 2011 and Analysts & Investors Presentation (Berlin) 16 March 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • The Shape & Size program has defined several precise milestones in improving profitability. For some routes, Air Berlin will seek considerable increases in yields per ticket. This should be possible due to the positive effects of the various codesharing agreements and from joining oneworld. In addition, Air Berlin will aim to increase ancillary revenues, i.e. supplementary revenues beyond ticket sales. • Onboard revenue from duty-free and inflight sales slightly decreased due to reduction in long-haul

	<p>operations and was €38,592,000 million for 2011.</p> <ul style="list-style-type: none"> • Yield and revenue improvement objectives for ancillaries: <ul style="list-style-type: none"> – Optimize existing distribution channels and support additional opportunities, e.g. alliances. – Increase of yield in significant business segments. – Additional ancillary revenue through offering of new services to customers (e.g. piece-concept for checked baggage). • As of December 2010, there were more than 2.8 million topbonus frequent flier program members. Revenue associated with the program was not disclosed.
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easyJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 890,122,000
As a % of Revenue	20.8%
Euros per Passenger	€ 16.33
Reporting Period	Fiscal year ended 30 September 2011
Total Revenue	€ 4,273,576,000
Passengers	54,500,000 (please see Note A below)
Information Source	easyJet Annual Report and Accounts 2011 and 2012 Investor Day Presentation – 31 January 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (GBP). • The company emphasized yield development and revenue management – leading the industry in monetising every seat through: <ul style="list-style-type: none"> – seats, bags, and speedy boarding. – Non-seat – increasing our share of wallet. – In-flight , accommodation, cars, insurance, and easyJet plus. • Ancillary revenue for the fiscal year ended 30 September 2011 was £719,000,000. Ancillary revenue grew strongly, up by 12.9% to £11.52 per seat. This improvement was driven by the introduction of higher charges for checked baggage on longer sectors, and revised speedy boarding and booking fees. • Main ancillary partners are Gate Gourmet, which provides in-flight merchandise; Europcar which provides car rental services; Hotelopia and Laterooms which broker hotels; Low Cost Holidays which provides accommodation and transfers for easyJet Holidays; and Alvia which, through the Mondial brand, provides travel insurance. • Ancillary revenue primarily arises from the provision of

	<p>checked baggage and speedy (priority) boarding services; booking, credit card and change fees; and commissions earned from services sold on behalf of partners.</p> <ul style="list-style-type: none"> • Ancillary revenue is recognized when the service is provided. This is generally when the related flight takes place, but in the following cases revenue is recognized at the time of booking: <ul style="list-style-type: none"> – Booking and credit card fees as they are contractually non-refundable. – Change fees as the service provided is that of allowing customers to change bookings. – Commissions earned from travel insurance as easyJet acts solely as appointed representative of the insurance company. – Amounts paid by “no-show” customers are recognized as passenger or ancillary revenue as appropriate when the booked service is provided as such customers are not generally entitled to change flights or seek refunds once a flight has departed. • Revenue for the fiscal year ended 30 September 2011 was £3,452,000,000. • Note A: Number of earned seats flown. Earned seats comprises seats sold to passengers (including no-shows), seats provided for promotional purposes and seats provided to staff for business travel.
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Flybe

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 129,990,000
As a % of Revenue	17.0%
Euros per Passenger	€ 17.65
Reporting Period	12-month period ended 30 September 2011
Total Revenue	€ 762,731,800
Passengers	7,365,650
Information Source	Direct disclosure by the airline to IdeaWorks
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (GBP). • The following information was directly disclosed by airline management to IdeaWorks: <ul style="list-style-type: none"> – Group revenue £616.1 million. – Ancillary revenue £105.0 million. – Sold Passenger numbers 7.4m (7,365,650). • Flybe considers ancillary revenue to consist of: 1) baggage carriage, 2) advance seat assignment, 3) commissions, 4) change fees and 5) credit card fees due

	<p>to the Group.</p> <ul style="list-style-type: none"> • These are recognized as revenue on the date the right to receive consideration occurs. In respect of credit card fees and hotel and insurance commission, this occurs when each flight is booked and paid for. For the remaining ancillary revenue, this occurs on the date of transportation, as this is when the service is generally provided. • Commission received from the issue of Flybe branded credit cards by a third party provider is deferred to the extent that it relates to free flights which the Group is required to offer as part of the transaction. Commission received in excess of the sales value of free flights granted to card-holders is recognized immediately as revenue. Revenue associated with free flights is recognized when the related flights are taken.
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Jet2.com

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 146,524,728
As a % of Revenue	27.1%
Euros per Passenger	€ 33.30
Reporting Period	12-month period ended 31 September 2011
Total Revenue	€ 540,015,600
Passengers	4,400,000
Information Source	Dart Group Plc. Interim Report for the Half Year Ended 31 September 2011 and Dart Group Plc. Interim Report for the Year Ended 31 March 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (GBP). • Jet2.com is a UK-based airline owned by the Dart Group Plc. • Ancillary revenue per passenger increased 7% to £27.87 during the half year (2010: £25.93) through a continued focus on pre-departure, in-flight and ancillary product sales. Jet2.com is also rapidly developing its database driven e-marketing campaigns targeting customers with relevant retail products prior to departure. • Ancillary revenue activity was generated from a number of sources including checked baggage charges, online seat assignment, extra leg room seats, onboard sales, pre-order food, and commissions on car hire. • The airline increased holiday-related ancillary revenue by adding a la carte services to the Jet2holidays booking

process; customers may now order in-flight meals or book an extra leg room seat.

- Passengers carried:
 - 6 months ended 31 Sept. 2011: 3.2 million.
 - 6 months ended 31 March 2011: 1.2 million.
 - 12 month period: 4.4 million
- “Retail” revenue disclosed for the Leisure Airline (ancillary revenue):
 - 6 months ended 31 Sept. 2011: £89,184,000.
 - 6 months ended 31 March 2011: £29,172,000.
 - 12 month period: £118,356,000.
- Package Holiday sales disclosed (gross revenue includes hotel and other components; is not limited to retail markup):
 - 6 months ended 31 Sept. 2011: £83,300,000.
 - 6 months ended 31 March 2011: £13,900,000.
 - 12 month period: £97,200,000.
- Operating revenue disclosed for the Leisure Airline
 - 6 months ended 31 Sept. 2011: £316.3 million.
 - 6 months ended 31 March 2011: £119.9 million.
 - 12 month period: £436,200,000.
- Ancillary revenue from cabin service sales, excess baggage charges, seat assignment fees and extra leg room charges are recognized once the relevant flight has taken place. Separately identified incremental credit card charges and call center booking fees are recognized at the date of booking and booking change fees are recognized when the change is made, in line with the costs which such charges are designed to cover. Commission earned from car hire and hotel bookings is recognized on departure and from travel insurance on booking, reflecting the time when commission can no longer be recovered on cancellation.
- The carrier refers to ancillary revenue as “retail revenue” in its financial documents. If Dart Group were to separately report Package Holiday sales less the cost of hotel and other components (as is the practice of Allegiant Airlines) this would be included as ancillary revenue.

Lufthansa Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 197,000,000
As a % of Revenue	0.7%
Euros per Passenger	€ 1.96

Reporting Period	Calendar year 2011
Total Revenue	€ 28,734,000,000
Passengers	100,603,000
Information Source	Annual Report 2011 – Lufthansa Group and Financial Statements 2011 for Lufthansa AG
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Consolidated results include Lufthansa, Lufthansa Regional, SWISS, Austrian, Germanwings, and Sun Express. • Lufthansa Group reports “other revenue” which includes €171 million commission revenue from “travel services.” • Miles & More International GmbH, which is 100% owned by Deutsch Lufthansa AG, contributed income of €26 million to the Group. The Miles & More program has more than 22 million members. The disclosure made reflects income; it does not indicate revenue, which would be a larger amount. • Ancillary revenue activity disclosed for 2011 was €197 million (travel services and Miles & More).

Norwegian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 160,435,700
As a % of Revenue	11.6%
Euros per Passenger	€ 10.22
Reporting Period	Calendar year 2011
Total Revenue	€ 1,379,718,200
Passengers	15,700,000
Information Source	Norwegian Air Shuttle Fourth Quarter Report 2011, and Norwegian Air Shuttle ASA Q4 2011 Presentation dated 16 February 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Norway kroner (NOK). • Results for Norwegian Air Shuttle ASA (the Group) consist of Norwegian Air Shuttle ASA and its subsidiaries. • Ancillary revenue for 2011 was NOK 1,224.7 million or NOK 78.02 per passenger. • The Norwegian Reward program has 1.3 million members. Bank Norwegian, which is associated with the program, made an annualized NOK 100 million profit through joint efforts with Reward. • Norwegian considers ancillary revenue to include

	<p>luggage fees, seat selection fees, commissions from sale of hotel bookings and insurance sold to customers while booking the flight.</p> <ul style="list-style-type: none"> Total revenue was NOK 10,532.2 million for 2011.
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Pegasus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 63,822,849
As a % of Revenue	10.1%
Euros per Passenger	€ 5.63
Reporting Period	Calendar year 2011
Total Revenue	€ 629,223,112
Passengers	11,335,280
Information Source	Direct disclosure by the airline to IdeaWorks
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures are in euros. Privately-held Pegasus disclosed the details of its ancillary revenue activity for 2011 direct to IdeaWorks. Ancillary revenue includes of the following activities: excess baggage, seat selection, onboard café, call center fee, online booking fee, duty free commission, airport parking revenue, car rental commission, advertising revenue, travel insurance commission, and sale of frequent flier points. All figures include scheduled and charter operations for the airline.

Ryanair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 886,200,000
As a % of Revenue	20.5%
Euros per Passenger	€ 11.69
Reporting Period	Fiscal Year Ended 31 March 2012
Total Revenue	€ 4,324,900,000
Passengers	75,800,000
Information Source	Ryanair Results for Ryanair Holdings Plc. for the periods ended 31 December 2011, 31 March 2011, and 31 March 2012 Q3 Results Conference Call – 30 January 2012
Ancillary Revenue Definitions and Other	<ul style="list-style-type: none"> All figures are in euros. Ryanair's ancillary revenues comprise revenues from

Notes from Financial Reports	<p>non-flight scheduled operations, in-flight sales and Internet-related services.</p> <ul style="list-style-type: none"> - Revenue from non-flight scheduled operations, including revenues from excess baggage charges, debit and credit card transactions, sales of rail and bus tickets, accommodations, travel insurance. - Revenues from internet-related services, primarily commissions received from products sold on Ryanair.com or linked websites. <ul style="list-style-type: none"> • On 19 April 2011 the airline announced a test of a reserved seating service on its Dublin – Malaga and Dublin – Gatwick routes from 16 May 2011. The pre-booked service costs €10 (each way) including priority boarding, and allows passengers to pre-reserve seats in the front two rows, for a prompt exit on arrival, or in over-wing rows which provide greater leg room. <ul style="list-style-type: none"> - The service became available throughout the Ryanair system as of 10 January 2012. - During the summer of 2011, 3 to 4 percent of passengers purchased reserved seating on the 80 longer distance routes where offered. This activity did not significantly reduce priority board sales. As reserved seating is introduced on more routes, the percentage will likely drop, because the routes are typically shorter in length. Reserved seating is believed to be less crucial on short flights. • For the 12 months ended 31 March 2012: Ancillary revenues increased by 11%, faster than the 5% increase in passenger volume, due to an improved product mix and higher internet related revenues.
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SAS Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 133,200,000
As a % of Revenue	2.9%
Euros per Passenger	€ 4.90
Reporting Period	Calendar year 2011
Total Revenue	€ 4,596,732,000
Passengers	27,200,000
Information Source	SAS Group Annual Report 2011 SAS Group Capital Market Presentation November 8, 2011
Ancillary Revenue Definitions and Other Notes from Financial	<ul style="list-style-type: none"> • All figures below are in Sweden kroner (SEK). • Scandinavian Airlines sees strong potential from ancillary

Reports	<p>revenue. In particular, SAS will emphasize added value for customers in the following areas:</p> <ul style="list-style-type: none"> - Access to lounges. - Upgrades. - Capitalize further on EuroBonus loyalty program. <ul style="list-style-type: none"> • SAS will remain a high service carrier with a strong base product, and will be cautious about unbundling product concepts. • SAS estimates annual ancillary revenue production at SEK 1.2 billion, which reflects activity comparable to that estimated by IdeaWorks in the Amadeus Yearbook of Ancillary Revenue 2011 for non-flight commission-based activity and revenue from the loyalty program. • The airline disclosed inflight sales revenue of SEK 27 million, which IdeaWorks assumes is included in the ancillary revenue figure above. • Revenue for 2010 was SEK 41,412,000,000.
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Vueling

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 97,414,000
As a % of Revenue	11.3%
Euros per Passenger	€ 7.91
Reporting Period	Calendar year 2011
Total Revenue	€ 863,456,000
Passengers	12,316,000
Information Source	Vueling Airlines 2011 Full-Year and Q4 Financial Results
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Both passenger and ancillary revenues have increased compared to last year. Ticket revenues grew by 8.9% compared to last year, while ancillary revenues advanced by 4.3%. There were no substantial changes in the mix of revenue sources compared to last year, as ticket revenues accounted for 89% of total revenues (versus 88% in 2010), while ancillary revenues accounted for the remaining 11% (versus 12% in 2010). A portion of the ancillary revenue increase was attributed to a stronger off-line channel. • Ancillary revenue consists of the following activities: excess baggage, seat selection, onboard retail, price lock, itinerary via SMS, hotel booking, car rental and travel insurance commissions, and the sale of frequent flier points.

Non-Reporting Carriers for Europe and Russia

The following airlines did not reveal ancillary revenue activity for the most recent full year period:

Air Europa (Globalia), Air Greenland, Air Malta, Aegean Airlines, Air France KLM (includes Transavia), Alitalia, Atlantic Airways, British Airways (subsidiary of International Airlines Group), Austrian (reported under Lufthansa Group), Cimber, Croatia Airlines, Cyprus Airways (only 2010 available at press time), Czech Airlines, Germanwings (reported under Lufthansa Group), Iberia Airways (subsidiary of International Airlines Group), Icelandair, JAT Airways (no reports offered at press time), Luxair (only 2010 available at press time), Meridiana Fly, TUI Travel Group (Airline brands: Arkefly, Corsairfly, First Choice Airways, Jet4You, Thomson Airways, TUIfly, and TUIfly Nordic), Spanair, SWISS (reported under Lufthansa Group), TAP Portugal (only 2010 available at press time), Thomas Cook Group (includes Condor), Transaero (only 2010 available at press time), and UTair.

The Americas

Air Canada

Source and Type	Partner activities associated with frequent flier program
Ancillary Revenue	€ 332,200,800
As a % of Revenue	3.7%
Euros per Passenger	€ 10.38
Reporting Period	Calendar year 2011
Total Revenue	€ 8,987,688,000
Passengers	32,000,000
Information Source	Air Canada 2011 Annual Report, Air Canada Reports December and Full Year 2011 Traffic, and Aimia (formerly Aeroplan) Audited Consolidated Financial Statements for the years ended December 31, 2011 and 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Canadian dollars (CAD). • Air Canada disclosed it increased ancillary revenue per passenger by 18% during 2011 through such measures as baggage fee adjustments, paid upgrades and an enhanced Buy on Board program. However, Air Canada did not disclose the revenue associated with this activity. • Aeroplan is the frequent flier program associated with Air Canada. The program is owned and operated by Aimia, which is a public corporation. A review of Aimia's financial documents disclosed the annual minimum fee paid to Air Canada for the purchase of reward travel on the airline. IdeaWorks considers this activity to represent ancillary revenue. • Air Canada, including other Star Alliance Partners, is Aeroplan's (and Aimia's) largest redemption partner. Aeroplan was required by agreement to purchase reward travel seats amounting to approximately CAD 429.2 million from Air Canada during 2011. • Aimia also disclosed 40% of reward costs are related to Air Canada, which includes redemption on Star Alliance Partners. In addition, Air Canada is required to purchase, on an annual basis, a pre-established number of Aeroplan Miles under the agreement at a specified rate. Aimia's consolidated "cost of rewards and direct costs" was disclosed as CAD 1.333 billion. 40% of this amount would be CAD 533 million, which is in excess of the CAD 429.2 million minimum commitment; the amount does include unrelated "direct costs." The difference of CAD 104 million includes Star Alliance activity and/or Air Canada activity in excess of the minimum commitment.

	<ul style="list-style-type: none"> • IdeaWorks assumed CAD 429.2 million (the minimum purchase commitment) as a conservative estimate of frequent flier related ancillary revenue activity for Air Canada during 2011. • Air Canada acts as a clearing house for substantially all gross billings of Aeroplan Miles and reward purchase transactions between Aeroplan Canada Inc. (“Aeroplan”) and airlines other than Air Canada (Star Alliance Partners). • Air Canada operating revenue for 2011 was CAD 11,612,000,000.
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AirTran

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 102,557,000
As a % of Revenue	14.3%
Euros per Passenger	€ 13.26
Reporting Period	January through April 2011 (partial year)
Total Revenue	€ 715,645,000
Passengers	7,733,903 (January – April 2011)
Information Source	AirTran Airways Reports April Traffic, 06 May 2011 and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Southwest’s acquisition of AirTran was completed on 01 May 2011. • Total ancillary revenue for AirTran is estimated to be \$127.4 million: <ul style="list-style-type: none"> – Revenue from baggage fees was \$52.4 million for the January through April 2011 period based upon data available at US DOT Bureau of Transportation Statistics website. – Revenue from miscellaneous sources was \$85,405,000 for the first two quarters of 2011 based upon data available at the US DOT Bureau of Transportations Statistics website. IdeaWorks estimates AirTran’s A+ frequent flier program generated revenue of \$75 million during this period. • Revenue for January – April 2011 was not disclosed by AirTran or Southwest in financial statements. Based upon data available at the US DOT Bureau of Transportation Statistics website, IdeaWorks estimates operating revenue for this 4-month period was \$889 million.

Alaska Air Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 491,050,000
As a % of Revenue	14.1%
Euros per Passenger	€ 19.81
Reporting Period	Calendar year 2011
Total Revenue	€ 3,475,829,000
Passengers	24,790,000 (Combined total of Alaska Airlines mainline and Horizon Air)
Information Source	2011 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Passenger revenue also includes certain “ancillary” or non-ticket revenue such as reservation fees, ticket change fees, and baggage service charges. These fees are recognized as revenue when the related services are provided. Ancillary revenue is also reported under other-net revenue. • Alaska reported revenue of \$150.6 million from baggage fees for the 12-month period ended 31 September 2011 to the USDOT. This was assumed by IdeaWorks to represent an annual result from this activity. This activity is not included in Alaska’s other-net revenue disclosures. • Other-net revenues, which were \$258.4 million for 2011, are primarily related to the Mileage Plan. Other-net also includes certain ancillary revenues such as on-board food and beverage sales, and to a much lesser extent commissions from car and hotel vendors, and from the sale of travel insurance. Less the Mileage Plan component of \$194.4 million, this leaves a net of \$64 million largely attributable to the other ancillary revenue activities listed above. • The other-net revenue items are recognized when the services are provided. Board Room (airport lounges) memberships are recognized as revenue over the membership period. These increased \$20.9 million, or 8.8%, from 2010. The increase is primarily due to an increase in Mileage Plan revenues of \$11.6 million with higher commissions driven by a larger number of miles sold to the affinity card partner and a contractual rate increase for those sold miles. Additionally, food and beverage sales increased \$4.3 million due to increased volumes. • For miles sold to third parties, the majority of the sales proceeds are recorded as deferred revenue and

	<p>recognized when the award transportation is provided. The commission component of these sales proceeds (defined as the proceeds received from the sale of mileage credits minus the amount deferred) is recorded as other-net revenue in the period that miles are sold (many carriers call this the “marketing component”). This represents services provided by Alaska to its business partners and relates primarily to the use of Alaska’s logo and trademarks along with access to Mileage Plan members.</p> <ul style="list-style-type: none"> • Total Mileage Plan revenue for 2011 was \$395.6 million, which includes an other-net revenue component of \$194.4 million. • IdeaWorks estimates Alaska’s 2011 ancillary revenue was \$610 million based upon revenue from three sources: a) Other-net revenue of \$64 million (less Mileage Plan), b) Mileage Plan revenue of \$395.6 million, and baggage revenue of \$150.6 million. • Operating revenue for 2011 was \$4,317,800,000.
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Allegiant

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 169,045,170
As a % of Revenue	27.0%
Euros per Passenger	€ 27.37
Reporting Period	Calendar year 2011
Total Revenue	€ 627,189,185
Passengers	6,175,808
Information Source	Allegiant Travel Company, Form 10-K for the period ending 31 December 2011 and Management Presentation dated March 2012.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Allegiant generates ancillary revenue from air-related charges and third party products. Air-related revenue is generated through charges made at the website to purchase tickets and for checked bags, advance seat assignments, priority boarding and other services provided in conjunction with scheduled air service. Ancillary revenue is also generated by third party products through the sale of hotel rooms, ground transportation (rental cars and hotel shuttle products), attraction and show tickets and fees received from other merchants selling products through the website. Ancillary revenue is recognized net of amounts paid to

wholesale providers, and net of travel agent commissions and credit card processing fees.

- Ancillary revenue increased 8.2% to \$209,994,000 in 2011, up from \$194.0 million in 2010, driven by a 5.1% increase in ancillary revenue per scheduled service passenger from \$34.59 to \$36.36 and a 3.0% increase in scheduled service passengers.
- Allegiant earns a 28.1% gross margin on the sale of services provided by third parties (hotel rooms, rental cars, hotel shuttle products, attraction and show tickets).
- During 2011, Allegiant generated gross revenue of \$106.4 million from third party products, which resulted in net revenue of \$29.9 million. Package sale details from 2011:
 - Hotel room nights sold: 647,716.
 - Car rental days sold: 577,749.
- Ancillary revenue product offerings:
 - Allegiant believes by offering a simple base product at an attractive low fare it can stimulate demand and generate incremental revenue as customers pay additional amounts for conveniences they value.
 - Allegiant's third party product offerings allow customers the opportunity to purchase hotels, rental cars, show tickets, night club packages and other attractions packaged with air travel. Allegiant has contracts with Caesars Entertainment Inc. and MGM MIRAGE, among others, that allow Allegiant to provide hotel rooms sold in packages to customers. In addition, Allegiant has an exclusive agreement with one rental car operator for the sale of rental cars packaged with air travel at most of our leisure destinations. Pricing of attractions, shows and tours are based on a net-pricing model.
- Marketing and Distribution: Allegiant does not sell through Expedia, Travelocity, Orbitz or any other online travel agencies nor is its product displayed and sold through the global distribution systems, which include Sabre, Galileo, Worldspan and Amadeus. This distribution strategy results in reduced expenses by avoiding the fees associated with the use of GDS distribution points. This distribution strategy also permits Allegiant to closely manage ancillary product offerings and pricing while developing and maintaining a direct relationship with customers. The direct relationship enables Allegiant to engage continuously in communications with its customers, which Allegiant believes will result in substantial benefits over time. With its own automation system, Allegiant has the ability to continually change ancillary product offerings and pricing points, which

	<p>allows it to experiment to find the optimal pricing levels for various offerings.</p> <ul style="list-style-type: none"> • Per passenger revenue statistics for 2011: <ul style="list-style-type: none"> – Ancillary revenue, air related: \$31.18 – Ancillary revenue, third party: \$5.18 – Average fare total: \$125.51 • Strong operating revenue results were driven by a 19.2% increase in scheduled service revenue per available seat mile (“PRASM”). In addition to the PRASM increase, strong third party ancillary product sales for hotel room bookings and rental car sales contributed to a 15.4% increase in total scheduled service revenue and ancillary revenue per ASM (“TRASM”) for 2011 compared with the same period of 2010. Allegiant believes its improvement in unit revenue production was due to changes to pricing strategy, aggressive capacity management and a strong leisure demand environment. • The Allegiant website had 22 million unique visitors during 2011, and generated \$0.89 advertising revenue per passenger, or approximately \$5.5 million. 89% of 2011 sales were booked through the site. • Operating revenue for 2011 was \$779,117,000.
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American

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 1,700,965,000
As a % of Revenue	8.8%
Euros per Passenger	€ 16.04
Reporting Period	Calendar year 2011
Total Revenue	€ 19,303,095,000
Passengers	106,013,737 (Combined total of American mainline and American Eagle)
Information Source	Form 10-K Annual Report of AMR Corp. for 2011 American Airlines Reports December Traffic (2011) American Eagle Reports December Traffic (2011)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The airline filed for Chapter 11 bankruptcy on 29 November 2011. • Other revenues (which were \$2.605 billion) includes revenue from the marketing services related to the sale of mileage credits in the AAdvantage program, membership fees and related revenue from American's Admirals Club operations, and other miscellaneous service revenue, including administrative service charges

	<p>and baggage handling fees. Other revenues have been increasing as American unbundles its services and charges for ancillary services.</p> <ul style="list-style-type: none"> • IdeaWorks does not include flight change fees as ancillary revenue. IdeaWorks interprets American’s “administrative service charges” as including revenue from flight change fees. American separately reported revenue of \$492 million to the DOT from this activity for a 12-month period ended 30 September 2011. The amount was deducted from the \$2.411 billion disclosure to generate adjusted ancillary revenue of \$2.113 billion. • During 2011, AAdvantage issued approximately 167 billion miles (185 billion miles during 2010), of which approximately 65% (62% during 2012) were sold to program participants. • Operating revenue for 2011 was \$23.979 billion and 106,013,737 passengers were carried, 86,040,135 on American and 19,973,602 on American Eagle).
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Delta

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 2,039,870,000
As a % of Revenue	7.2%
Euros per Passenger	€ 12.45
Reporting Period	Calendar year 2011
Total Revenue	€ 28,267,575,000
Passengers	163,838,348
Information Source	<p>Form 10-K for the year ended 31 December 2011, Delta Air Lines Reports December Traffic, 5 January 2012, Delta Investor Day 2011 J.P. Morgan Aviation, Transportation & Defense Conference 13 March 2012</p>
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Delta is expanding product offerings to improve revenue growth with the following products: <ul style="list-style-type: none"> – Economy comfort. – First class upsell. – Preferred seats. – Same day confirmed seating. – Trip extras. – Hotels, car rentals, and trip insurance. – Wifi. – SkyClub passes. <p>Merchandising Revenue (which was generated from</p>

some or all of the activities listed above) was \$200 million for 2011 and is projected to be \$680 million for 2012 and \$1 billion by 2013.

- Other Revenue was \$3.831 billion for 2011 and is primarily comprised of (1) the marketing component of the sale of mileage credits, (2) baggage fee revenue, (3) other miscellaneous service revenue, including ticket change fees and (4) revenue from ancillary businesses, such as aircraft maintenance and repair, and staffing services provided to third parties.
- IdeaWorks does not consider ticket change revenue (3) and (4) revenue from ancillary businesses to be ancillary revenue. Delta disclosed revenue from activities such as “aircraft maintenance, repair and overhaul (MRO), staffing services for third parties, vacation wholesale operations and our private jet operations” was approximately \$900 million for 2011. In addition, Delta reported revenue of \$756 million from ticket change activity for the 12-month period ended 31 September 2011 to the USDOT. This was assumed by IdeaWorks to represent an annual result from this activity. The total from these (\$1.656 billion) was deducted from the \$3.831 billion Other Revenue disclosure to generate “adjusted” ancillary revenue of \$2.175 billion.
- Annual Sale of SkyMiles. In December 2011, Delta further amended its American Express agreements and sold American Express \$675 million of SkyMiles. Under the December 2011 amendment, Delta anticipated American Express will make additional purchases of \$675 million of SkyMiles in each of 2012, 2013, and 2014. IdeaWorks believes most of this activity is included under Other Revenue. However, a portion of the \$675 million was not, and IdeaWorks believes this is represented by the \$159 million increase to deferred revenue under short-term liabilities from 2010 to 2011. Accordingly, this amount is added to the ancillary revenue total.
- Total ancillary revenue for Delta is estimated to be \$2.534 billion for 2011, which represents the adjusted ancillary revenue amount and the \$200 million from Merchandising Revenue and \$159 million from deferred frequent flier revenue.
- IdeaWorks notes Delta's ancillary revenue results decreased during 2011 due to a combination of reasons. The airline has refined its definition of ancillary revenue, which excludes some revenue, such as aviation-related businesses. The large payment by American Express during 2010 reflects mileage accrual beyond 2010. Finally, the inclusion of baggage charge waivers as a

	<p>cardholder benefit has decreased a la carte baggage fee revenue.</p> <ul style="list-style-type: none"> Operating revenue for 2011 was \$35.115 billion.
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Frontier Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 109,398,695
As a % of Revenue	7.7%
Euros per Passenger	€ 7.32
Reporting Period	Calendar year 2011
Total Revenue	€ 1,421,147,000
Passengers	14,937,983
Information Source	Republic Airways Form 10-K for 2012, and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in US dollars. The carrier disclosed baggage fee revenue of \$72,542,000 to the US Department of Transportation for calendar year 2011. The carrier disclosed miscellaneous operating revenue of \$33,357,000 to the US Department of Transportation for calendar year 2011. This amount was assumed by IdeaWorks to represent an annual result from this activity. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to airline business partners, and other fee revenue. Revenue from miscellaneous sources was \$33,356,000 for 2011 based upon data available at the US DOT Bureau of Transportation Statistics website. IdeaWorks estimates Frontier's frequent flier program generated revenue of \$30 million during this period. Total ancillary revenue for 2011 was estimated to be \$135,899,000. Passenger revenue for 2011 from Branded Flying (Frontier) was \$1,765,400,000 and 14,937,983 passengers were carried.

GOL

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 15,987,338
As a % of Revenue	0.5%
Euros per Passenger	€ 0.44

Reporting Period	Calendar year 2011
Total Revenue	€ 2,970,487,352
Passengers	36,220,000
Information Source	Form 20-F of Gol Intelligent Airlines Inc. for 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Brazilian reais (R\$). • GOL, through its Varig subsidiary, signed a 5-year agreement with Banco Bradesco S.A. and Banco do Brazil S.A., in September 2009 for the sale of miles related to the SMILES frequent flier program. The following summarizes the revenue realized by GOL from this agreement: <ul style="list-style-type: none"> – Purchase of miles: R\$204,000,000. – Access to the member database: R\$16,086,000. – Right to use the SMILES logo: R\$32,000,000. The total amount of R\$252,086,000 was paid in advance. • The SMILES frequent flier program had 8.2 million members at the end of 2011. • During 2011 the portion of paid-in-advance miles accrued by members for credit card use was R\$40,577,000 and represents the carrier's disclosed ancillary revenue. • Operating revenue for 2011 was R\$ 7,539,308,000.

Hawaiian Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 57,185,590
As a % of Revenue	4.3%
Euros per Passenger	€ 6.60
Reporting Period	Calendar year 2011
Total Revenue	€ 1,328,619,495
Passengers	8,659,000
Information Source	Form 10-K for Hawaiian Holdings for the period ended 31 December 2011 and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Other operating revenue increased over the past three years to \$169.8 million, \$155.1 million and \$143.2 million for the years ended December 31, 2011, 2010 and 2009, respectively. The increase in other operating revenue for 2011 compared to 2010 is primarily due to an increase in cargo revenue from the introduction of the larger capacity Airbus 330-200 aircraft that provided

	<p>additional cargo capacity, cargo revenue from our new international routes and an increase in checked baggage revenue and incidental revenue, which was partially offset by decreases in cancellation penalties revenue and the marketing component of frequent flier revenue.</p> <ul style="list-style-type: none"> • The comingling of cargo revenue, ticket change fees, and ground handling revenue in the other operating revenue category prevents its inclusion as ancillary revenue. • However, the carrier disclosed baggage fee revenue of \$56,590,000 to the US Department of Transportation for calendar year 2011. • The carrier disclosed miscellaneous operating revenue of \$14,448,000 to the US Department of Transportation for calendar year 2011. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to airline business partners, and other fee revenue. • Total ancillary revenue for 2011 was estimated to be \$71,038,000 represented by checked baggage fees and miscellaneous fee revenue. • In 2011, Hawaiian entered into a new significant revenue arrangement, effective January 1, 2012, to sell frequent flier miles to a credit card partner. Revenue provided from this relationship was not disclosed in the annual report. • Operating revenue for 2011 was \$1,650,459,000.
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JetBlue

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 430,675,000
As a % of Revenue	11.9%
Euros per Passenger	€ 16.33
Reporting Period	Calendar year 2011
Total Revenue	€ 3,625,720,000
Passengers	26,370,000
Information Source	Form 10-K for the period ended 31 December 2011 and JetBlue Analyst Day 15 February 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Ancillary revenue for 2011 totaled \$535 million and was composed of \$120 million from Even More products and \$415 million from other ancillary revenue activities, which includes checked bag fees. The total for 2012 is expected to be \$590 million. • In June 2011, JetBlue re-branded and expanded its

popular Even More Leg Room offering, now known as Even More Space, which includes extra leg room plus early boarding and early access to overhead bin space. Additionally, JetBlue introduced Even More Speed, which offers customers the option to enjoy an expedited security experience in select JetBlue airports. Throughout 2011 and 2012, JetBlue expanded the number of cities in which Even More Speed is offered to include over 30 airports and JetBlue will continue to increase the number of cities this expedited security feature is offered in as the airline works with airport authorities.

- Other revenue (which was not used for calculating ancillary revenue for JetBlue) was \$424 million for 2011, consists primarily of fees charged to customers in accordance with published policies relating to reservation changes and baggage limitations, the marketing component of TrueBlue point sales, concession revenues, revenues associated with transporting mail and cargo, rental income and revenues earned by our subsidiary, LiveTV, LLC, for the sale of, and on-going services provided for, in-flight entertainment systems on other airlines. IdeaWorks believes this activity is included in the carrier’s disclosure of “ancillary revenue.”
- Operating revenue for 2011 was \$4,504,000,000.

LAN Airlines

Source and Type	Duty free and tour package sales
Ancillary Revenue	€ 48,964,930
As a % of Revenue	1.1%
Euros per Passenger	€ 2.17
Reporting Period	Calendar year 2011
Total Revenue	€ 4,603,186,420
Passengers	22,591,200
Information Source	Annual Report 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The carrier does not report ancillary revenue but does describe “Other Revenues” which include aircraft leases, courier and logistics services, storage and customs brokering, duty-free sales, and tours. Of these, duty-free and tour package sales qualify as ancillary revenue (totals \$60,826,000) <ul style="list-style-type: none"> – Duty-free sales for 2011: \$16,874,000

- Tour package sales for 2011: \$ 43,952,000
- Total revenue for 2011 was \$5,718,244,000.

Southwest

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 949,900,000
As a % of Revenue	7.5%
Euros per Passenger	€ 7.45
Reporting Period	Calendar year 2011
Total Revenue	€ 12,604,690,000
Passengers	127,551,012
Information Source	2011 Annual Report, Southwest Airlines Q1 - Q4 2011 Earnings Calls USDOT, Bureau of Transportation Statistics, and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Unless otherwise noted, all results include the operations of Southwest and AirTran (as a wholly owned entity) for the period of 02 May through 31 December 2011. • Revenue passengers carried (not total passengers enplaned) for 2011 was 127,551,012. Southwest alone carried 110,587,000 passengers during 2011 according to the USDOT Bureau of Transportation Statistics. • Other Revenue for AirTran for the period following the acquisition included approximately \$110 million in baggage fees collected from customers. The Company expects consolidated Other Revenue for first quarter 2012 to fall below combined results for first quarter 2011, due to a higher portion of expected revenues from business partners being classified as passenger revenues (IdeaWorks interprets business partners to refer to partners in the Rapid Rewards program, notably the credit card issuing bank). • During 2011, the Company continued to experience revenue benefits from service offerings such as Southwest's EarlyBird Check-in and Pets Are Welcome on Southwest (PAWS) products. <ul style="list-style-type: none"> - EarlyBird Check-in allows customers to obtain an early boarding position directly behind Business Select and A-List customers by adding an additional \$10 to the price of a one-way fare. - Southwest's PAWS offering allows customers to bring small cats and dogs into the aircraft cabin for a

\$75 one-way fare.

- Southwest also charges an additional \$50 per one-way trip for unaccompanied minor travel to address the administrative costs and the extra care necessary to safely transport these customers.
- The company also expects to benefit from new ancillary revenue opportunities created by its All-New Rapid Rewards frequent flier program.
- Amounts collected from passengers for ancillary services such as baggage and other fees are generally recognized as Other Revenue when the service is provided, which is typically the flight date.
- AirTran currently charges fees for checked baggage, carriage of pets, liquor sales, advance seat assignments, call center services, priority seat selection, special services such as the transportation of unaccompanied minors, and extension or transfer of A+ Miles Rewards (in addition to fees for the purchase of A+ Miles Rewards). The Company has stated that it intends, upon full integration of AirTran, to have a consistent product offering without first or second bag fees or change fees.
- Southwest and AirTran sell frequent flier points and/or credits and related services to business partners participating in the respective frequent flier programs. The majority of the points and/or credits sold to business partners are through the Southwest co-branded Chase Visa credit card or the AirTran A+ Visa Card. Funds received from the sale of points and/or credits associated with these agreements are accounted for under the residual method.
- The cash sales from points sold to program partners during the full year increased \$250 million over 2010, and the vast majority of this revenue is deferred, thereby increasing air traffic liability and this will be recognized into passenger revenues as flights that occur in the future.
- Business Select fare product revenue was \$96 million for the year based upon these quarterly disclosures:
 - 1st quarter: \$25 million.
 - 2nd quarter: \$25 million.
 - 3rd quarter: \$22 million.
 - 4th quarter: \$22 million.Quarterly figures do not equal the annual total due to rounding discrepancies. IdeaWorks calculates this as \$0.87 per passenger based upon the transport of 110.6 million passengers.
- Fourth quarter revenue from the EarlyBird product increased \$7 million to \$36 million, and the full year EarlyBird revenues were \$142 million, far surpassing the

	<p>\$100 million annual target the company set when it launched the product. IdeaWorks calculates this as \$1.28 per passenger based upon the transport of 110.6 million passengers.</p> <ul style="list-style-type: none"> • Southwest reported miscellaneous operating revenue of \$854,949,000 to the US DOT for 2011. IdeaWorks believes the majority of this amount, \$800 million, represents revenue from Southwest Rapid Rewards (likely in excess of \$790 million) and a minor amount from its PAWS program. The DOT defines the amounts to be disclosed under this category as pet transportation, sale of frequent flier award miles to airline business partners, and standby passenger fees. • IdeaWorks believes total ancillary revenue for Southwest was \$1.18 billion for 2011: <ul style="list-style-type: none"> – AirTran baggage fee revenue: \$110 million. – Southwest bag revenue: \$32 million. – Business Select: \$96 million. – EarlyBird revenue: \$142 million. – Rapid Rewards and PAWS: \$800 million. • Operating revenue for 2011 was \$15,658,000,000.
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Spirit Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 286,265,245
As a % of Revenue	33.2%
Euros per Passenger	€ 33.61
Reporting Period	12 month period ended 31 December 2011
Total Revenue	€ 862,304,730
Passengers	8,518,000
Information Source	Form 10-K for the period 31 December 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • During 2011 Spirit generated non-ticket revenues of \$381,536,000. Non-ticket revenues are generated from fees for, among other things, baggage, bookings through distribution channels, advance seat selection, itinerary changes and loyalty programs. • Summary of the primary components of non-ticket revenue: <ul style="list-style-type: none"> – Baggage: \$ 168,290,000 – Passenger usage fee: \$71,757,000 (per passenger fee charged for all bookings except those made at the airport). – Advance seat selection: \$42,112,000

– Other: \$73,450,000

IdeaWorks believes FREE SPIRIT loyalty program revenue is included in the other category.

- The airline also generated reservation change revenue of \$25,927,000 during 2011. IdeaWorks does not consider this to be ancillary revenue; the amount was not included in the total. IdeaWorks estimates 2011 ancillary revenue was \$355,609,000.
- Per passenger segment revenue statistics for 2011:
 - Average ticket: \$80.97
 - Average non-ticket: \$44.79
 - Average fare total: \$125.76
- Since 2007, when Spirit's average base fare was approximately \$98, it has unbundled components of air travel service that have traditionally been included in base fares, such as baggage and advance seat selection, and offered them as optional, ancillary services for additional fees (which it records in financial statements as non-ticket revenue) as part of a strategy to enable passengers to identify, select and pay for the services they want to use.
- Non-ticket revenue per passenger flight segment has grown by approximately 800% since 2006. This non-ticket revenue generation model is not limited to products and services related to a particular flight, but also includes:
 - Spirit's \$9 Fare Club ultra low-fare subscription service.
 - FREE SPIRIT affinity credit card program
 - Sale of advertising to third parties on our website and on board aircraft.
- Spirit's unbundled pricing strategy has enabled the airline to grow average non-ticket revenue per passenger flight segment from approximately \$5 in 2006 to \$45 in 2011 from these activities:
- Non-ticket revenues increased by \$138.2 million in 2011 compared to 2010, a 56.8% increase primarily driven by the 22.5% increase in passenger flight segments and price enhancements on non-ticket services:
 - During the first quarter of 2011, Spirit reduced the weight threshold for overweight baggage from 50 pounds to 40 pounds and increased the change fee charged to customers for modifying or canceling their reservations.
 - During the second quarter of 2011, Spirit increased bag rates purchased at check-in on the web, the airport, and at the kiosk.
 - During the second half of 2011, Spirit increased its passenger usage fee.

	<ul style="list-style-type: none"> • Cash proceeds from the sale of FREE SPIRIT mileage credits to non-airline third parties: <ul style="list-style-type: none"> – 2011: \$20,954,000 – 2010: \$20,748,000 – 2009: \$12,008,000 This activity is included under non-ticket revenue. • Operating revenue for 2011 was \$ 1,071,186,000.
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Sun Country

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 10,871,525
As a % of Revenue	4.5%
Euros per Passenger	€ 9.83
Reporting Period	Calendar year 2011
Total Revenue	€ 239,890,000
Passengers	1,106,000
Information Source	USDOT, Bureau of Transportation Statistics, and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Sun Country is privately held but is required to report revenue and traffic data to the US Department of Transportation. • The carrier disclosed baggage fee revenue of \$13,398,000 to the US Department of Transportation calendar year 2011. • The carrier disclosed miscellaneous operating revenue of \$107,000 for calendar 2011. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to airline business partners, and other fee revenue. • Total ancillary revenue for 2011 was estimated to be \$13,505,000. • Revenue for 2011 was \$298,000,000 and 1,106,000 passengers were carried based upon an analysis of statistics available from the US Department of Transportation website.

TAM Airlines

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 537,315,924
As a % of Revenue	10.1%
Euros per Passenger	€ 14.26
Reporting Period	Calendar year 2011
Total Revenue	€ 5,340,989,928
Passengers	37,692,000
Information Source	TAM Airlines Form 20-F Filed with the US SEC for 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Brazil reais (BRL). • Revenue of R\$1,363,746,000 was provided by the following frequent flier program activities during 2011: <ul style="list-style-type: none"> – Loyalty Program (TAM) R\$212,036,000. – Loyalty Program (Multiplus) R\$1,151,710,000. • The TAM Fidelidade Program is currently operated by the Multiplus subsidiary on behalf of TAM. The TAM Fidelidade Program is one of several coalition partners of the Multiplus network of loyalty programs. Banco Itaú Unibanco S.A., or Itaú Unibanco, offers credit cards that allow holders to earn Multiplus points directly, and credit cards are available in both MasterCard and Visa designations. At the end of 2011, Multiplus had 190 partner establishments, of which 26 were coalition partners, including the TAM Fidelidade Program, and the remainder were only accrual partners or only redemption partners. • Multiplus had more than 9 million members during 2011. • Gross revenue was R\$13,555,812,000 during 2011.

United Continental

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 4,162,655,000
As a % of Revenue	13.9%
Euros per Passenger	€ 29.36
Reporting Period	Calendar year 2011
Total Revenue	€ 29,873,550,000
Passengers	141,799,000
Information Source	United Continental Holdings Form 10K for 2011, United Continental Holdings 4 th Quarter 2011 Earnings Call, and 2011 Bank of America Global Transportation Conference 19 May 2011.

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in US dollars.
- A single passenger service system (the combination of United and Continental) provides the company the opportunity to introduce new ancillary products. Ancillary revenue this quarter grew by 5% year-over-year and for the full year United generated more than \$2 billion in ancillary revenue; this equals \$14.10 per passenger.
- United defined its ancillary revenue category in a May 2011 investor conference:
 - Economy Plus (UA).
 - 2nd Checked Bag.
 - 1st Checked Bag.
 - Extra Leg Room Seats (CO).
 - Premier Line (UA).
 - FareLock (CO).
- Ancillary businesses (not associated with the ancillary revenue activity described above) are those associated with activities that do not generate seat miles. These include components of the MileagePlus program such as non-air mileage revenue and redemption expense, as well as services for third parties including maintenance, ground handling and catering. Ancillary business expense is expected to be approximately \$65 million in the first quarter and \$340 million for the full year of 2012.
- United's Mileage Plus generated \$1,823,000,000 from the sale of miles during 2011. Continental's OnePass generated \$1,348,000,000 from the sale of miles during 2011. The combined total "cash proceeds from miles sold" for 2011 was \$3.171 billion; the equivalent amount from 2010 was \$2,156,000,000.
- Total ancillary revenue for 2011 was \$5.171 billion represented by \$2 billion (described above as ancillary revenue) and \$3.171 billion from the sale of miles.
- United Continental traffic for 2011 was 96,360,000 mainline passengers and 45,439,000 regional passengers for a consolidated total of 141,799,000 passengers.
- United Continental combined revenue for 2011 was \$37.11 billion, composed of \$16.175 billion from Continental and \$21.155 billion from United Air Lines.

US Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 874,230,000
As a % of Revenue	8.2%
Euros per Passenger	€ 14.37

Reporting Period	Calendar year 2011
Total Revenue	€ 10,632,440,000
Passengers	60,854,368 Mainline and Express routes
Information Source	US Airways Group, Inc. Form 10-K for the period ended 31 Dec. 2011, US Airways Group, Inc. Q4 2011 Earnings Call, US Airways Group, Inc. Q3 2011 Earnings Call, Rodman & Renshaw 2011 Airline Conference 06 Dec. 2011, and US Airways Group, Inc. Presents at Citigroup 2011 North American Credit Conference, 16 Nov. 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Ancillary revenue initiatives generated \$537 million for 2011, an increase of \$23 million over 2010. This represents a portion of revenue disclosed as Other Revenue in financial documents. Newer initiatives include: <ul style="list-style-type: none"> – GoGo inflight Wifi. – Choice Seats. – Online bag pre-pay. – Premium snacks and beverages. – Power-Nap Sack. • Derek Kerr (EVP & CFO): “A la carte revenues have been another significant thing for the industry. For us, it's worth \$500 million, mostly baggage fees. People continue to ask whether this is going away, it's not going away.” <i>Source: Rodman & Renshaw 2011 Airline Conference December 6, 2011.</i> • Derek Kerr (EVP & CFO): “The a la carte revenues are going to stay. Southwest will stay with their method and not put them in place, but I think for an industry, we are where we are and those revenues are going to be in place.” <i>Source: Rodman & Renshaw 2011 Airline Conference December 6, 2011.</i> • Scott Kirby (President): “I think there are opportunities and you see those opportunities occurring as airlines make smaller changes. They aren't the step function kind of increases that's going from no bag fees to having bag fees. But adding bag fees on second bags to Europe and all the other initiatives like that lead to more ancillary revenue opportunities. <i>Source: US Airways Group, Inc. Q3 2011 Earnings Call.</i> • US Airways relies on third party distribution channels, including those provided by or through global distribution systems, or GDSs (e.g., Amadeus, Sabre and Travelport), conventional travel agents and online travel agents, or OTAs (e.g., Expedia, Orbitz and Travelocity), to

distribute a significant portion of airline tickets and US Airways expects in the future to continue to rely on these channels and eventually to use them to distribute and collect revenues for ancillary products (e.g., fees for selective seating).

- Other Revenue was \$1.323 billion for 2011 and includes checked and excess baggage charges, beverage sales, ticket change and service fees, commissions earned on tickets sold for flights on other airlines and sales of tour packages by the US Airways Vacations division, which are recognized when the services are provided. Other Revenue also includes processing fees for travel awards issued through the Dividend Miles frequent traveler program and the marketing component earned from selling mileage credits to partners.
- IdeaWorks does not include ticket change and service fees as ancillary revenue. US Airways reported revenue of \$237 million from this activity for the 12-month period ended 31 September 2011 to the USDOT. This activity was assumed by IdeaWorks to represent an annual result. The amount was deducted from the \$1.323 billion Other Revenue disclosure to generate adjusted ancillary revenue of \$1.086 billion.
- US Airways records a portion of the sale of frequent flier miles as marketing-related revenue. During 2011 its Dividend Miles program contributed marketing revenue of \$133 million (included in Other Revenue). The remaining portion, represented by the sale of air travel, was not disclosed by the airline.
- US Airways Group carried 60,854,368 passengers during 2011 (includes US Airways Express).
- Group revenue of \$13.208 billion was generated during 2011.

Virgin America

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 39,420,850
As a % of Revenue	5.1%
Euros per Passenger	€ 8.15
Reporting Period	Calendar year 2011
Total Revenue	€ 766,360,000
Passengers	4,837,000
Information Source	USDOT, Bureau of Transportation Statistics, and Bureau of Transportation Statistics, Form 41; Schedule P-12

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Virgin America is privately held but is required to report revenue and traffic data to the US Department of Transportation. • The carrier disclosed baggage fee revenue of \$33,482,000 to the USDOT for 9 months of calendar 2011 (quarter 4 was not reported). The amount was adjusted to provide an annual result of \$44,642,000. • The carrier disclosed miscellaneous operating revenue of \$4,328,000 for calendar year 2011. This amount was assumed by IdeaWorks to represent an annual result from this activity. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to airline business partners, and other fee revenue. • Total ancillary revenue for 2011 was estimated to be \$48,970,000. • Revenue for 2011 was \$952,000,000 and 4,837,000 passengers were carried based upon an analysis of statistics available from the USDOT website.
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WestJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 95,898,600
As a % of Revenue	4.0%
Euros per Passenger	€ 5.98
Reporting Period	Calendar year 2011
Total Revenue	€ 2,377,371,960
Passengers	16,040,682 (described in the annual report as “Segment Guests”)
Information Source	WestJet Annual Report 2011

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Canadian dollars (CAD). • Included in WestJet’s other revenue are amounts related to charter and cargo operations, ancillary revenue, and WestJet Vacation’s non-air revenue. For 2011, other revenues increased by 30.0 per cent to \$281.2 million from \$216.4 million in 2010. This improvement was driven mainly by increases in WestJet Vacations’ non-air revenue and ancillary revenues. • For the year ended December 31, 2011 ancillary revenue was \$123.9 million, an increase of approximately 36 per cent from \$91.1 million in 2010. On a per guest basis, ancillary fees for the year increased by \$1.71 or 28.4 per cent to \$7.74 per guest, from \$6.03 per guest during
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2010. These increases were mainly attributable to the second checked bag fee which was introduced in the first quarter of 2011 as well as an increase in volume of pre-reserved seating and excess baggage fees charged.

- Ancillary revenues are recognized when the services and products are provided to the guests. Included in ancillary revenues are fees associated with guest itinerary changes or cancellations, second checked baggage fees, excess baggage fees, buy-on-board sales, pre-reserved seating fees, and ancillary revenue from the Frequent Guest Program (FGP).
- Ancillary revenue provides an opportunity to maximize profits through the sale of higher-margin goods and services, while enhancing the overall guest experience by providing guests with additional products and services to meet their needs.
- Revenue for 2011 was CAD 3,071,540,000.

Non-Reporting Carriers for the Americas

The following airlines did not reveal ancillary revenue activity for the most recent full year period:

Aerolineas Argentinas, AviancaTaca, and Copa Airlines.

Asia and the South Pacific

Air Astana

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 6,068,895
As a % of Revenue	1.0%
Euros per Passenger	€ 2.02
Reporting Period	Calendar Year 2011
Total Revenue	€ 622,170,815
Passengers	3,000,000
Information Source	Financial Statements for the Year Ended 31 December 2011 Air Astana Announces Dreamliner Order, 2011 Results press release dated 06 February 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Revenue from excess baggage charges: \$6,067,000. • Revenue from the sale of advertising: \$1,472,000. • Ancillary revenue for 2011 was \$7,539,000 represented by baggage charges and advertising sales. • Revenue for 2011 was US\$772,883,000.

AirAsia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 327,160,341
As a % of Revenue	17.8%
Euros per Passenger	€ 10.96
Reporting Period	Calendar year 2011
Total Revenue	€ 1,834,634,340
Passengers	29,859,949
Information Source	AirAsia Berhad Fourth Quarter Report dated 31 December 2011, AirAsia Berhad Analyst Presentation – 4Q2011 and FYE 2011 and, Press Release - Fourth Quarter & Full Year 2011 Results
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • AirAsia Group discloses figures in local currencies, which are Malaysian ringgit (MYR), Thai baht (THB), and Indonesian rupiah (IDR). These were converted to Malaysian ringgit by IdeaWorks. • AirAsia Group results do not include AirAsia X (which are listed separately in this report). • The Group disclosed 2011 “per passenger” ancillary revenue for each operating division (IdeaWorks

calculated total revenue).

- Malaysia: MYR 45 (MYR 809,395,110)
- Thailand: THB 383 (MYR 260,104,580)
- Indonesia: IDR 136,650 (MYR 228,755,633)
- Group totals:
 - Ancillary Revenue: MYR 1,298,255,323.
 - Total Revenue: MYR 7,280,295,000.
- The airline has two categories of ancillary revenue:
 - Core ancillary revenue income (baggage, cargo, inflight meals, duty-free).
 - Non-core ancillary via joint venture (AirAsia Expedia, AirAsia Loyalty, AirAsia CAE, iVentures).

IdeaWorks does not include cargo as a component of ancillary revenue. However, IdeaWorks believes cargo activity for AirAsia is nominal.
- Starting 07 March 2012, Red Carpet Service will be available for all flights departing from Kuala Lumpur, Kuching, Kota Kinabalu, Penang, Johor Bahru, Singapore, Bali and Jakarta. This service is available for all AirAsia, Thai AirAsia, and Indonesia AirAsia flights only and includes the following privileges:
 - Dedicated check-in counters
 - Buggy service from lounge to aircraft (Subject to aircraft parking bay distance). Only available in Kuala Lumpur, Jakarta and Bali airports.
 - Free check-in service
 - Priority boarding.
 - Access to the lounge (maximum 2 hours). Not available in Penang, Kuching and Kota Kinabalu.
 - Fast departure immigration & security clearance.
 - Priority arrival baggage handling.

Example price for Kuala Lumpur MYR 125 (1 hour before flight) or MYR 100 (4 hours before, booked online).
- AirAsia disclosed US\$1 increase per barrel in the price of oil can be offset by MYR 0.77 increase on average spending for ancillary revenue (per passenger). Ancillary revenue will be pushed as a natural hedge against oil price increases.

AirAsia X

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 77,893,200
As a % of Revenue	16.5%
Euros per Passenger	€ 30.79
Reporting Period	Calendar year 2011

Total Revenue	€ 471,996,000
Passengers	2,530,000
Information Source	Direct disclosure by the airline to IdeaWorks.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Malaysian ringgit (MYR). • Passenger ancillary revenue for 2011 was MYR 309.1 million. The airline discloses its largest sources of ancillary revenue are: <ul style="list-style-type: none"> – Checked baggage. – Seat assignments, including extra leg room Hot Seats. – Food & beverage. – Comfort kits. – Merchandise and duty free. – Travel insurance. – Skybus airport coach at Kuala Lumpur. • Revenue for 2011 was MYR 1.873 billion.

Cebu Pacific

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 76,334,113
As a % of Revenue	11.8%
Euros per Passenger	€ 6.40
Reporting Period	Calendar year 2011
Total Revenue	€ 644,772,653
Passengers	11,933,290
Information Source	Cebu Air, Inc. (CEB) FY2011 Results of Operations, Securities and Exchange Commission SEC form 17-A For the fiscal year ended December 31, 2011, and December 2011 Operating Stats
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Philippine pesos (PHP). • The company offers ancillary services such as in-flight merchandising (sale of duty-free products on international flights), baggage and travel-related products and services. • The company disclosed revenue from the following qualifying activities: <ul style="list-style-type: none"> – Excess baggage fees: PHP 2,173,466,124 – Other ancillary revenue: PHP 1,844,118,754. This is generated from in-flight sales and services provided through reservation system such as advance seat selection, website administration as well as commissions. • As part of its unbundling of fares strategy, the Company commenced charging for every checked bag with the

	<p>elimination of free baggage allowance. Improved online bookings also contributed to the increase. Online bookings accounted for 48.6% of the total tickets sold during the year compared to 41.7% in 2010.</p> <ul style="list-style-type: none"> • Average passenger fares decreased partly due to elimination of free baggage allowance from the fare as part of the company’s unbundling of fares strategy. • Total ancillary revenue calculated by IdeaWorks for 2011: PHP 4,017,584,878. IdeaWorks did not include revenue from “rebooking, refunds and cancellation fees” which the airline identified as ancillary revenue. • Total revenue for 2011 was PHP 33,935,402,775.
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China Eastern

Source and Type	Tour and sightseeing revenue
Ancillary Revenue	€ 266,555,520
As a % of Revenue	2.6%
Euros per Passenger	€ 3.88
Reporting Period	Calendar Year 2011
Total Revenue	€ 10,382,794,380
Passengers	68,724,960
Information Source	Form 20-K filed by China Eastern Airlines Corporation For the year ended 31 December 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • Income produced by tour operations and other travel related services: CNY 2,115,520,000. • Revenue for 2011 was CNY 82,403,130,000.

China Southern

Source and Type	Tour and sightseeing revenue
Ancillary Revenue	€ 77,364,000
As a % of Revenue	0.7%
Euros per Passenger	€ 0.96
Reporting Period	Calendar Year 2011
Total Revenue	€ 11,389,770,000
Passengers	80,677,000
Information Source	Form 20-K filed by China Southern Airlines Corporation For the year ended 31 December 2011
Ancillary Revenue	<ul style="list-style-type: none"> • All figures are in China yuan (CNY).

Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> Income produced by tour operations and other travel related services: CNY 614,000,000. Total revenue for 2011: CNY 90,395,000,000.
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Jet Airways

Source and Type	Checked baggage fees
Ancillary Revenue	€ 7,834,400
As a % of Revenue	0.4%
Euros per Passenger	€ 0.53
Reporting Period	Fiscal year ended March 31, 2011
Total Revenue	€ 2,061,777,200
Passengers	14,667,466
Information Source	Annual Report 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in India rupees (INR). Excess baggage revenues were INR 559,600,000 (consolidated results) for fiscal 2011. Revenue for 2011 was INR 147,269,800,000.

Jetstar

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 311,087,400
As a % of Revenue	15.3%
Euros per Passenger	€ 18.80
Reporting Period	Fiscal year ended 30 June 2011
Total Revenue	€ 2,038,140,000
Passengers	16,549,000
Information Source	Annual Report 2011 Qantas Airways Ltd. Fiscal 2011 Results – Supplementary Slides
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Australian dollars (AUD). Ancillary revenue for the Jetstar unit (of Qantas Airways Ltd.) was AUD 24.10 per passenger. In May 2011, Jetstar successfully relaunched its fare product range with new, simple fare options that provide more choice, flexibility and lower fares by allowing customers to select only what they need. Jetstar customers now start with the economy Starter fare (replacing JetSaver Light, JetSaver, JetFlex and JetPlus), then personalize their experience from an expanded range of options.

	<ul style="list-style-type: none"> • Jetstar had total revenue of AUD 2,613 million and carried 16,549,000 passengers systemwide for fiscal year 2011: <ul style="list-style-type: none"> – 9,753,000 Australia domestic passengers. – 2,862,000 Jetstar International passengers. – 1,234,000 New Zealand passengers. – 2,700,000 Jetstar Asia passengers. – The Jetstar Mastercard, introduced in 2009, provides Jetstar Dollars to 50,000 cardholders. Every AUD charged accrues one cent which may be redeemed for Jetstar travel. Alternatively, the card can accrue Qantas Frequent Flyer points. • Multiplying Jetstar’s passenger count by the ancillary revenue disclosure of AUD 24.10 yields total ancillary revenue was AUD 398.83 million for fiscal year 2011 or 15.3% of revenue.
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Kingfisher

Source and Type	Checked baggage fees
Ancillary Revenue	€ 4,284,000
As a % of Revenue	0.5%
Euros per Passenger	€ 0.36
Reporting Period	Fiscal Year 2011 ended 31 March 2011
Total Revenue	€ 909,384,000
Passengers	12,000,000
Information Source	Annual Report 2010 – 2011 for Kingfisher Airlines Ltd. and Kingfisher FY11 Update (03 August 2011)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). • Excess baggage revenues were INR 306,000,000 for fiscal 2011. During the fiscal year, the excess baggage allowance was reduced, which boosted revenue by INR 120 million. • Total revenue for 2011 was INR 64,956,000,000.

PIA Pakistan

Source and Type	Checked baggage fees
Ancillary Revenue	€ 10,331,280
As a % of Revenue	1.0%
Euros per Passenger	€ 1.74
Reporting Period	Calendar year ended 31 December 2011

Total Revenue	€ 1,048,955,184
Passengers	5,953,000
Information Source	Annual Report 2011 – Pakistan International Airlines
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Pakistan rupees (PKR). • Excess baggage revenues were PKR 1,147,920,000 for fiscal 2011. • Total revenue for 2011 was PKR 116,550,576,000.

Qantas Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 1,141,720,000
As a % of Revenue	11.9%
Euros per Passenger	€ 40.91
Reporting Period	Fiscal year ended 30 June 2011
Total Revenue	€ 9,602,960,000
Passengers	27,907,000 (excludes Jetstar)
Information Source	Annual Report 2011 Qantas Airways Ltd. Fiscal 2011 Results – Supplementary Slides
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • IdeaWorks has adjusted these figures with the intent to exclude Jetstar revenue and traffic. Jetstar is the low fare affiliate of Qantas; please see the separate listing. • Qantas disclosed the following traffic for 2011: <ul style="list-style-type: none"> – 17,073,000 Australia domestic passengers. – 4,857,000 Qantaslink passengers. – 5,977,000 International passengers. Total passengers for period: 27,907,000 • The company disclosed its Qantas.com website provided ancillary revenue of AUD 28.8 million that includes travel products sold at the website. Total flight revenue booked at the website is in excess of AUD 2 billion. • The results listed are for the Qantas Group which includes Qantas and its low cost carrier Jetstar (which participates in the Qantas Frequent Flyer program). • The Group disclosed the following ancillary revenue activities: <ul style="list-style-type: none"> – Ancillary passenger revenue: AUD 90 million. – Frequent Flyer marketing revenue: 193 million. – Frequent Flyer membership fees and other revenue: 10 million. – Tours and travel revenue: AUD 84 million. – Qantas Club (lounges) membership: AUD 84 million.

	<ul style="list-style-type: none"> - Retail, advertising and other property revenue: AUD 54 million. <p>Total revenue for period: AUD 515 million. This amount was reduced to AUD 312 million because Jetstar represents approximately 40% of Group traffic.</p> <ul style="list-style-type: none"> • The Qantas Frequent Flyer program had revenue of AUD 1,148 million for fiscal year 2011. Earnings of AUD 342 million (underlying EBIT) were achieved. Earnings growth has been driven by new products and services with key business partners, capacity increases across the flying businesses and additional revenue from new members. Billings (linked to the sale of miles) increased by 9 per cent compared to the prior year and membership has increased 10 per cent on the prior year to 7.9 million members as at 30 June 2011. The frequent flyer revenue was attributed to Qantas Airways. • 3.9 million seats were redeemed for flight awards (up 6% from last year) and over 500,000 products were redeemed in Qantas Frequent Flyer Store (up 48% from last year). Any Seat reward redemptions now represent more than 23% of all redemptions. • IdeaWorks estimates 2011 ancillary revenue was AUD 1,460 million represented by the AUD 1,148 million frequent flyer revenue and AUD 312 million from other activities. • Group revenue for 2011 was AUD\$14,894 million. Excluding Jetstar revenue of AUD 2,613 million generates a net revenue of AUD 12,280 million.
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REX Regional Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 1,872,780
As a % of Revenue	1.0%
Euros per Passenger	€ 1.56
Reporting Period	Fiscal year ended June 30, 2011
Total Revenue	€ 186,924,660
Passengers	1,201,000
Information Source	Annual Report for the Financial Year Ended June 30, 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • Results include REX Regional Express, Air Link, and Pel-Air Aviation. • The carrier sells hotel accommodations, car rentals, and travel insurance at its website. The carrier sells annual memberships for its airport lounge in Sydney. Service

- fees are charged for payment made by credit card.
- The carrier disclosed revenue of AUD\$2,401,000 from “other passenger services and amenities.”
- Revenue for 2011 was AUD\$ 239,647,000.

SpiceJet

Source and Type	Onboard sales of food
Ancillary Revenue	€ 3,109,260
As a % of Revenue	0.8%
Euros per Passenger	€ 0.36
Reporting Period	Fiscal year ended 31 March 2011
Total Revenue	€ 403,131,120
Passengers	8,608,000
Information Source	Annual Report 2010 2011 – SpiceJet Limited
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in India rupees (INR). Operating revenue includes inflight sales of INR 222.09 million for fiscal 2011. The prior year total was INR 178.3 million Total revenue for 2011 was INR 28,795,080,000.

Tiger Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 73,568,201
As a % of Revenue	19.1%
Euros per Passenger	€ 13.46
Reporting Period	For the calendar year ended 31 December 2011
Total Revenue	€ 385,128,632
Passengers	5,465,000
Information Source	Tiger Airways Holdings Limited Annual Report 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Singapore dollars (SGD). Tiger provides various ancillary services and generates additional revenue through the provision of additional products and services. Flight-related services include in-flight sale of beverages, food and merchandise. Through the website, the airline offers passengers a range of "Tiger Add-On" products such as: <ul style="list-style-type: none"> Luggage upsize: Charges are based on the weight of the luggage that passengers are checking in, so passengers only pay for their individual luggage

requirements.

- Seat Selector: Passengers can select their preferred seats on their flights by paying a fee. Pricing differs by route and the location of the seat selected.
 - Sports Equipment Check-in: Passengers can choose to bring along their dive bag, or any other item of oversized sports equipment.
 - The airline also charges a booking fee for almost all reservations on Tiger Airways as well as a fee for changing reservations.
 - As part of its internet-related services, Tiger also offers accommodation services, travel insurance and car rental through the website.
- Ancillary revenue disclosed for 2011: SGD 118,087,000.
 - Operating revenue disclosed for 2011: SGD 618,184,000.

Non-Reporting Carriers for Asia and the South Pacific

The following airlines did not reveal ancillary revenue activity for the most recent full year period:

Air China, Air New Zealand, Air Pacific, Asiana (only 2010 available at press time), Cathay Pacific Airways, EVA Airways, Hainan Airlines (only 2010 available at press time), Japan Airlines (no reports since 2009), Korean Air, Malaysia Airlines, Philippine Airlines, Singapore, Skywest (Australia), Starflyer, Thai Airways, Virgin Blue Airlines (now Virgin Australia).

Middle East and Africa

Air Arabia

Source and Type	Excess baggage fees
Ancillary Revenue	€ 7,359,933
As a % of Revenue	1.4%
Euros per Passenger	€ 1.57
Reporting Period	Calendar year 2011
Total Revenue	€ 533,190,540
Passengers	4,700,000
Information Source	Air Arabia Consolidated Financial Statements for the Year Ended 31 December 2011 and Investor Presentation 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All revenue below is stated in UAE dirhams (AED). • The holding company owns 100% of Air Arabia (UAE), 29% of Air Arabia (Morocco), and 49% of Air Arabia (Egypt). In addition, the company holds shares in catering and travel companies, and 100% ownership of two hotels in the UAE. • The carrier disclosed baggage revenue of AED 33,607,000 for 2011. • Revenue for 2011 was AED 2,434,660,000.

Emirates

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 309,447,000
As a % of Revenue	2.3%
Euros per Passenger	€ 9.11
Reporting Period	Fiscal year ended 31 March 2012
Total Revenue	€ 13,470,252,000
Passengers	33,981,000
Information Source	Annual Report 2011-2012 of The Emirates Group for the period ended March 31, 2012
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • Emirates did not specifically disclose ancillary revenue, but it did list many qualifying activities in its annual report: <ul style="list-style-type: none"> – Sale of consumer goods / duty free: AED 1,081,000,000. – Revenue from excess baggage charges: AED

	<p>332,000,000).</p> <ul style="list-style-type: none"> • The total ancillary revenue calculated by IdeaWorks is AED 1,413,000,000. • Emirates allows passengers to pre-purchase excess baggage online at discounted prices. • The Group has holdings in a diverse array of businesses worldwide, such as restaurants (Costa Coffee in the UAE and Hudson's Coffee in Australia), hotels (Premier Inn locations in the UAE), and airline catering kitchens. These have not been included as contributing to ancillary revenue because activities are limited to passengers. • Revenue for 2011/2012 fiscal year was AED 61,508,000,000.
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Jazeera Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 10,195,405
As a % of Revenue	6.2%
Euros per Passenger	€ 8.50
Reporting Period	Calendar Year 2011
Total Revenue	€ 165,639,395
Passengers	1,200,000
Information Source	2011 Annual Report and 2011 Full Year Results and Investor Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Kuwait dinars (KWD). • Ancillary revenue disclosed for 2011 was KWD 3,557,364. IdeaWorks believes this activity consists of call center reservation booking fees and commissions on hotel reservations and car rentals made through the airline. • The carrier now offers all-inclusive fares and provides free meals and up to 40 kg. checked baggage allowance for economy class passengers. The airline charges a fee for seat selection. • Revenue for 2011 was KWD 57,794,625.

Royal Jordanian

Source and Type	Excess baggage fees
Ancillary Revenue	€ 7,377,500
As a % of Revenue	1.3%
Euros per Passenger	€ 2.31
Reporting Period	12-month period ending 31 December 2011
Total Revenue	€ 586,795,000
Passengers	3,200,000
Information Source	3 rd Quarter Consolidated Financial Statement for 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Jordanian dinars (JOD). • Royal Jordanian disclosed excess baggage revenue in its 3rd quarter 2011 financial statements: 4,886,000 dinars (for the 9-month period). IdeaWorks estimates annual revenue from this activity was JOD 6,500,000 for 2011. • Revenue for quarters 1-3 for 2011 was JOD 388,080,000. IdeaWorks estimates annual revenue was JOD 517,000,000 for 2011. The company disclosed in a 01 January 2012 press release that 3.2 million passengers were carried during calendar year 2011.

South African

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 26,696,000
As a % of Revenue	1.3%
Euros per Passenger	€ 3.14
Reporting Period	Fiscal year ended 31 March 2011
Total Revenue	€ 2,064,898,000
Passengers	8,505,744
Information Source	SAA 2011 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in South African rand (ZAR). • South African Airways generates ancillary revenue from its Voyager frequent flier program. Voyager revenue consists of annual participation fees, sale of miles to Voyager airline partners and non-airline partners such as hotels and car rental agencies. Fiscal year 2011 Voyager income was 284 million rand. • South African Airways Group results include its low cost carrier Mango. • Company revenue for 2011 was ZAR 21,967,000,000.

Non-Reporting Carriers for the Middle East and Africa

The following airlines did not reveal ancillary revenue activity for the most recent full year period:

I Time Airline (I Time Holdings), Air Mauritius, Comair (South Africa), Egyptair (only 2009/2010 report at press time), El Al, Kenya Airways, and Oman Air.

Currency Exchange Rates Used for the Worldwide Statistics

Airlines disclose revenue in local currency. The reporting currency for this guide is the euro. The following exchange rates were used to convert amounts from local currencies to the euro.

Australia dollar (AUD)	= 0.780 euro
Brazil reais (BRL)	= 0.394 euro
Canada dollar (CAD)	= 0.774 euro
China yuan (CNY)	= 0.126 euro
Great Britain pound (GBP)	= 1.238 euro
India rupees (INR)	= 0.014 euro
Jordan dinar (JOR)	= 1.135 euro
Kuwait dinars (KWD)	= 2.866 euro
Malaysia ringgit (MYR)	= 0.252 euro
Norway kroner (NOK)	= 0.131 euro
Pakistan rupee (PKR)	= 0.009 euro
Philippine peso (PHP)	= 0.019 euro
Singapore dollars (SGD)	= 0.623 euro
South Africa rand (ZAR)	= 0.094 euro
Sweden kroner (SEK)	= 0.111 euro
UAE dirham (AED)	= 0.219 euro
US dollar (USD)	= 0.805 euro

Currency exchange rates are from XE.com, the Universal Exchange Converter.

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- Moving to Merchandising Methods in the Cabin (90 minutes)
- Airline and Hotel Fees: Wicked, Good, Misunderstood? (75 minutes)
- Allegiant Air: How to Be Better Than Ryanair (60 minutes)

Frequent Flier and Loyalty Marketing:

- Loyalty by the Billions (60 minutes)
- Solving the Reward Availability Problem (60 minutes)
- Worldwide Guide to Reward Availability (75 minutes)

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Contact Jay Sorensen, President, IdeaWorks Company ■ Jay "at" IdeaWorksCompany.com ■ IdeaWorksCompany.com