

## Press Release

### Airlines Worldwide Fly High on Ancillary Services -- 2009 Revenues Jump 43 percent to €11 billion (\$13.5 billion)

*Analysis from IdeaWorks, supported by Amadeus, shows United, American, Delta, Qantas, and Ryanair are top ancillary revenue earners for 2009*

**Madrid, Spain & Shorewood, Wisconsin, USA, July 21, 2010**— IdeaWorks, the foremost consultancy focused on airline ancillary revenues and Amadeus, a leading travel technology partner and transaction processor for the global travel and tourism industry, today announce preliminary results of the **Amadeus Guide to Ancillary Revenue by IdeaWorks**. Findings show the airline industry’s ancillary revenue tidal wave continued in 2009 with more carriers disclosing millions – and billions – in ancillary receipts in financial reports. The 43 percent increase over 2008 also reflects new a la carte fees and commission-based services.

During 2009 ancillary revenue became a crucial component of the revenue mix for all types of carriers - from major to small - worldwide to regional – LCC to full service. The full report of this activity will be available in the autumn 2010 release of the **Amadeus Guide to Ancillary Revenue by IdeaWorks**. Early results from an analysis of 2009 financial filings made by 96 airlines indicate ancillary revenue increased €3.32 billion from 2008 to a total of €11 billion (\$13.5 billion) for 2009.

These estimates include revenue from a la carte features such as baggage fees and food sold onboard aircraft, commissions from the sale of hotel accommodations, car rentals, and travel insurance at airline websites, and partner revenue generated by frequent flier programs.

Worldwide Review of Ancillary Revenue – Based on Financial Disclosures	
€11 billion (\$13.5 billion) Total Annual Result – 2009	€7.68 billion (\$10.25 billion) Total Annual Result – 2008
<p><i>2008 results were calculated in euros, re-stated based upon a €1.0 = \$1.33 exchange rate for the period.</i></p> <p><i>2009 results were calculated in euros, re-stated based upon a €1.0 = \$1.23 exchange rate for the period.</i></p>	

Philippe Chérèque, Executive Vice President Commercial, Amadeus, the sponsor of this analysis of ancillary revenue and the upcoming 3rd edition of the Guide, commented: “Amadeus is fully committed to helping airlines maximise revenues and profits and deliver unmatched levels of customer service with a comprehensive and

multi-channel ancillary services solution.” He continues: “This month we have announced major milestones to support this initiative including the launch of our comprehensive EMD solution with Finnair and an extensive pilot of a la carte pricing within the travel agency and direct channels with Corsairfly.”

Amadeus has three flagship solutions to enable ancillary revenue sales:

- Amadeus Airline Ancillary Services which allows airlines to automatically offer and collect fees for all ancillary services through any sales channel – direct or indirect. The solution is fully integrated with Amadeus’ IT offerings including the Altea CMS and e-Commerce suite.
- Amadeus Cross-Sell Ancillary Services which seamlessly integrates with Airline IT systems to enable simple management of cross-sell content such as car, hotel and destination services in conjunction with flight bookings.
- Amadeus EMD, which enables airlines to issue, store, manage and distribute associated and standalone Electronic Miscellaneous Documents (EMD), the industry standard fulfilment document for the effective sale and management of ancillary services.

IdeaWorks’ findings with regards to the current top 10 list of airlines show subtle changes from the 2008 ranking. US-based network airlines fill the top three positions courtesy of robust partner revenue from frequent flier programs and a stronger emphasis on baggage fees. But revenue from this mature group has stabilised, while the revenue produced by lower-ranked carriers has jumped dramatically. The 4<sup>th</sup> place slot is now held by Qantas at a 25 percent revenue premium above the same position held by Ryanair in 2008. The annual revenue required to join the top 10 club now begins at €300 million. US Airways and Air Canada are new to the list, displacing JetBlue and Emirates.

Top 10 Airlines – Total Ancillary Revenue			
Annual Results – 2009		Annual Results – 2008	
€1,527,310,000	United	€1,650,000,000	American
€1,507,750,000	American	€1,200,000,000	United
€1,117,120,500	Delta	€1,125,000,000	Delta
€782,903,000	Qantas	€625,350,240	Ryanair
€663,600,000	Ryanair	€458,622,000	Qantas
€608,796,693	easyJet	€396,468,000	easyJet
€540,589,500	US Airways	€262,500,000	JetBlue
€534,143,000	Air Canada	€207,298,140	Emirates
€368,869,000	Alaska Airlines	€184,888,900	TAM Airlines

€356,742,400	TAM Airlines	€184,275,000	Alaska Airlines
Source: Worldwide Review of Ancillary Revenue Statistics from the Amadeus Ancillary Revenue Guide by IdeaWorks. Some carrier results were based upon the most recent fiscal year.			

Large network carriers can generate huge ancillary revenue numbers. But ancillary revenue success is better measured by reviewing activity as a “percentage of revenue” or on a “per passenger” basis.

Spirit Airlines and Tiger Airways joined the “% of total revenue list” for 2009 because the carriers only recently disclosed ancillary revenue results. Spirit is a privately held carrier and disclosures are rare and Tiger made disclosures for 2009 due to its initial public offering. Eight carriers in the 2008 list scored higher percentages for 2009. Of the two that dropped off the list, SkyEurope ceased operations and Germanwings was folded into Lufthansa Group during 2009.

Top 10 Airlines – Ancillary Revenue as a % of Total Revenue			
Annual Results – 2009		Annual Results – 2008	
29.2%	Allegiant	22.7%	Allegiant
23.9%	Spirit	19.3%	Ryanair
22.2%	Ryanair	15.5%	easyJet
19.4%	easyJet	14.8%	Jet2.com
19.4%	Tiger Airways	14.1%	Vueling
18.1%	Jet2.com	13.0%	Germanwings
14.4%	Aer Lingus	11.0%	Aer Lingus
13.3%	Alaska Airlines	10.3%	JetBlue
13.2%	Flybe	9.8%	Flybe
13.1%	AirAsia	9.6%	SkyEurope
Source: Worldwide Review of Ancillary Revenue Statistics from the Amadeus Ancillary Revenue Guide by IdeaWorks. Some carrier results were based upon the most recent fiscal year.			

The carriers in this top 10 list pursue a robust ancillary revenue agenda that includes baggage fees, buy-on-board cafes, assigned seating fees, and commissions from the sale of hotel accommodations and car rentals. Alaska is the only network airline in the list; the carrier has a less aggressive a la carte approach but benefits from powerful frequent flier and co-branded card programs.

Overall “per passenger” activity for 2009 clearly increased with top and bottom results better than 2008. Allegiant continues to achieve strong growth with a nearly 25 percent increase above 2008 results. UK-based carrier Jet2.com generated an amazing 58 percent increase while Qantas posted a spectacular 72 percent jump. A major upset occurred with ancillary revenue champ Ryanair falling off the top 10 list and arch-rival easyJet entering the list at the number 10 slot for 2009.

Top 10 Airlines – Ancillary Revenue per Passenger			
Annual Results – 2009		Annual Results – 2008	
€24.89	Allegiant	€20.00	Allegiant
€22.51	Jet2.com	€17.14	United
€22.35	Spirit	€14.97	Aer Lingus
€20.37	Qantas	€14.75	American
€18.76	United	€14.28	Jet2.com
€17.23	Air Canada	€11.98	JetBlue
€16.72	Aer Lingus	€11.87	Qantas
€16.47	Alaska Airlines	€10.84	Ryanair
€14.43	American	€10.61	Delta
€13.47	easyJet	€10.55	Vueling

*Source: Worldwide Review of Ancillary Revenue Statistics from the Amadeus Ancillary Revenue Guide by IdeaWorks. Some carrier results were based upon the most recent fiscal year.*

By every measure the ancillary revenue movement is growing. More airlines are switching on a la carte fees and disclosing financial activity. Existing practitioners are boosting revenue streams by adding services, testing price limits, and becoming better marketers.

The **Amadeus Guide to Ancillary Revenue by IdeaWorks** will be available for online purchase September 2010 at \$449 per copy. Order details will be available at IdeaWorksCompany.com at a later date. Jay Sorensen will speak on the topic of “Moving to Merchandise Methods in the Cabin” at the global Amadeus airline conference “Horizons” which will be held in San Francisco 13 – 15 October 2010

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### Notes to the editors

**Amadeus** is the leading transaction processor and provider of advanced technology solutions for the global travel and tourism industry.

Customer groups include **travel providers** (e.g airlines, hotels, rail, ferries, etc.), **travel sellers** (travel agencies and websites), and **travel buyers** (corporations and individual travellers).

The group operates a **transaction-based business model** and processed more than 670 million billable travel transactions in 2009.

Amadeus has central sites in Madrid (corporate headquarters and marketing), Nice (development) and Erding (Operations – data processing centre) and regional offices in Miami, Buenos Aires, Bangkok and Dubai. At a market level, Amadeus maintains customer operations through 72 local Amadeus Commercial Organisations covering 195 countries.

Amadeus is listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and trades under the symbol “AMS.MC”. For the year ended 31 December 2009, the company reported revenues of EUR 2,461 million and EBITDA of EUR 894 million. The Amadeus group employs over 9,300 employees worldwide, with 123 nationalities represented at the central offices.

To find out more about Amadeus please <http://www.amadeus.com>.

To visit the Amadeus Investor Relations centre please <http://www.investors.amadeus.com>.

**About IdeaWorks:** IdeaWorks was founded in 1996 as a consulting organization building brands through innovation in product, partnership and marketing, and building profits through financial improvement and restructuring. Its international client list includes the hotel, airline, marine, railroad, consumer products and health care sectors. IdeaWorks specializes in ancillary revenue improvement, brand development, customer research, competitive analysis, partner-marketing strategies, cost reduction programs and business restructuring. Learn more at [IdeaWorksCompany.com](http://IdeaWorksCompany.com).

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