



ANCILLARY REVENUE REPORT SERIES FOR 2015

# The CarTrawler Yearbook of Ancillary Revenue

by IdeaWorksCompany

Researched and written by Jay Sorensen  
Edited by Eric Lucas



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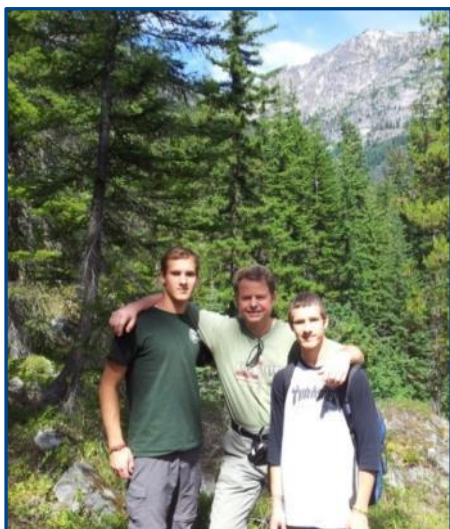


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## About Jay Sorensen, Writer of the Report



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

Jay Sorensen's research and reports have made him a leading authority on frequent flier programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposiums in Abu Dhabi and Singapore, and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-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 30 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 Lucas is an international travel, natural history and business writer and editor whose work appears in Michelin travel guides, *Alaska Airlines Magazine*, *Westways Magazine* and numerous other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books, including the 2013 *Michelin Alaska* guide. Eric has followed and written about the travel industry for more than 20 years. He lives in Seattle, Washington, where he grows organic garlic and heirloom corn; visit him online at [TrailNot4Sissies.com](http://TrailNot4Sissies.com).

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

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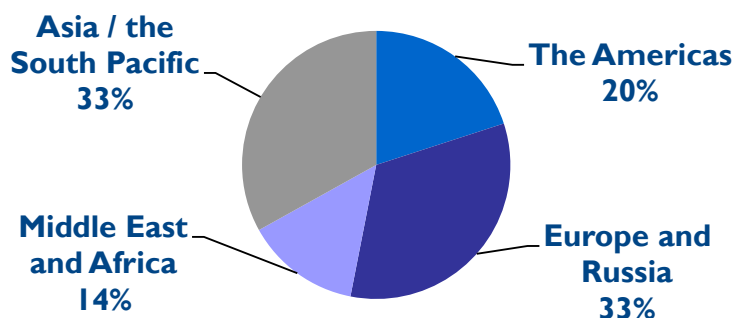
# 2015 CarTrawler Yearbook of Ancillary Revenue

## Summary of the Results

By every measure, ancillary revenue continues to grow. For the eighth consecutive year, airlines tracked by IdeaWorksCompany reported substantial increases in revenue gained from retail activities and the sale of a la carte services and frequent flier miles.

- Ancillary revenue per passenger among the 63 airlines is \$17.49, which is 8.5% more than the 2013 result.
- Revenue among low cost carriers (LCCs) jumped more than \$2.9 billion, or 32.8%.
- Ancillary revenue among US major airlines increased more than \$2.6 billion, or 18.7%.

### IdeaWorksCompany Analyzed Financial Statements from 130 Airlines Worldwide



IdeaWorksCompany researched financial filings made by 130 airlines all over the world, 63 of which disclosed qualifying revenue activity, to reveal that ancillary revenue<sup>1</sup> reported by these airlines increased \$6.6 billion for 2014. 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.

Annual Financial Disclosures of Ancillary Revenue							
2014 Results Posted by 63 Airlines \$38.1 billion	2013 Results Posted by 59 Airlines \$31.5 billion	2012 Results Posted by 53 Airlines \$27.1 billion	2011 Results Posted by 50 Airlines \$22.6 billion	2010 Results Posted by 47 Airlines \$21.46 billion	2009 Results Posted by 47 Airlines \$13.47 billion	2008 Results Posted by 35 Airlines \$10.25 billion	2007 Results Posted by 23 Airlines \$2.45 billion
<i>Annual results are associated with a fiscal period that ended in the year indicated.</i>							

<sup>1</sup> The figures in this release relate to the revenue earned by the 63 airlines which disclosed through financial filings some type of ancillary revenue activity in 2014; including a la carte, or unbundled, services, commission-based services – such as hotel or car rental bookings – and other ancillary services revenue from co-branded credit cards, loyalty programs and other activities.

Airlines all over the world benefit from ancillary revenue, but the degree to which airlines disclose financial results does vary. Financial statements for US-based airlines universally provide a high level summary of ancillary revenue results.

Publicly-held LCCs almost always make direct reference to ancillary revenue achievements due to investor interest in this topic. From time to time, global network airlines in Europe refer to the pursuit of ancillary revenue to provide evidence they can compete with LCCs such as easyJet and Ryanair. As displayed in the adjoining graph, these factors favor the Americas and Europe as leading areas for ancillary revenue activity and financial disclosure.

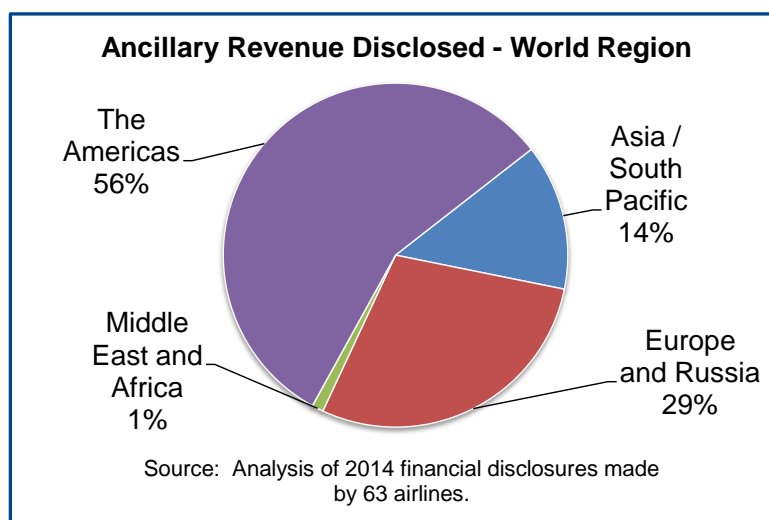


Table I displays the top 10 airlines for 2014 and 2013 based upon total ancillary revenue generated. The collection of carriers remains largely the same year over year; Alaska joins the list due to the merger of American and US Airways, whose results are now presented as a single line item.

Table I: Top 10 Airlines – Total Ancillary Revenue (US dollars)				
Annual Results – 2014		Ancillary Source	Annual Results – 2013	
\$5,861,000,000	United	Various	\$5,703,000,000	United
\$4,651,000,000	American/US Airways	Various	\$2,528,183,000	Delta
\$3,212,909,000	Delta	Various	\$2,079,000,000	American
\$2,046,292,309	Air France/KLM *	Various	\$1,714,598,496	Air France/KLM *
\$1,906,616,921	Ryanair	Various	\$1,689,457,120	Ryanair
\$1,885,000,000	Southwest	Various	\$1,623,500,000	Southwest
\$1,632,765,608	Lufthansa Group *	Various	\$1,385,021,933	easyJet *
\$1,457,215,349	easyJet *	Various	\$1,282,738,470	Lufthansa Group
\$1,387,084,868	Qantas Airways	Mostly FFP	\$1,273,430,400	Qantas Airways
\$921,000,000	Alaska Air Group	Various	\$1,102,700,000	US Airways
<b>\$24,960,884,055</b>			<b>\$20,381,631,432</b>	
<p>Currency exchange based upon rates in effect when financial information was reviewed for each annual period.            2014 and 2013 carrier results were based upon recent 12-month financial period disclosures.            * IdeaWorksCompany estimate based upon past disclosure updated for current report.</p>				



These top 10 carriers showed an increase of nearly \$4.6 billion in a single year, which represents revenue growth in excess of 22.5%. Revenues and passenger traffic for these airlines increased due to improving economies and these are leading factors for annual ancillary revenue gains. These airlines also had individual initiatives that boosted results:

- **American's** co-branded credit card generated additional revenue of \$624 million largely due to enhancements made to its relationship with card issuer Citibank.
- The annual revenue stream from **Delta's** Comfort Plus service increased by 18% and is now \$350 million.
- **Southwest's** Rapid Rewards program continues to make big revenue gains with a nearly \$400 million contribution linked to its 2014 strategic initiatives.
- **Lufthansa** likely boosted revenue from its Miles & More frequent flier unit in excess of €200 million based upon reported profit that more than doubled since 2013.

The big ancillary revenue numbers posted by carriers such as Air France/KLM, American, and United, include a mixture of a la carte activity from fees charged for baggage and extra leg room seating. But as shown above, and with a particular emphasis on Qantas, a big portion of the ancillary revenue total is generated by the sale of miles or points to banks that issue co-branded credit cards.

When ancillary revenue is measured as a percentage of revenue, it is low cost carriers that rise to the top of the chart. Since 2011 the top slot has been held by US-based Spirit Airlines, which is conspicuous among consumers and regulators for its aggressive pursuit of a la carte sales. The airline has a policy of “no waivers & favors” for enforcing its fee structure and intentionally seeks to “treat all customers the same.” It describes this policy in its investor presentations as supporting its low cost mantra . . . and this in turn allows the airline to deliver low fares.

Ryanair once boldly sought to replace passenger fares with ancillary revenue; this dream now seems elusive for all LCCs. The fine tuning of fees and the tweaking of product design may allow top carriers to surpass 40%. However, attempts among the most fee-conscious carriers to reach higher now seem stalled.

**Table 2: Top 10 Airlines – Ancillary Revenue as a % of Total Revenue**

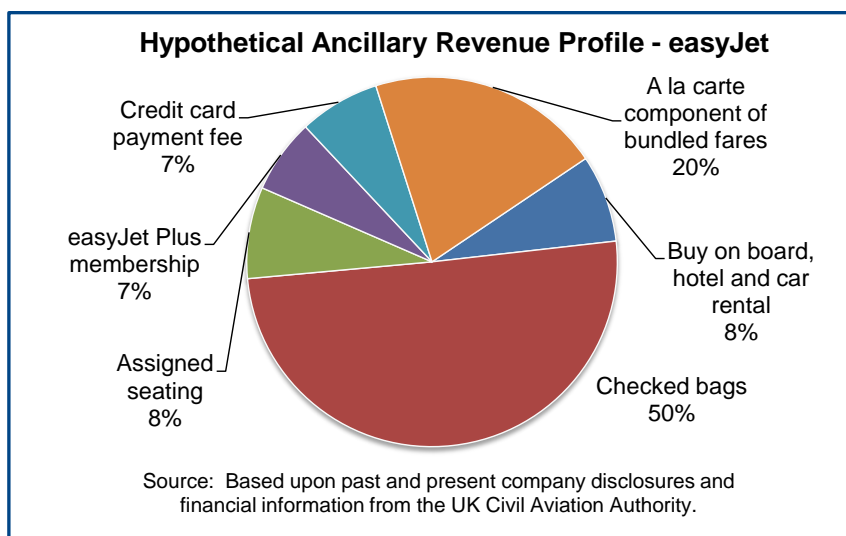
Annual Results – 2014		Ancillary Source	Annual Results – 2013	
38.7%	Spirit	Various	38.4%	Spirit
33.7%	Wizz Air	Various	34.9%	Wizz Air
32.4%	Allegiant	Various	32.6%	Allegiant
28.5%	Jet2.com	Various	27.7%	Jet2.com
24.6%	Ryanair	Various	24.8%	Ryanair
21.8%	Tigerair	Various	23.6%	Tigerair
20.8%	Jetstar	Various	20.6%	Jetstar
20.7%	Flybe	Various	19.6%	AirAsia X
20.0%	AirAsia X	Various	19.2%*	easyJet
19.5%	Volaris	Various	17.6%	AirAsia Group

*2014 and 2013 carrier results were based upon recent 12-month financial period disclosures.*



This reality is leading more LCCs to adopt methods that attract high yield business travelers. Ryanair has made significant changes to its business plan by adding more frequencies on select routes, creating a bundled fare with business-friendly features, and even targeting commercial travelers with an advertising campaign.<sup>2</sup>

It's an approach already implemented by easyJet for the same reasons. The airline sells annual subscriptions called easyJet Plus that include assigned seating, fast track security, speedy boarding, and an additional carry-on bag for an annual price of £170. The carrier has introduced a bundled "Inclusive" fare for easier distribution through travel agencies and corporate travel departments. The adjacent pie chart displays an educated guess on the distribution of easyJet's ancillary revenue. The



services designed to attract business travelers (easyJet Plus and the a la carte component of bundled fares) likely represent more than 25% of easyJet's ancillary revenue. It's a trend that will only grow stronger as LCCs seek more business travel opportunities.

The table below presents the top 10 airlines based upon ancillary revenue on a per passenger basis:

Annual Results – 2014		Ancillary Source	Annual Results – 2013	
\$56.28	Jet2.com	Various	\$55.61	Jet2.com
\$52.35	Spirit	Various	\$51.22	Spirit
\$50.16	Qantas Airways	Mostly FFP	\$45.67	Qantas Airways
\$45.16	Allegiant	Various	\$44.87	Allegiant
\$43.22	AirAsia X	Various	\$44.43	AirAsia X
\$42.46	United	Various	\$40.97	United
\$39.60*	Virgin Atlantic	Mostly FFP	\$38.93	Korean Air
\$39.28	Korean Air	Various	\$34.41	Wizz Air
\$34.87	Wizz Air	Various	\$33.92*	Virgin Atlantic
\$31.46	Alaska Air Group	Various	\$32.61	Alaska Air Group

*Currency exchange based upon rates in effect when financial information was reviewed for each annual period.  
2014 and 2013 carrier results were based upon recent 12-month financial period disclosures.  
\* IdeaWorksCompany estimate based upon past disclosure updated for current report.*

<sup>2</sup> Ryanair Holdings, Q4 2014 Results - Earnings Call on 19 May 2014.

Topping the list for a second year is Jet2.com which is a leisure-oriented airline with bases in the United Kingdom. Similar to Allegiant in the US, Jet2.com defies definition as an airline, and in reality is a holiday package company with an airline that excels at a la carte sales. For the global network airlines in this top 10 list, their presence is assured by a healthy dose of revenue from the sale of miles or points to the banks issuing their co-branded credit cards.

For many carriers the majority of miles and points are now accrued through partners such as co-branded credit cards, hotels, car rental companies, and retailers. Airlines also use their frequent flier programs and co-branded credit cards to selectively deliver a la carte benefits such as checked baggage and priority boarding to program members. Banks have contracts with airlines and pay them for these cardholder benefits, in addition to the miles and points purchased as a result of charge activity.

Many of the airlines listed in Table 3 will continue to see revenue advances due to the new distribution of optional extras through travel agencies and corporate travel planners. Alaska, Korean Air, Qantas, United, and Virgin Atlantic have advantages over LCCs because these carriers have long relied upon global distribution systems (GDS). Switching on the sale of a la carte items through a GDS has been problematic due to technical and contract issues, but progress is rapidly occurring. This 2015 edition of the *CarTrawler Yearbook of Ancillary Revenue* by IdeaWorksCompany includes a list of items sold through Amadeus, Sabre, and Travelport for each of the 63 disclosing airlines.

Fare bundles sell very well through a GDS and are becoming more popular with airlines. For example, Air France sells a roundtrip “MiNi” fare within Europe which offers checked baggage as a paid option. The carrier’s higher priced Economy Classic fare includes a checked bag. The rise of fare bundles, as a method to generate a la carte sales, requires a modification to how ancillary revenue is defined.

IdeaWorksCompany defines ancillary revenue as **“Revenue beyond the sale of tickets that is generated by direct sales to passengers, or indirectly as a part of the travel experience.”** The definition includes four categories: 1) a la carte features, 2) commission-based products, 3) frequent flier activities, and 4) advertising sold by the airline. It’s time to recognize the growing importance of fare bundles by adding a fifth category to include ancillary revenue generated by “the a la carte components associated with a fare or product bundle.”

Product bundles combine popular features and tempt consumers with savings in the same manner as a meal deal at a McDonald’s restaurant. This has become a key method for global network carriers and LCCs as these two airline types compete with each other. Global network airlines use fare bundles to preserve their normal service through a classic product and deploy a basic “bare bones” fare to drop pricing to LCC levels. Low cost carriers use product bundles as a method to offer premium experiences to lure business travelers to their flights.

This creative competition places ancillary revenue and a la carte pricing at the center of the struggle for profits. It also creates a marketplace in which the consumer is free to choose a budget product from a premium carrier . . . or a premium product from a budget carrier. That’s the marvel of ancillary revenue and proof positive this revolution has the potential to deliver billions more in revenue to the world’s airlines.

## Specific ancillary services identified in this Yearbook

Airlines are increasingly more revealing about their approach to ancillary revenue. During the course of its global review of ancillary revenue activities, IdeaWorksCompany uncovered the following examples:

- **Aeroflot** sales of frequent flier miles to partners jumped again for 2014 to \$223 million for its 4.2 million members, which is more than \$53 per member.
- **AirAsia** began offering inflight chat service through the aircraft Wifi network at a price of MYR 8 (less than \$3) to support WeChat, WhatsApp and LINE chat applications.
- **Alaska** will introduce Preferred Seating (extra 7 to 9 inches of legroom, free drink, and priority boarding) in 2015 which is expected to initially provide \$15 million annually.
- **Allegiant** earns a 30.1% gross margin on the sale of services provided by third parties (hotel rooms, rental cars, hotel shuttle products, attractions and show tickets).
- **Allegiant** has direct contracts with more than 540 hotel and casino resort properties in the US and an exclusive deal with Enterprise for rental cars packaged with air travel.
- **American** and **US Airways** issued 287.1 billion frequent flier miles during 2014, of which 61% were sold to program participants.
- **JetBlue** will introduce bundled fares (with the lowest type not including a checked bag) during 2015, which is expected to provide annual income of \$200 million.
- **Lufthansa's** Miles & More frequent flier program contributed income in excess of \$90 million which more than doubles the 2013 amount.
- **Ryanair** believes 25% of passengers are business travelers, and up to 9,000 a day are buying its Business Plus fare bundle.
- **Ryanair** experienced a 4% fall in averages but this was offset by strong ancillary revenue growth in 2014.
- **Spirit** generated revenue of \$76,270,000 from assigned seating during 2014, representing an average of \$5.33 per passenger.
- **Tigerair** offers Tigerconnect for a fee of SGD 22 (about \$18) which provides a city center shuttle and sightseeing tour for travelers with 8+ hour connections at Singapore.
- **Virgin Australia** completed the sale of a 35% share of its Velocity Frequent Flyer program on during October 2014 for AUD 336 million (approximately \$295 million).
- **Volaris**, a low fare airline in Mexico, generated more than \$3.5 million from the sale of memberships in its V-Club, which provides access to members-only low fare deals.
- **Vueling's** ancillary revenue per passenger was \$15.45 during 2014. But the average for bookings made exclusively via direct channels (such as the website) leaps to \$29.19.

*Currency exchange based upon rates in effect when financial information was reviewed for each annual period.*



## **Ancillary Revenue Defined**

The definition of ancillary revenue offered by IdeaWorksCompany in 2008 has been adopted all over the world and has become accepted as the industry's definition. For 2015, this definition has been updated to recognize the growing importance of fare bundles by adding a fifth category to include ancillary revenue generated by "the a la carte components associated with a fare or product bundle."

### **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.

IdeaWorksCompany further defines ancillary revenue using these categories: 1) frequent flier activities, 2) a la carte features, 3) commission-based products, 4) advertising sold by the airline, and 5) the a la carte components associated with a fare or product bundle."

To add a bit more clarity to this declaration, IdeaWorksCompany 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 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.

- **Fare or Product Bundle.** Airlines may allocate a portion of the price associated with a fare bundle or product bundle as ancillary revenue. This is determined by assigning a revenue value to the services included in the bundle, such as checked baggage, early boarding, and extra leg room seating.

The list is not intended to be exhaustive or complete; human imagination, including in business, is infinite. 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 dollars 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 IdeaWorksCompany provides added context regarding the unique qualities of a carrier’s a la carte activity.

### **A la Carte Services Sold Through GDS**

This 2015 edition of the *CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany* includes a list of items sold through Amadeus, Sabre, and Travelport for each of the 63 disclosing airlines. The information for these entries was collected from GDS websites or materials provided by the GDS; IdeaWorksCompany is not responsible for the accuracy or veracity of the claims made by these vendors.

Listings for individual airlines display a la carte capabilities enabled by GDS. However, these might not reflect services which an airline is actively selling through a GDS. For example, some may be planned for future introduction, or have been withheld from GDS display. Smaller airlines within a group, such as Transavia for Air France/KLM, are not included in the services listed.

The following provides additional details for the listings associated with each of the three GDS companies:

- **Amadeus** provided data for the listings to IdeaWorksCompany during September 2015. The following provides additional detail for some of the a la carte items: 1) Branded fares provide 2 or 3 branded choices (each offering a defined list of services) for a seat booked on a flight; 2) Paid meals are pre-ordered meals for a fee; and 3) Paid seats may include seat assignments, extra leg room seats, and preferred seating. Travel services refers to GDS support for Ryanair's Business Plus product.
- **Sabre** provided data for the listings to IdeaWorksCompany during August 2015. The following provides additional detail for some of the a la carte items: 1) Branded fares provide 2 or 3 branded choices (each offering a defined list of services) for a seat booked on a flight; 2) Paid meals are pre-ordered meals for a fee; and 3) Paid seats may include seat assignments, extra leg room seats, and preferred seating.
- **Travelport** includes their GDS brands Apollo, Galileo, and Worldspan. The inclusion of a la carte services varies by brand for individual airline and country. Data was gathered by IdeaWorksCompany during August 2015 at the Travelport website ([travelport-communications.com/ancillary](http://travelport-communications.com/ancillary)). The information presented applies for the home market of each airline (such as Ireland for Aer Lingus). A la carte services were typically offered in many countries for each carrier and were too numerous to reference. The following provides additional detail for some of the a la carte items: 1) Meals may include pre-order meals (paid) and special meal requests (non-paid); and 2) Paid seats may include seat assignments, extra leg room seats, and preferred seating. Premium services refers to GDS support for Ryanair's Business Plus product (and similar services for other airlines).



## Airlines Posting Ancillary Revenue Results

For most recent 2014 full-year period, listed in alphabetical order.

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Euros per Passenger	Region
Aer Lingus	\$255,743,496	12.0%	\$26.19	€ 19.14	Europe and Russia
Aeroflot	\$241,518,646	2.6%	\$6.96	€ 5.09	Europe and Russia
Aeromexico +	\$132,363,000	4.0%	\$7.70	€ 5.63	The Americas
Air Arabia	\$60,914,786	6.0%	\$8.94	€ 6.53	Middle East and Africa
Air Astana	\$9,329,000	1.0%	\$2.46	€ 1.79	Asia / South Pacific
Air Berlin	\$48,330,967	0.8%	\$1.52	€ 1.11	Europe and Russia
Air Canada (FF)	\$616,189,175	4.9%	\$15.99	€ 11.69	The Americas
Air France/KLM *	\$2,046,292,309	6.0%	\$26.40	€ 19.30	Europe and Russia
Air Greenland	\$9,234,352	4.3%	\$24.24	€ 17.72	Europe and Russia
Air Transat +	\$45,525,370	1.3%	\$12.72	€ 9.30	The Americas
AirAsia Group	\$556,862,155	18.5%	\$13.19	€ 9.65	Asia / South Pacific
AirAsia X	\$182,852,732	20.0%	\$43.22	€ 31.59	Asia / South Pacific
Alaska Air Group	\$921,000,000	17.2%	\$31.46	€ 22.99	The Americas
Allegiant	\$368,276,000	32.4%	\$45.16	€ 33.01	The Americas
American	\$4,651,000,000	10.9%	\$24.06	€ 17.58	The Americas
ANA All Nippon +	\$83,732,109	0.5%	\$1.66	€ 1.21	Asia / South Pacific
Azul +	\$291,526,971	12.8%	\$13.95	€ 10.20	The Americas
British Airways *	\$374,247,189	1.9%	\$8.91	€ 6.51	Europe and Russia
Cebu Pacific	\$131,703,049	11.0%	\$9.18	€ 6.71	Asia / South Pacific
China Eastern	\$491,201,621	3.4%	\$5.86	€ 4.28	Asia / South Pacific
China Southern	\$81,893,805	0.5%	\$0.81	€ 0.59	Asia / South Pacific
Delta	\$3,212,909,000	8.0%	\$18.75	€ 13.71	The Americas
easyJet *	\$1,457,215,349	18.8%	\$22.49	€ 16.44	Europe and Russia
Emirates	\$118,704,061	0.5%	\$2.41	€ 1.76	Middle East and Africa
Finnair +	\$135,692,465	3.5%	\$14.07	€ 8.21	Europe and Russia
Flybe	\$212,868,304	20.7%	\$27.65	€ 20.21	Europe and Russia
Flydubai	\$172,502,048	14.4%	\$23.79	€ 17.39	Middle East and Africa
Frontier	\$183,250,000	11.6%	\$16.18	€ 11.82	The Americas
Garuda	\$10,172,649	0.3%	\$0.35	€ 0.26	Asia / South Pacific
GOL (FF)	\$529,471,104	11.6%	\$13.32	€ 9.74	The Americas
Hawaiian	\$126,300,000	5.5%	\$12.39	€ 9.06	The Americas
Japan Airlines (FF)	\$202,946,932	1.7%	\$5.15	€ 3.76	Asia / South Pacific
Jazeera Airways	\$14,699,988	6.6%	\$12.62	€ 9.22	Middle East and Africa
Jet2.com	\$344,403,419	28.5%	\$56.28	€ 41.14	Europe and Russia
JetBlue	\$745,000,000	12.8%	\$23.22	€ 16.98	The Americas
Jetstar	\$637,231,532	20.8%	\$30.17	€ 22.05	Asia / South Pacific
Korean Air	\$919,239,157	7.8%	\$39.28	€ 28.72	Asia / South Pacific
LAN/TAM Airlines	\$634,141,000	5.2%	\$9.35	€ 6.83	The Americas
Lufthansa Group *	\$1,632,765,608	4.9%	\$15.41	€ 11.26	Europe and Russia
Nok Air	\$28,215,085	7.4%	\$3.70	€ 2.71	Asia / South Pacific

— Table continued on next page —

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Euros per Passenger	Region
Norwegian	\$457,289,966	14.4%	\$19.05	€ 13.93	Europe and Russia
Pegasus	\$250,109,868	17.3%	\$12.67	€ 9.26	Europe and Russia
PIA Pakistan	\$11,447,547	1.1%	\$2.72	€ 1.99	Asia / South Pacific
Qantas Airways (FF)	\$1,387,084,868	12.1%	\$50.16	€ 36.66	Asia / South Pacific
Rex Regional Express	\$2,400,359	1.0%	\$2.28	€ 1.67	Asia / South Pacific
Ryanair	\$1,906,616,921	24.6%	\$21.04	€ 15.38	Europe and Russia
South African (FF)	\$44,976,053	1.7%	\$4.82	€ 3.52	Middle East and Africa
Southwest	\$1,885,000,000	10.1%	\$13.88	€ 10.15	The Americas
SpiceJet	\$97,888,496	9.3%	\$7.23	€ 5.28	Asia / South Pacific
Spirit	\$748,220,000	38.7%	\$52.35	€ 38.26	The Americas
Spring Airlines +	\$66,838,619	5.7%	\$5.84	€ 4.27	Asia / South Pacific
Sun Country	\$16,081,000	3.6%	\$11.18	€ 8.17	The Americas
TAP Portugal	\$245,399,122	6.6%	\$21.53	€ 15.74	Europe and Russia
Tigerair	\$118,391,306	21.8%	\$23.03	€ 16.84	Asia / South Pacific
Turkish Airlines * (FF)	\$237,836,106	2.1%	\$4.35	€ 3.18	Europe and Russia
United	\$5,861,000,000	15.1%	\$42.46	€ 31.04	The Americas
Virgin America	\$160,756,000	10.8%	\$24.71	€ 18.06	The Americas
Virgin Atlantic (FF)	\$243,789,728	4.9%	\$39.60	€ 28.95	Europe and Russia
Virgin Australia + (FF)	\$218,214,446	5.2%	\$10.91	€ 7.98	Asia / South Pacific
Volaris	\$186,000,000	19.5%	\$18.96	€ 13.86	The Americas
Vueling	\$331,852,263	14.1%	\$15.45	€ 11.29	Europe and Russia
Westjet	\$203,221,499	5.4%	\$10.34	€ 7.56	The Americas
Wizz Air	\$530,038,683	33.7%	\$34.87	€ 25.49	Europe and Russia

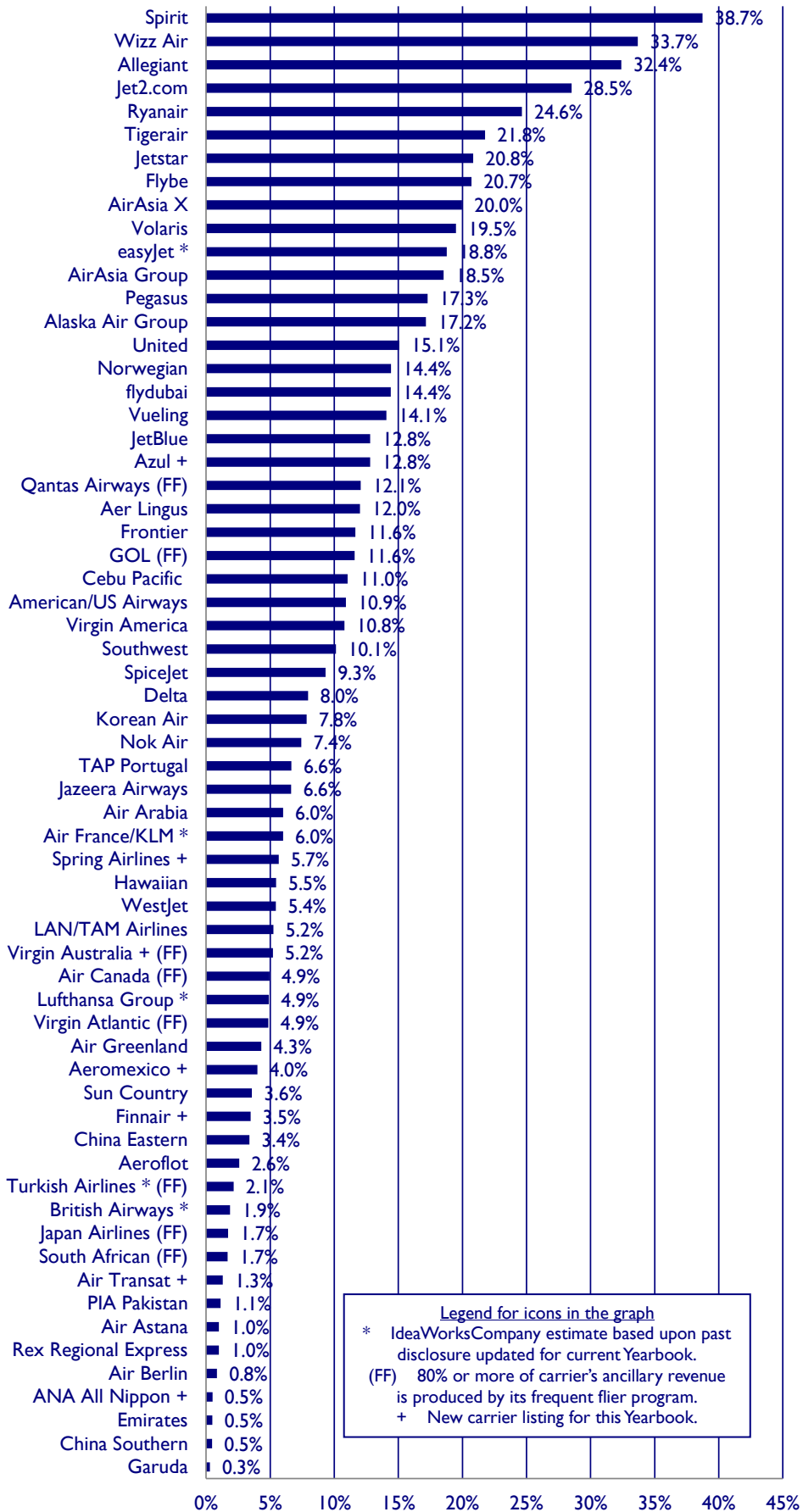
*2014 carrier results were based upon recent 12-month financial period disclosures.*

*\* IdeaWorksCompany estimate based upon past disclosure updated for current Yearbook.*

*(FF) 80% or more of carrier's ancillary revenue is produced by its frequent flier program.*

*Please refer to individual carrier listings for details. + New carrier listing for this Yearbook.*

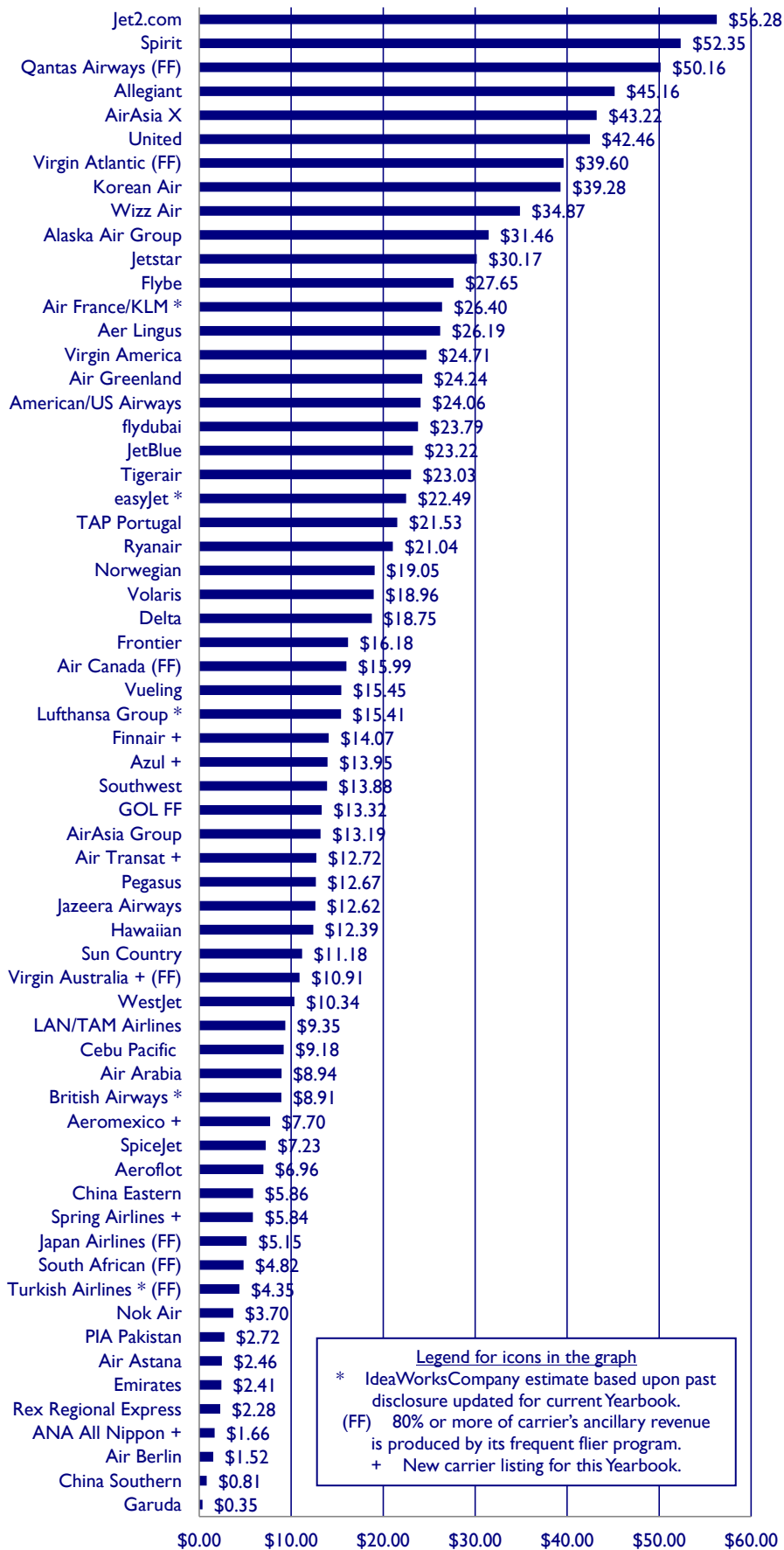
### Ancillary Revenue as a % of Total Revenue - 2014



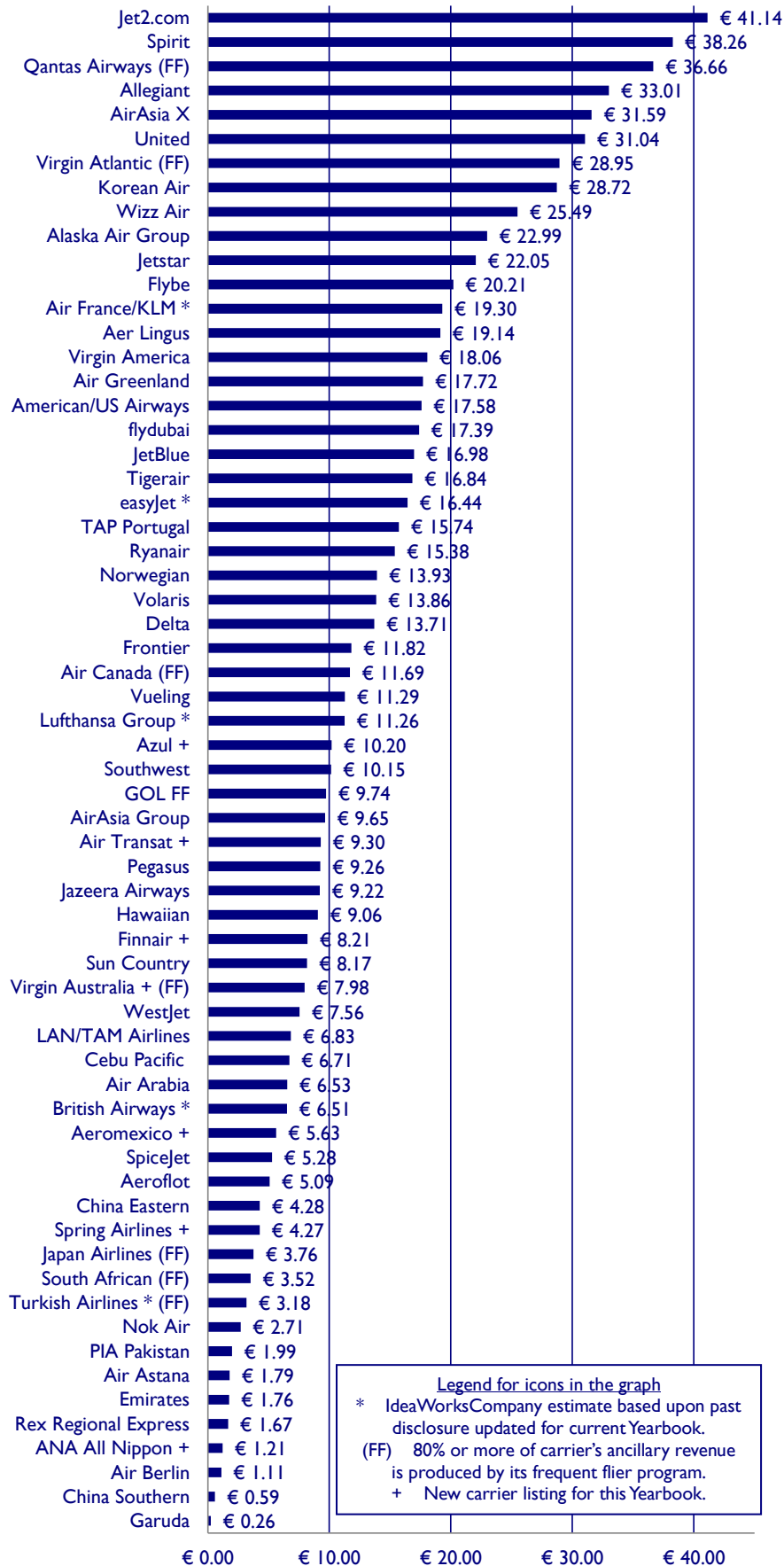
**Legend for icons in the graph**  
 \* IdeaWorksCompany estimate based upon past disclosure updated for current Yearbook.  
 (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flier program.  
 + New carrier listing for this Yearbook.



### Ancillary Revenue in US\$ per Passenger - 2014



### Ancillary Revenue in Euros per Passenger - 2014





# Exceeding Expectations

**“IdeaWorksCompany exceeded our training expectations.**

Managers and board members attended Jay Sorensen’s workshops to learn from his expertise. His insight brought new dimension to our knowledge of industry trends and client-oriented service innovation. The key takeaways of the workshop provided our team of vice presidents with a clearer roadmap on how to develop our new AAA – Avianca Ancillary A la Carte – program.”

Estuardo Ortiz  
Chief Revenue Officer



Airlines all over the world choose IdeaWorksCompany for a revenue boost.

IdeaWorksCompany is a leading consulting resource for ancillary revenue and loyalty marketing. Our client list spans the globe – Europe, Middle East, Americas, South Pacific, and Asia – and every type of carrier. Avianca benefited from our expertise in the areas of frequent flier programs, ancillary revenue, and a la carte services.

Reach Jay Sorensen direct at [Jay@IdeaWorksCompany.com](mailto:Jay@IdeaWorksCompany.com)

**Avianca** 

A STAR ALLIANCE MEMBER 



Avianca is the commercial brand that represents the Latin American airlines integrated into Avianca Holdings S.A. The airline, which is a Star Alliance member, serves 98 destinations in 26 countries throughout the American and European continents with its modern fleet of 173 aircraft, including the Boeing 787 Dreamliner.

## Europe and Russia

### Aer Lingus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$255,743,496
As a % of Revenue	12.0%
Dollars per Passenger	\$26.19
Financial Period	Calendar year 2014
Total Revenue	\$2,129,809,104
Passengers	9,766,000
Information Source	Aer Lingus Annual Report 2014 and 2014 Preliminary Results Presentation 24 February 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in euros.</li> <li>• Ancillary revenue was <u>€186,947,000</u> for 2014 and increased by 3% from the prior year.</li> <li>• Ancillary revenue, or retail revenue, includes the following activities: <ul style="list-style-type: none"> <li>– Checked baggage.</li> <li>– Pre-order meals.</li> <li>– Buy-onboard food and beverage.</li> <li>– Assigned seating.</li> <li>– Sale of commissionable items.</li> <li>– Inflight Wifi.</li> </ul> </li> <li>• The airline has the following ancillary revenue related activities planned for 2015: <ul style="list-style-type: none"> <li>– New loyalty program in early 2015, which will be funded by financial services and hospitality partners.</li> <li>– Apply revenue management principles to bundled fare offer.</li> <li>– Boost retail revenue to €23 per passenger.</li> <li>– Introduce Aer Lingus Holidays and relaunch Aer Lingus Hotels.</li> <li>– Upgrade Wifi services.</li> <li>– Extra bag fee with different weight options.</li> </ul> </li> <li>• Aer Lingus revenue for 2014: €1,556,878,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

## Aeroflot

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$241,518,646
As a % of Revenue	2.6%
Dollars per Passenger	\$6.96
Financial Period	Calendar year 2014
Total Revenue	\$9,317,246,834
Passengers	34,700,000
Information Source	Consolidated Financial Statements for the year ended 31 December 2014 and Aeroflot Traffic Release dated 28 January 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in Russian rubles (RUB).</li> <li>• Figures include the operations of Aeroflot Airlines and principal subsidiaries such as Donavia and Vladivostok Avia.</li> <li>• Duty-free sales for 2014 were RUB 604 million. The cost of duty free goods sold was RUB 362 million, representing profit of RUB 242 million, or a mark-up of 67% on cost (mark-up was 120% for 2013).</li> <li>• The frequent flier program had revenue of RUB 7,685 million from the sale of miles to partners. This was up substantially from the 2013 result of RUB 5,616 million. The program has 4.2 million members per a review of the SkyTeam website July 2015.</li> <li>• Adding the two results provides total ancillary revenue disclosure of <u>RUB 8,289,000,000</u>.</li> <li>• Aeroflot launched a low cost carrier based at Moscow Vnukovo Airport called Pobeda Airlines on 01 December 2014. The carrier charges for these services: assigned seating, extra leg room seating, checked baggage (first 10kg bag included in fare), carry-on bags up to 10kg (one small item is included in the fare), and payment by credit card.</li> <li>• Group revenue for the year ended 31 December 2014 was RUB 319,771,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	Branded fares
Sabre	None
Travelport	None



## Air Berlin

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$48,330,967
As a % of Revenue	0.8%
Dollars per Passenger	\$1.52
Financial Period	Calendar year 2014
Total Revenue	\$5,690,985,428
Passengers	31,716,202
Information Source	Air Berlin Plc. Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• Onboard revenue from duty-free and inflight sales slightly decreased and was €28,431,000 for 2014.</li> <li>• Air Berlin owns a 30% portion of the topbonus frequent flier program along with Etihad Airways (70%). Financial transactions occurring with topbonus now appear in the annual report. During 2014 Air Berlin purchased miles for €25,417,000 from topbonus and sold reward seats to the frequent flier program for €6,898,000. The exchange of miles and rewards with topbonus (which is 70% owned by Etihad Airways) created a net loss for the airline during 2014.</li> <li>• Adding duty-free and revenue from the sale of reward seats produces total ancillary revenue of <u>€35,329,000</u> for 2014.</li> <li>• Air Berlin revenue for 2014 was: €4,160,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	Animal transport, baggage, branded fares, lounge access, medical assistance, paid meals, paid seats, sports equipment, unaccompanied minor.
Sabre	Baggage, paid meals, paid seats, unaccompanied minor.
Travelport	Animal transport, baggage, meals, paid drinks, paid seats, sports equipment, unaccompanied minor.

## Air France/KLM Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,046,292,309 (estimate based upon disclosure of past performance)
As a % of Revenue	6.0%
Dollars per Passenger	\$26.40

Financial Period	Calendar year 2014
Total Revenue	\$34,104,871,808
Passengers	77,500,000
Information Source	Air France-KLM Group Consolidated Financial Statements for the year ended December 31, 2014, Full Year 2014 Results Presentation dated 19 February 2015, and passenger traffic from the corporate website
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• The ancillary revenue listed for Air France/KLM Group is based upon disclosures made in 2012 that have been updated and applied to 2014. Notably, the company disclosed during its 2012 Investor Day that ancillary revenue for Air France/KLM is a major source of revenue and already represents 5 to 10% of sales.</li> <li>• IdeaWorksCompany calculated 2013 ancillary revenue for Air France/KLM based upon the carrier's 2012 disclosure of €924 million, which represented 4.6% of revenue. For 2013, this was increased to 6%; this level is near the bottom of the 5 to 10% range disclosed during the 2012 Investor Day.</li> <li>• This ancillary revenue percentage of 6% has been repeated for 2014; the result is an ancillary revenue estimate of <u>€1,495,800,000</u> for 2014. This represents a modest assumption because it does not account for growth. For example, the carrier implemented bundled fares since 2013 that exclude or include checked bags. The MiNi fare type excludes bags within Europe and the traveler pays a fee to check a bag. IdeaWorksCompany anticipates increasing the level to 7.5% for next year's Ancillary Revenue Yearbook (2015 calendar year results).</li> <li>• Transavia, the group's low cost initiative, carried 9.9 million passengers and generated revenue of €1.056 billion for 2014. The airline is expected to achieve breakeven results by 2017 and profitability by 2018. During 2015 the airline will participate in Flying Blue for mileage accrual and reward travel. The carrier will be the #1 LCC at Paris Orly Airport with 49 destinations. Separate ancillary revenue was not disclosed for Transavia and is likely included in the overall result.</li> <li>• KLM has an objective as a component of its "Perform 2020" initiative to increase ancillary revenue, such as paid seat assignments, by 15% for 2015.</li> <li>• Air France, under its Perform 2020 plans, will place a greater emphasis on competing with LCCs by offering consumers more a la carte choices.</li> <li>• Air France/KLM pursues an array of ancillary revenue</li> </ul>

	<p>activities:</p> <ul style="list-style-type: none"> <li>- Pre-flight: 1) Time to Think, 2) Insurance, 3) duty free online pre-order, 4) surprise gift onboard, 5) car parking, 6) Flying Blue miles for sale.</li> <li>- Baggage: 1) excess baggage beyond the free limitation and 2) paid bag with carry-on only fares.</li> <li>- Airport: 1) lounge access and 2) meet and assist.</li> <li>- Onboard long haul: 1) economy comfort, 2) preferred seats, 3) empty seat, 4) a la carte meal, and 5) duty free onboard.</li> <li>- Onboard medium haul: 1) economy comfort and 2) preferred seats.</li> <li>- Destination: 1) hotel, 2) car rental, 4) activity booking, 5) airport transfers, and 6) city pass.</li> </ul> <ul style="list-style-type: none"> <li>• The estimate was provided to Air France/KLM management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.</li> <li>• Air France/KLM revenue for 2014 was: €24,930,000,000 (including Transavia).</li> </ul>
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<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	Air France: Animal transport, baggage, medical assistance, mileage bonus accrual, paid seats, unaccompanied minor. KLM: Animal transport, baggage, paid seats.
Sabre	Baggage, paid seats.
Travelport	Baggage, paid seats.

### Air Greenland

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$9,234,352
As a % of Revenue	4.3%
Dollars per Passenger	\$24.24
Financial Period	Calendar year 2014
Total Revenue	\$214,978,952
Passengers	381,000
Information Source	Annual Report 2014 for Air Greenland
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in Danish kroner (DK).</li> <li>• Air Greenland is the principal airline of Greenland and generates ancillary revenue from tourism-related business produced by hotel and tour operations.</li> <li>• Air Greenland disclosed ancillary revenue of <u>DK</u></li> </ul>

	<p><u>50,330,000</u> from the following ancillary revenue activities:</p> <ul style="list-style-type: none"> <li>- DK 5,323,000 income (before taxes) for tour operations by Greenland Travel (100% owned by Air Greenland).</li> <li>- DK 45,007,000 from hotel operations, principally from Hotel Arctic (100% owned by Air Greenland).</li> </ul> <p>The airline is the primary method of transportation to the country, which indicates its passengers are the principal customers of Greenland Travel and Hotel Arctic.</p> <ul style="list-style-type: none"> <li>• Air Greenland revenue for 2014: DK 1,171,700,000.</li> </ul>
<p>A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)</p>	
Amadeus	None
Sabre	None
Travelport	None

### British Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	<p>\$374,247,189 (estimate based upon disclosure of past performance)</p>
As a % of Revenue	1.9%
Dollars per Passenger	\$8.91
Financial Period	Calendar year 2014
Total Revenue	\$20,090,713,731
Passengers	42,000,000
Information Source	<p>2014 Annual Report and Accounts for IAG and British Airways Plc Annual Report and Accounts 31 December 2014</p>
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in Great Britain pounds (£).</li> <li>• British Airways disclosed 2013 ancillary sales from these sources: <ul style="list-style-type: none"> <li>- £40 million from seat assignment fees (£1 per 2013 passenger).</li> <li>- Approximately £45 million from checked baggage (£1.13 per passenger).</li> </ul> <p>40 million passengers were flown by British Airways in 2013.</p> </li> <li>• The airline also realizes ancillary revenue from BA Holidays. Financial filings made for 2013 with Companies</li> </ul>

House (UK Government) indicating an operating profit of £15.2 million. Total turnover was £382 million which consists of gross package sales. The appropriate result to record as ancillary revenue would be the operating profit. IdeaWorksCompany assumed the same result for 2014.

- Ancillary revenue associated with BA's frequent flier activities, through Avios Group Limited, was not disclosed in the annual report. Based upon a filing made by Avios Group Limited (Companies House, UK Government) for 2013, the company had revenue of £113.6 million from the sale of points to partners and from commissions from related travel products. IdeaWorksCompany assumed the same result for 2014.
- British Airways introduced cheap carry-on bag only fares in various markets (such as Edinburgh, Geneva, Vienna, Munich) for same-day roundtrip flights (*Business Travel News*, March 10, 2014).
- Adjusted ancillary revenue (based upon 2013 results) for British Airways is estimated to consist of the following activities:
  - £15.2 million from BA Holidays.
  - £42 million from seat assignment fees (£1 rate for 2013 x 42 million passengers).
  - £47.5 million from checked baggage (£1.13 rate for 2013 x 42 million passengers).
  - £113.6 million from Avios sales.
 Total 2014 estimated ancillary revenue: £218,300,000.
- 2014 revenue for British Airways was £11,719,000,000.

**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	None
Travelport	None

**easyJet**

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,457,215,349 (estimate based upon disclosure of past performance)
As a % of Revenue	18.8%
Dollars per Passenger	\$22.49
Financial Period	Fiscal year ended 30 September 2014
Total Revenue	\$7,760,957,510
Passengers	64,800,000



Information Source	easyJet Results for the year ended 30 September 2014 and Investor Day presentation dated 18 September 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Great Britain pounds (£).</li> <li>• easyJet did not disclose its complete ancillary revenue for the last three fiscal years. Because the airline is a high profile generator of ancillary revenue, IdeaWorksCompany has created an estimate based upon a number of sources such as airline disclosures and references described below. The last disclosure by easyJet in 2012 revealed ancillary revenue of 20.2% of total revenue. The method used for 2014 generates a modest ancillary revenue result of 18.8% of total revenue.</li> <li>• The ancillary revenue story for easyJet is complex because the carrier uses a variety of retail methods. Traditional a la carte revenue is largely defined by the carrier’s non-seat revenue and baggage fee disclosures. The carrier also uses fare bundles which include optional services in the price of the higher fare. A portion of this incremental charge represents ancillary revenue activity.</li> <li>• <b>Non-seat revenue:</b> This refers to EasyJet’s commission-based activities and buy-onboard sales. The airline negotiates multi-year deals for the delivery of these services by vendors. easyJet disclosed £65 million was generated from this activity during 2014: <ul style="list-style-type: none"> <li>– EasyJet implemented new agreements with Europcar and Allianz (trip insurance).</li> <li>– easyJet Holidays achieved 10 million holiday bookings and negotiated a new deal with vendor Hotelopia.</li> <li>– New inflight catering products were introduced and margins improved as much as 9% and coffee sales were up 17%.</li> </ul> </li> <li>– <b>Baggage revenue:</b> easyJet disclosed ancillary revenue activity to the UK Civil Aviation Authority during 2014. Baggage revenue for FY2013: £362 million (£5.95 per passenger, 60.8 million passengers). During 2014 the airline began to revenue-manage its checked bag fees and this likely led to a revenue increase; the per passenger amount was increased by 10% to £6.60.</li> <li>• <b>Assigned seating:</b> The carrier also generates revenue from allocated seating. The company disclosed in its 2013 Annual Report (fiscal year ended 30 September 2013) allocated seating contributed 0.9 percentage points of 7.1% constant currency increase in revenue per seat. Expressed another way, allocated seating added 0.9% to the 2012 average fare of £58.51, which would be £0.53. IdeaWorksCompany assumes this activity represented 1.5% of carrier revenues for 2014, or £68 million.</li> <li>• <b>easyJet Plus memberships:</b> This subscription product</li> </ul>

provides allocated seating, dedicated bag drop area, fast track security, speedy boarding, and an additional carry-on bag. The annual price is £170. IdeaWorksCompany assumes 0.5% of the carrier's annual passengers (or 324,000 passengers) purchase the card and this generates £55.1 million revenue annually.

- **Payment fees:** Payment by credit card is assessed a 2% fee versus no fee for debit card payment. The majority of consumers pay with a credit card. IdeaWorksCompany believes about 2/3 pay by credit card and incur the 2% fee, which would generate annual revenue of £60 million.
- **Bundled Fares:** the carrier offers Standard (Y), Inclusive (B), and Flexi (W) fares. Of these, the Inclusive fare is not available at the carrier's website and is only offered through GDS.
- The Standard fare is seat only with fees assigned for additional services.
- The Flexi fare is bundled with:
  - Checked bag (up to 32kg), seat selection (up front seat or discounted extra leg room), speedy boarding, fast track security, larger cabin bag, and no payment fees (which all qualify as a la carte services).
  - Unlimited date changes and even the ability to change the route.

Flexi is the highest-priced fare. The value of the a la carte items might range from £42 to £57 (assumes midpoint of £50). This is based upon fee ranges of £10 to £14 for seating, £30 to £50 for a checked bag, and £2 to £5 for the payment fee. The booking flexibility component very likely has a higher value and justifies the significant Flexi fare premium above Standard.

- The Inclusive fare is bundled with:
  - Checked bag (up to 20kg).
  - Assigned seating (excluding front and extra leg room seating).
  - No payment fees.

The value of the a la carte items might range from £22 to £35 (assume midpoint of £29). This is based upon ranges of £5 to £9 for assigned seating, £16 to £22 for a checked bag, and £2 to £3 for the payment fee.

- The airline increased business traffic during the year and now carries 12 million business travelers per year. The carrier disclosed during its 2014 Investor Day that Flexi fare sales have increased reliably by 30% for each of the last 3 years. If one million were sold in year one, this suggests 2.2 million were sold for 2014. During the same event, management disclosed that Inclusive fares had matched Flexi fare sales levels within 6 months of introduction. This suggests Inclusive fare sales were also

	<p>2.2 million for 2014.</p> <ul style="list-style-type: none"> <li>The following summarizes various ancillary revenue categories and 2014 per passenger estimates for easyJet: <ul style="list-style-type: none"> <li>£65 million from non-seat revenue.</li> <li>£427.7 million from checked bags (£6.60 per passenger).</li> <li>£68 million allocated seating.</li> <li>£55.1 million from easyJet Plus memberships.</li> <li>£60 million from credit card fees.</li> <li>£110 million from the a la carte component assigned to Flexi fare sales (2.2 million passengers x £50)</li> <li>£63.8 million from the a la carte component assigned to Inclusive fare sales (2.2 million passengers x £29)</li> </ul> </li> </ul> <p>The above generates total ancillary revenue of <u>£850,000,000</u> for 2014.</p> <ul style="list-style-type: none"> <li>The estimate was provided to easyJet management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.</li> <li>Revenue for the fiscal year ended 30 September 2015 was £4,527,000,000.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	Baggage, medical assistance, paid seats, sports equipment.
Sabre	Baggage, paid seats.
Travelport	Baggage, paid seats, sports equipment.

### Finnair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$135,692,465
As a % of Revenue	3.5%
Dollars per Passenger	\$14.07
Financial Period	Calendar year 2014
Total Revenue	\$3,915,623,361
Passengers	9,640,682
Information Source	Information directly disclosed by Finnair to IdeaWorksCompany
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures are in euros.</li> <li>Finnair's total ancillary revenue for 2014 was <u>€79,150,000</u> or €8.21 per passenger.</li> <li>The carrier generates ancillary revenue from these activities: <ul style="list-style-type: none"> <li>Excess baggage.</li> <li>Assigned seating.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Economy Comfort seating (extra leg room and other features).</li> <li>- Commissions from hotel bookings, car rentals and travel insurance sales.</li> <li>- Lounge access.</li> <li>- Revenue produced from the frequent flier program.</li> <li>• Finnair revenue for 2014: €2,284,000,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	Animal transport, baggage, branded fares, medical assistance, paid meals, paid seats, sports equipment.
Sabre	Baggage, paid seats.
Travelport	Baggage, paid seats.

### Flybe

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$212,868,304
As a % of Revenue	20.7%
Dollars per Passenger	\$27.65
Financial Period	12-month period ended 30 March 2014
Total Revenue	\$1,027,936,851
Passengers	7,700,000
Information Source	Flybe Group Annual Report 2014 for period ending 31 March 2014 and Major UK Airlines (Table 2.6) for Individual Airline Profit and Loss Account 2013/2014 UK Civil Aviation Authority
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Great Britain pounds (£).</li> <li>• The following information represents published results for Flybe UK and excludes Flybe Finland and the aircraft maintenance business.</li> <li>• Ancillary revenue comprises principally the following items: baggage carriage, advance seat assignment, commissions, change fees and credit card fees. Commission activity is associated with the Flybe (branded Spend&amp;Fly) credit card by a third party provider.</li> <li>• Flybe became an accrual and reward partner in the Avios program associated with British Airways.</li> <li>• Incidental Revenue reported to the UK CAA for the 12-month period ended 31 March 2014 was <u>£124,167,000</u>. This activity is described as “net revenues (i.e. gross revenues less related direct expenses) from such sources as surface transport, food services, bar and duty free sales, property and other incidental net operating revenues</li> </ul>

	<p>which accrued to the airline from sources other than air transport.” The description nicely aligns with that used for ancillary revenue. However, it does not include excess baggage revenue. Unfortunately, Flybe did not disclose excess baggage revenue to the UK CAA.</p> <ul style="list-style-type: none"> <li>• Annual Flybe UK revenue was £599,600,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	Baggage, unaccompanied minor.
Travelport	Baggage, sports equipment, unaccompanied minor.

### Jet2.com

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$344,403,419
As a % of Revenue	28.5%
Dollars per Passenger	\$56.28
Financial Period	12-month period ended 31 September 2014
Total Revenue	\$1,207,668,077
Passengers	6,120,000
Information Source	Dart Group Plc. Interim Report for the Half Year Ended 31 September 2014 and Dart Group Plc. Interim Report for the Year Ended 31 March 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Great Britain pounds (£).</li> <li>• Jet2.com is a UK-based airline owned by the Dart Group Plc. The company now reports airline and holiday package operations under a single Leisure Travel category. However, some information about airline operations continues to be provided.</li> <li>• Retail revenue (ancillary revenue) was generated from a number of sources, including checked baggage, advance seat assignments, extra leg room seats, inflight sales, and commissions on car hire and travel insurance.</li> <li>• The group has also increased Jet2holidays retail sales by adding more retail products sold through the Jet2holidays booking process, so customers can start their holiday with an inflight meal or an extra leg-room seat. Package holiday customers now represent 33% of all passengers flown.</li> <li>• Passengers carried:             <ul style="list-style-type: none"> <li>– 6 months ended 31 Sept. 2014: 4.6 million.</li> <li>– 6 months ended 31 March 2014: 1.52 million.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>- Sum = 12 month period: 6.12 million</li> <li>• Retail revenue disclosed for the airline (ancillary revenue): <ul style="list-style-type: none"> <li>- 6 months ended 31 Sept. 2014: £156,584,000.</li> <li>- 6 months ended 31 March 2014: £44,308,000.</li> <li>- Sum = 12 month period: <u>£200,892,000</u>.</li> </ul> </li> <li>• Operating revenue disclosed for the airline: <ul style="list-style-type: none"> <li>- 6 months ended 31 Sept. 2014: £524,538,000.</li> <li>- 6 months ended 31 March 2014: £179,900,000.</li> <li>- Sum = 12 month period: £704,438,000.</li> </ul> </li> <li>• 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.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	Baggage
Sabre	None
Travelport	Baggage, check-in fee, meals, paid seats, sports equipment.

### Lufthansa Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,632,765,608 (estimate based upon disclosure of past performance)
As a % of Revenue	4.9%
Dollars per Passenger	\$15.41
Financial Period	Calendar year 2014
Total Revenue	\$33,363,402,072
Passengers	105,988,000
Information Source	Annual Report 2014 – Lufthansa Group and Financial Statements 2014 for Lufthansa AG, Miles & More International GmbH Income Statement for the period ended 31 December 2014, and “Airlines setzen auf Zusatzgebühren” article in <i>20 Minuten</i> dated 07 April 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• Consolidated results from the annual reports include Lufthansa, Lufthansa Regional, SWISS, Austrian, Germanwings, and Sun Express.</li> <li>• The ancillary revenue listed for Lufthansa Group is based upon a disclosure made by a press spokesperson for SWISS airlines in the <i>20 Minuten</i> article referenced above.</li> </ul>

In the article, the representative states European airlines move in a bandwidth of 3 to 8 percent of sales being related to ancillary revenue. SWISS was disclosed as being within this range.

- Logic would indicate Lufthansa – as a component of the group – is in the same “3 to 8 percent” range. Calculations made by IdeaWorksCompany for 2013 placed ancillary revenue at 3.9% of traffic revenue. The rate has been modestly increased to 4% for 2014. Activity for 2013 included €15 per passenger ancillary revenue attributed to Germanwings. IdeaWorksCompany anticipates increasing the level to 5.5% for next year’s Ancillary Revenue Yearbook (2015 calendar year results).
- Airlines within the group are rapidly moving to an emphasis on ancillary revenue, as demonstrated by the following activities:
  - Brussels Airlines introduced branded fares during 2014 which includes a hand baggage only fare.
  - Austrian Airlines is planning to unbundle its intra-Europe fares during 2015 to provide consumers a la carte options. The airline has offered pre-paid premium meal service since 2012.
  - During 2014, SWISS introduced its SWISS Choice menu of paid optional extras: advance seat assignment, inflight surprises such as Champagne, prepaid duty free, and 48 to 72 hour booking hold.
  - Germanwings has been selected as the Group’s strategic tool to compete with LCCs such as Ryanair and easyJet for many of Lufthansa’s intra-Europe routes. The airline relies upon branded fares and a la carte pricing.
  - Eurowings will be developed as a low cost carrier for longer haul holiday-oriented routes and will have a strong a la carte emphasis. The brand will eventually replace Germanwings in Europe.
- Miles & More International GmbH, which is 100% owned by Deutsch Lufthansa AG, contributed a “result after taxes” of €66 million (2013 profit after taxes was €31.6 million) to the group. The Miles & More program has more than 25 million members. The disclosure reflects income; it does not indicate revenue, which would be a larger amount. The airline carved Miles & More out as a separate entity during 2014. Lufthansa did disclose 2013 operating results:
  - Revenue (turnover): €218 million.
  - Cost of materials: €146.7 million.
  - Personnel expenses: €6.8 million.
  - Other expenses: €20.6 million.
  - Income from ordinary activities: €45.9 million.

	<ul style="list-style-type: none"> <li>– Profit after taxes: €31.6 million.</li> </ul> <p>Based upon the new profit level, 2014 revenue is likely double at €436 million.</p> <ul style="list-style-type: none"> <li>• Germanwings disclosed it generated €15 per passenger from its 2012 ancillary revenue activities. The carrier noted the following key sources of this revenue: <ul style="list-style-type: none"> <li>– Product bundling such as Smart and Best fares.</li> <li>– Checked baggage fees.</li> <li>– Distribution channel fees and surcharges.</li> <li>– Booking change fees.</li> <li>– Seat selection fees.</li> </ul> </li> <li>• Ancillary revenue activity for 2014 is estimated to be €975,520,000 for Lufthansa/SWISS/Austrian and Germanwings (4% x €24,388,000,000). Added to this amount is the Miles &amp; More turnover of €218 million (2013 results) which generates total group ancillary revenue of €1,193,520,000.</li> <li>• Lufthansa Group traffic revenue for 2014 was: €24,388,000,000.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	Lufthansa: Baggage, branded fares, medical assistance, paid seats, unaccompanied minor. SWISS: Baggage, branded fares, paid seats. Austrian: Baggage, branded fares, medical assistance, paid seats, unaccompanied minor.
Sabre	Lufthansa: Branded fares, medical assistance, paid seats, unaccompanied minor. SWISS: Baggage, branded fares, paid seats. Austrian: Branded fares, paid seats, unaccompanied minor.
Travelport	Lufthansa and Austrian: Baggage, medical assistance, paid seats, unaccompanied minor. SWISS: Baggage, paid seats.

### Norwegian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$457,289,966
As a % of Revenue	14.4%
Dollars per Passenger	\$19.05
Financial Period	Calendar year 2014
Total Revenue	\$3,170,467,107
Passengers	24,000,000
Information Source	Norwegian Air Shuttle Fourth Annual Report 2014
Ancillary Revenue	<ul style="list-style-type: none"> <li>• All figures below are in Norway kroner (NOK).</li> </ul>

Definitions and Other Notes from Financial Reports

- Results for Norwegian Air Shuttle ASA (the group) consist of Norwegian Air Shuttle ASA and its subsidiaries.
- Ancillary revenue disclosed for 2014 was NOK 2,727,439,000 which is 34% more than 2013 results.
- Norwegian owns a portion of Norwegian Finans Holding ASA which operates as Bank Norwegian. The bank issues the Bank Norwegian Visa card which accrues points in the carrier’s frequent flier program. IdeaWorksCompany does not believe this activity is included in the company’s ancillary revenue disclosure. The bank paid commissions to the airline for activity associated with the Visa credit card for 2014: NOK 90,904,000.
- Adding commissions from the bank to the disclosed ancillary revenue brings total ancillary revenue to NOK 2,818,343,000.
- The group operates the Norwegian Rewards customer loyalty program. Members earn CashPoints for the following activities:
  - Bank Norwegian co-branded credit cardholders earn 1% for all purchases. Using the card to purchase a low fare accrues a 5% point bonus and full flex fare purchases accrue 20% point bonus. Within Norway and Sweden, and for long haul travel, the bonuses are 2% and 10% respectively.
  - Non credit cardholders accrue 2% on low fare tickets and 10% on flex tickets.
  - The airline also operates a Corporate Reward program which provides 3% on low fares and 7% on flex tickets.
- Norwegian considers ancillary revenue to include luggage fees and seat selection fees. “Other revenue” consists of sales that are not directly related to an airline ticket, such as cargo and sales of third party products such as onboard Wifi.
- Total revenue was NOK 19,540,039,000 for 2014.

**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	None
Travelport	None

**Pegasus**

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$250,109,868
As a % of Revenue	17.3%

Dollars per Passenger	\$12.67
Financial Period	Calendar year 2014
Total Revenue	\$1,447,761,424
Passengers	19,740,000
Information Source	Pegasus Hava Tasimacilig A.S. Consolidated Financial Statements for the period of January 1 – December 31, 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures are in Turkish lira (TRY).</li> <li>The company was listed on the Borsa Istanbul (Istanbul stock exchange) on 26 April 2013.</li> <li>Ancillary revenue was <u>TRY 532,387,800</u> for 2014 based upon the disclosure that ancillary revenue per passenger is TRY 26.97.</li> <li>Pegasus offers a number of services ancillary to the core air passenger services and generates revenue through the provision of these services, including: <ul style="list-style-type: none"> <li>Pre-order and inflight sales of beverages and food.</li> <li>Sales of duty-free items on international flights.</li> <li>Excess baggage.</li> <li>Reservation change and cancellation fees (not defined by IdeaWorksCompany as ancillary revenue).</li> <li>Airport check-in.</li> <li>Assigned seating fees.</li> </ul> </li> </ul> <p>In 2014, the revenue recorded from ancillary services constituted 17.3% of total revenue for the period, while ancillary revenue increased by 56% year-over-year from 2013.</p> <ul style="list-style-type: none"> <li>The carrier introduced bundled fares December 2013.</li> <li>Total revenue from Pegasus operations was TRY 3,081,727,739 for 2014.</li> <li>All figures include scheduled and charter operations for the airline.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Ryanair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,906,616,921
As a % of Revenue	24.6%
Dollars per Passenger	\$21.04



Financial Period	Fiscal year ended 31 March 2015
Total Revenue	\$7,734,815,291
Passengers	90,600,000
Information Source	Ryanair Results for Ryanair Holdings Plc. for the period ended 31 March 2015, Fiscal Year 2015 Analyst Briefing on 26 May 2015, and Analyst Briefing on 03 November 2014.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• Ryanair’s ancillary revenue comprises revenue from non-flight scheduled operations, inflight sales and internet-related services: <ul style="list-style-type: none"> <li>– Non-flight scheduled operations, including revenue from excess baggage charges, debit and credit card transactions, sales of rail and bus tickets, accommodations, and travel insurance.</li> <li>– Inflight sales such as drinks, food, and merchandise.</li> <li>– Internet-related services, primarily commissions received from products sold on Ryanair.com or linked websites.</li> </ul> </li> <li>• Revenue per passenger was flat, as strong ancillary revenue growth offset a 4% fall in average fares. Ancillary revenue was <u>€1,393,700,000</u> for 2014 and increased 11.7% from 2013, which was slightly higher than traffic growth.</li> <li>• The “always getting better” slogan represents the carrier’s initiative to be kinder to customers. The plan is associated with these recent product changes: <ul style="list-style-type: none"> <li>– Introduction of assigned seating.</li> <li>– Business Plus bundle which includes the following: free airport check-in, one 20kg checked bag, premium seat (subject to seat availability) priority boarding, airport FastTrack security service.</li> <li>– Reduced fees paid by passengers at the airport.</li> <li>– Quiet flight times – no retail activity during sleep times.</li> <li>– 2<sup>nd</sup> free small carry-on item.</li> </ul> <p>Chairman Michael O’Leary observed during the 26 May 2015 investor call that assigned seating has not delayed flight operations.</p> </li> <li>• The following product changes will occur during year two of the “always getting better” plan: <ul style="list-style-type: none"> <li>– Another round of airport fee reductions.</li> <li>– Booking hold feature for a fee.</li> <li>– Improved websites (US and Europe).</li> <li>– New aircraft interiors, employee uniforms, and meal choices.</li> </ul> </li> <li>• During the 03 November 2014 investor conference called, O’Leary disclosed that 25% of Ryanair’s passengers are</li> </ul>

	<p>business travelers. Among these, the carrier hopes to convert 10% of its passengers to the Business Plus bundle during the next two to three years. O’Leary agreed with an analyst estimate; on some days, there can be up to 9,000 passengers a day traveling on Business Plus fares. Use of the fare represented the “low single digits” during 2014.</p> <ul style="list-style-type: none"> <li>• The implementation of allocated seating fees has replaced the revenue lost due to lower fees associated with the always getting better plan.</li> <li>• Ryanair 2014 revenue was €5,654,000,000.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	Baby/infant equipment, baggage, paid seats, priority boarding, sports equipment.
Sabre	Animal transport, baggage, paid seats, travel services.
Travelport	Baggage, premium services, sports equipment.

### TAP Portugal

Source and Type	Duty-free sales
Ancillary Revenue	\$245,399,122
As a % of Revenue	6.6%
Dollars per Passenger	\$21.53
Financial Period	Calendar year 2014
Total Revenue	\$3,691,371,512
Passengers	11,400,000
Information Source	TAP Group Annual Report 2014 (in Portuguese)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• TAP Group operates duty free shops which generated the following revenue for 2014: <ul style="list-style-type: none"> <li>– Domestic routes: €18,253,000.</li> <li>– International routes: €161,129,000.</li> <li>– Total: <u>€179,382,000</u>.</li> </ul> </li> </ul> <p>TAP Portugal holds its own duty free inventory and earns a mark-up, not a commission.</p> <ul style="list-style-type: none"> <li>• TAP Portugal revenue for 2014: €2,698,321,000.</li> </ul>

**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	Animal transport, baggage, medical assistance, paid meals, sports equipment, unaccompanied minor.
Sabre	Animal transport, baggage, medical assistance.

Travelport	Animal transport, baggage, medical assistance, unaccompanied minor.
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### Turkish Airlines

Source and Type	Partner activities associated with frequent flier program
Ancillary Revenue	\$237,836,106 (estimate based upon disclosure of past performance)
As a % of Revenue	2.1%
Dollars per Passenger	\$4.35
Financial Period	Calendar year 2014
Total Revenue	\$11,070,000,000
Passengers	54,674,967
Information Source	Annual Report 2014 – Turkish Airlines, Annual Traffic Data, and information directly disclosed by Turkish Miles&Smiles to IdeaWorksCompany (2013)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures are in US dollars.</li> <li>Based upon a 2013 disclosure, the Miles&amp;Smiles frequent flier program generated estimated <u>\$237,836,106</u> revenue for 2014 principally from the sale of miles to partners. This is based upon a \$210 million program revenue disclosure, which equates to \$4.35 per passenger based upon 2013 traffic of 48,268,000.</li> <li>For 2013 the co-branded credit card portfolio had around 460,000 accounts with average monthly charge activity of approximately \$1,200, with the average among Turkish domestic cardholders approximately \$300.</li> <li>Turkish Airways revenue for 2014 was \$11,070,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Virgin Atlantic

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$243,789,728
As a % of Revenue	4.9%
Dollars per Passenger	\$39.60

Financial Period	Calendar year 2014
Total Revenue	\$5,019,678,284
Passengers	6,156,000
Information Source	Virgin Atlantic Annual Report for 2014 and UK Civil Aviation Authority Statistics (for 2014) Including Table 2.6
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• Figures are in Great Britain pounds (£).</li> <li>• Virgin Atlantic disclosed ancillary revenue is £20 per passenger annually (for 2012) in an article appearing in <i>Airline Business</i> magazine. IdeaWorksCompany estimated frequent flier program related revenue was £18.70 for 2013; this very significant 80+% share likely applies for 2014 results.</li> <li>• Virgin Atlantic disclosed ancillary revenue activity representing £23.10 per passenger to the UK Civil Aviation Authority for 2013: <ul style="list-style-type: none"> <li>– Baggage revenue: £10,560,000 (£1.70 per passenger based upon 6,197,888 passengers).</li> <li>– Incidental revenue: £132,631,000 (£21.40 per passenger based upon 6,197,888 passengers). This activity is described as “net revenues (i.e. gross revenues less related direct expenses) from such sources as surface transport, food services, bar and duty free sales, property and other incidental net operating revenues which accrued to the airline from sources other than air transport.” The description nicely aligns with that used for ancillary revenue. However, it does not include excess baggage revenue. Applying the £23.10 per passenger (from 2013) rate to 2014 traffic generates a 2014 ancillary revenue estimate of <u>£142,203,600</u>.</li> </ul> </li> <li>• Ancillary revenue activities at Virgin Atlantic consist of: <ul style="list-style-type: none"> <li>– Sale of miles to frequent flier program partners (very likely the major component of the carrier’s ancillary revenue).</li> <li>– Pre-assigned seating.</li> <li>– Extra leg room seating.</li> <li>– Seats Plus (empty seat next to the traveler).</li> <li>– Fare Locker (booking hold for up to 3 days).</li> <li>– Issuance of a paper ticket (£25).</li> <li>– Guest List package of limo transfer, London priority check in, and London lounge access.</li> </ul> </li> <li>• Turnover for 2014 was £2,928,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	

Amadeus	None
Sabre	None
Travelport	None

## Vueling

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$331,852,263
As a % of Revenue	14.1%
Dollars per Passenger	\$15.45
Financial Period	Calendar year 2014
Total Revenue	\$2,359,468,878
Passengers	21,486,000
Information Source	Information directly disclosed by Vueling Airlines to IdeaWorksCompany
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• After the first quarter of 2013, Vueling stopped reporting financial results as an independent entity. Starting in the 2<sup>nd</sup> quarter, results were included under the financial reports issued by IAG – International Airlines Group.</li> <li>• Vueling management disclosed the following information to IdeaWorksCompany for publication in this Yearbook: <ul style="list-style-type: none"> <li>– Revenue from Vueling products for 2014: €193,991,624 or €9.03 per passenger (via direct channels, this is €17.07)</li> <li>– Partner activity and upselling: €48,585,946 or €2.26 per passenger (via direct channels this is €4.27)</li> <li>– Total non-fare revenue: €242,577,570 or €11.29 per passenger (via direct channels this is €21.34).</li> </ul> </li> <li>• Vueling’s ancillary revenue activities include the following: excess baggage, seat selection, onboard retail, price lock, itinerary via SMS, hotel booking, car rental and travel insurance commissions, Vueling Pass subscription card, and the sale of frequent flier points.</li> <li>• Vueling’s 2014 revenue was €1,724,726,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

## Wizz Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$530,038,683
As a % of Revenue	33.7%
Dollars per Passenger	\$34.87
Financial Period	12 month period ended 30 September 2014 (Fiscal year ends 31 March)
Total Revenue	\$1,573,639,552
Passengers	15,200,000
Information Source	Announcement of Intention to Float on the London Stock Exchange
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in euros.</li> <li>• Wizz Air's unbundled pricing model also offers customers a selection of add-on options while driving ancillary revenue from these activities: <ul style="list-style-type: none"> <li>– Checked baggage.</li> <li>– Large carry-on baggage.</li> <li>– Call center bookings.</li> <li>– Airport check-in (avoided by printing boarding pass prior to arrival at airport).</li> <li>– Wizz Discount Club.</li> <li>– Amenity bundles such as Wizz Premium and Wizz Premium Plus.</li> <li>– On time arrival guarantee.</li> <li>– Fast track security (Budapest).</li> <li>– Assigned seating.</li> <li>– Extra leg room seating.</li> <li>– Paid lounge access (Budapest and Katowice).</li> <li>– Confirmation by SMS message service.</li> <li>– Buy on board food and beverage.</li> <li>– Car rentals, hotel accommodations, and trip insurance.</li> <li>– Wizz co-branded credit card (Hungary).</li> <li>– Airport transfers and airport parking.</li> </ul> </li> <li>• Wizz Air's average ancillary revenue per passenger for the 12 months ended September 2014 was €25.49. Ticket revenue was €49.60 for the same period. Adding these two components generates a per passenger revenue result of €75.09.</li> <li>• Passengers carried by reporting period: <ul style="list-style-type: none"> <li>– 8.8 million (H1 2015) 01 April to 30 September 2015.</li> <li>– 6.4 million (H2 2014) 01 October 2013 to 31 March 2015.</li> <li>– 15.2 million for 12 months ended 30 September 2015.</li> </ul> </li> <li>• The calculated ancillary revenue total for 12 months ended 30 September 2015 is <u>€387,448,000</u> (€25.49 x 15.2</li> </ul>



million).

- Revenue by reporting period:
  - €727 million (H1 2015) 01 April to 30 September 2014.
  - €423.3 million (H2 2014) 01 October 2013 to 31 March 2015.
  - €1,150,300,000 for 12 months ended 30 September 2014.

A la Carte Services Sold Through GDS  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	None
Travelport	None

## **Non-Reporting Carriers for Europe and Russia**

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

Adria Airways (2013 available at press time), Air Europa (Globalia), Air Malta, Aegean Airlines, Air Serbia (2012 available at press time), Alitalia, Atlantic Airways, Austrian (does issue reports separate from Lufthansa Group), Croatia Airlines (2013 available at press time), Czech Airlines (last available annual report is 2010), Estonian, Germanwings (included in Lufthansa Group), Iberia Airways (subsidiary of International Airlines Group), Icelandair, LOT Polish, Luxair, Meridiana Fly, (only 2012 available at press time), Monarch Airlines, (2013 available at press time), Nordwind Airlines, SAS Scandinavian, SATA International (2013 available at press time), SWISS (does issue reports separate from Lufthansa Group), Thomas Cook Group (includes Condor), Transaero (only 2012 available at press time), TUI Group (airline brands: Arkefly, Corsair, Jetairfly, Thomson Airways, TUIfly, and TUIfly Nordic), UTair (only 2012 available at press time), and Wideroe.

## The Americas

### **Aeromexico**

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$132,363,000
As a % of Revenue	4.0%
Dollars per Passenger	\$7.70
Financial Period	Calendar year 2014
Total Revenue	\$3,315,262,679
Passengers	17,190,000
Information Source	4 <sup>th</sup> Quarter Report of 2014 and Aeromexico Investor Presentation for December 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US\$ unless otherwise noted.</li> <li>• Ancillary revenue was \$7.70 per passenger for the January – September 2014 period. For 2013 it was \$7.30 and \$5.90 for 2012. Applying the \$7.70 rate to 2014 boardings generates total ancillary revenue of <u>\$132,363,000</u> for 2014.</li> <li>• The airline describes the following ancillary revenue activities:             <ul style="list-style-type: none"> <li>– Aeromexico Plus preferred seating in the first rows of the cabin and the exit rows.</li> <li>– Excess checked baggage.</li> <li>– Concierge services.</li> <li>– Ground transportation.</li> <li>– Sale of discount passes.</li> </ul> <p>Upgrades were also listed, which unfortunately is not included in the ancillary revenue definition used for this report. However, information about this activity was not separately disclosed and the revenue was not removed from the ancillary revenue total for Aeromexico.</p> </li> <li>• Club Premier is the frequent flier program associated with Aeromexico. The airline owns 51% of the program with Aimia (Canada) as a co-owner. The program has 3.6 million members and had gross billings of \$178.1 million for 2014 (Aimia Annual Information Form for 2014). This activity is assumed to be included in the ancillary revenue disclosure described above.</li> <li>• Revenue for 2014 was 42,920,000,000 Mexican pesos (\$3,315,262,679 at the 01 July 2014 exchange rate).</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None

Sabre	Animal transport, baggage, branded fares, inflight entertainment, paid seats, unaccompanied minor.
Travelport	None

### Air Canada

Source and Type	Partner activities associated with frequent flier program
Ancillary Revenue	\$616,189,175
As a % of Revenue	4.9%
Dollars per Passenger	\$15.99
Financial Period	Calendar year 2014
Total Revenue	\$12,457,994,160
Passengers	38,526,000
Information Source	Air Canada 2014 Annual Report and Aimia (formerly Aeroplan) Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Canadian dollars (CAD).</li> <li>• Air Canada last disclosed it increased ancillary revenue per passenger by 10% during 2014 largely through the implementation of fees for checked bags on Canada and transborder routes. However, as has been the practice for the past few years, Air Canada did not disclose the revenue associated with this activity.</li> <li>• The airline lists the following as ancillary revenue activity: ticket change fees, checked baggage, seat assignment, upgrades, preferred seating, buy-onboard food, duty free shopping, inflight entertainment, and onboard Wifi.</li> <li>• In August 2014, Air Canada introduced a new merchandising tool to help customize, differentiate and combine its offerings. This new tool also provides the airline the ability to more quickly introduce new products.</li> <li>• Aeroplan is the frequent flier program associated with Air Canada. The program is owned and operated by Aimia, which is a public corporation. Air Canada, including other Star Alliance partners, is Aimia's largest redemption partner. For the year ended 31 December 2013, Aimia spent 41% of its reward costs with Air Canada, in connection with rewards purchased from Air Canada and other airlines (Star Alliance partners). This is up from the 37% level for the year ended 2013.</li> <li>• IdeaWorksCompany calculated the 41% share to equal <u>CAD 656,451,000</u> (41% x CAD 1,601,100,000). The amount is considered to represent ancillary revenue for Air Canada and is above the annual purchase requirement.</li> <li>• Air Canada acts as a clearing house for substantially all gross billings of Aeroplan Miles and reward purchase</li> </ul>

	<p>transactions between Aeroplan Canada Inc. (“Aeroplan”) and airlines other than Air Canada (Star Alliance Partners).</p> <ul style="list-style-type: none"> <li>• Air Canada operating revenue for 2014 was CAD 13,272,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Air Transat

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$45,525,370
As a % of Revenue	1.3%
Dollars per Passenger	\$12.72
Financial Period	Fiscal year ended 31 October 2014
Total Revenue	\$3,522,066,062
Passengers	3,580,000
Information Source	Transat Investors Presentation December 2014, Annual Information Form for the Year Ended 31 October 2014, and Transat Investors Presentation March 2015.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Canadian dollars (CAD).</li> <li>• Transat disclosed fiscal 2014 ancillary revenue of <u>CAD 48,500,000</u> consisting of the following activities: <ul style="list-style-type: none"> <li>– Assigned seating.</li> <li>– Fare bundles such as Option Flex and Eco fares.</li> <li>– Option Plus premium economy service.</li> <li>– Excess baggage and onboard sales.</li> <li>– Commission earned on hotel accommodations booked at website.</li> <li>– Buy-onboard food sales to sun destinations.</li> </ul> </li> <li>• Ancillary revenue is expected to increase to CAD 60 million by 2017. The airline introduced Datalex merchandising software during 2014.</li> <li>• Transat revenue for 2014 was CAD 3,752,198,000. This includes Air Transat airline operations and the holding company’s extensive tour and travel businesses. Transat does not separately disclose its airline revenue.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	

Amadeus	None
Sabre	None
Travelport	None

### Alaska Air Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$921,000,000
As a % of Revenue	17.2%
Dollars per Passenger	\$31.46
Financial Period	Calendar year 2014
Total Revenue	\$5,368,000,000
Passengers	29,278,000 (Combined total of Alaska Airlines mainline and Horizon Air)
Information Source	2014 Annual Report on Form 10-K, Clarification by Alaska's Investor Relations Office, and 3 <sup>rd</sup> Quarter Investor Conference Call 23 October 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• Alaska has identified “growing ancillary revenues” as a top-10 item for 2015 in its investor presentations.</li> <li>• Other net revenue (\$676 million for 2014) consists of ancillary revenue such as bag fees, change fees, onboard food and beverage, and Board Room membership and a Mileage Plan component (\$295 million for 2014). In recent years, the carrier has seen growth in ancillary revenue as it expands services onboard such as Tom Douglas signature meals, inflight entertainment, and Wifi. Alaska has increased bag fees to better match industry average prices, but also offers a 20-minute bag guarantee; the carrier delivers value to its customers through fast, reliable service.</li> <li>• Total Mileage Plan revenue for 2014 was \$541 million (down from \$656 million in 2013) which consists of passenger revenue of \$246 million, and other net revenue of \$295 million. The airline did not post any special Mileage Plan revenue for 2014, which was \$192 million in 2013 due to a change made to accounting practices.</li> <li>• Andrew R. Harrison, SVP of Planning &amp; Revenue Management, made this comment about ancillary revenue during an investor conference call, “We’ve been spending a lot of time looking at what the industry does. And as you know, we’re about \$13, \$13.50 per passenger, and some of the industry is up closer to \$20. So we know that where we can find the value-add opportunity for customers, we’re going to look hard at that. And what I will tell you is</li> </ul>



	<p>that we are looking at additional things that might provide opportunity for us and our customers in ancillary revenue.” Mileage Plan revenue is not included in the amount disclosed above.</p> <ul style="list-style-type: none"> <li>Alaska is introducing Preferred Seating during 2015 which is expected to provide an initial benefit of approximately \$15 million annually. The product will have an extra 7 to 9 inches of legroom, a free drink, and priority boarding. This seems very similar to Delta’s Economy Comfort+. Pricing premium will be: up to 1,200 miles \$15, 1,251 to 2,000 miles \$30, and 2,000+ miles \$50.</li> <li>IdeaWorksCompany estimates Alaska’s 2014 ancillary revenue was <u>\$921,000,000</u> based upon revenue from these sources: <ul style="list-style-type: none"> <li>Other Net Revenue of \$380 million (reflects deduction of Mileage Plan component).</li> <li>Mileage Plan revenue: \$541 million.</li> </ul> </li> <li>Operating revenue for 2014 was \$5,368,000,000.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	None
Travelport	None

### Allegiant

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$368,276,000
As a % of Revenue	32.4%
Dollars per Passenger	\$45.16
Financial Period	Calendar year 2014
Total Revenue	\$1,137,046,000
Passengers	8,154,357
Information Source	2014 Annual Report

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in US dollars.</li> <li>Allegiant provides unbundled air-related services and products (ancillary revenue) in conjunction with air transportation for an additional cost to customers: <ul style="list-style-type: none"> <li>These optional air-related services and products include baggage fees, advance seat assignments, in-house travel protection product, change fees, use of call center for purchases, priority boarding, food and beverage purchases on board and other air-related</li> </ul> </li> </ul>
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services.

- Third party ancillary products and services such as hotel rooms, ground transportation (rental cars and hotel shuttles) and attractions (show tickets) for sale to passengers. For example, the carrier has direct contracts with more than 540 hotel and casino resort properties throughout the country, which allow it to provide hotel rooms in packages sold to customers. In addition, Allegiant has an exclusive agreement with Enterprise Holdings Inc. to provide rental cars packaged with air travel.
- Ancillary revenue is recognized net of amounts paid to wholesale providers, travel agent commissions and payment processing fees.
- Allegiant says it was the first airline to offer ancillary services in the US, by pioneering this approach in 2003 and 2004 when it began selling seat assignments and charging for bags.
- Allegiant does not sell through Expedia, Travelocity, Orbitz or any other online travel agencies nor are its flights 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 and permits the airline to closely manage ancillary product offerings and pricing while developing and maintaining a direct relationship with consumers. 93.8% of scheduled service revenue was purchased directly through the website in 2014.
- Ancillary revenue increased 13.4% to \$368,276,000 for 2014, up from \$324.9 million in 2013.
- The following was disclosed for the carrier's commission based activity for 2014:
  - Gross revenue, 3<sup>rd</sup> party: \$121,444,000.
  - Cost of goods sold: (\$83,053,000).
  - Transaction costs: (\$1,804,000) includes agency commissions and payment expenses.
  - Ancillary revenue, 3<sup>rd</sup> party: \$36,587,000.
- Allegiant earns a 30.1% gross margin on the sale of services provided by third parties (hotel rooms, rental cars, hotel shuttles, attractions and show tickets).
- Package sale details from 2014:
  - Hotel room nights sold: 528,329.
  - Car rental days sold: 916,640.
- Per passenger revenue statistics for 2014:
  - Air fare, scheduled service: \$91.30.
  - Ancillary revenue, air related: \$41.37.
  - Ancillary revenue, third party: \$4.56.
  - Average fare total: \$137.23.

	<ul style="list-style-type: none"> <li>Operating revenue for 2013 was \$1,137,046,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### American Airlines Group (including US Airways)

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$4,651,000,000
As a % of Revenue	10.9%
Dollars per Passenger	\$24.06
Financial Period	Calendar year 2014
Total Revenue	\$42,650,000,000
Passengers	193,340,000 (Combined total of American and US Airways mainline and regional operations)
Information Source	Form 10-K Annual Report of American Airlines Group for 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in US dollars.</li> <li>American Airlines Group consolidated reporting for American Airlines and US Airways for 2014; the ancillary revenue activity described below is for both airlines.</li> <li>“Other Revenues” include revenue from the marketing services related to the sale of mileage credits in the AAdvantage and Dividend Miles (US Airways) programs, membership fees and related revenue from Admirals Club operations, US Airways Club operations, and other miscellaneous service revenue, including administrative service charges, and baggage handling fees.</li> <li>Other Revenues for 2014 were <u>\$4,651,000,000</u> and increased \$624 million, or 23.9%, for 2014 from 2013; this amount qualifies as ancillary revenue. The increase was largely due to higher revenues associated with the group’s frequent flier programs driven by the co-branded credit card agreement with Citibank.</li> <li>The airline indicates it wishes to sell more a la carte services through its relationships with global distribution systems, such as Amadeus, Sabre, and Travelport. The airline admits these channels offer less attractive functionality for these sales when compared to its own website and call centers.</li> </ul>

	<ul style="list-style-type: none"> <li>As of December 31, 2014, AAdvantage and Dividend Miles had approximately 809.0 billion outstanding award miles. During 2014, AAdvantage and Dividend Miles issued approximately 287.1 billion miles, of which approximately 61% were sold to program participants.</li> <li>The number of AAdvantage and Dividend Miles one way travel award redemptions during the year ended 31 December 2014, was approximately 7.9 million, representing approximately 5.5% of total mainline and regional RPMs during that period.</li> <li>Operating revenue for 2014 was \$42,650,000,000.</li> </ul>
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A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	US Airways: Paid seats
Travelport	None

### Azul Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$291,526,971
As a % of Revenue	12.8%
Dollars per Passenger	\$13.95
Financial Period	Calendar year 2014
Total Revenue	\$2,277,724,749
Passengers	20,895,000 (annualized estimate) 15,671,474 (9 months ended 30 September 2014)
Information Source	SEC Form F-1 Registration Statement for Azul S.A. filed 01 December 2014.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in Brazilian reais (R\$).</li> <li>Azul filed its F-1 Registration Statement during 2014 in anticipation of a public share offer.</li> <li>Ancillary revenue for the airline (which represents 11.3% of revenue) was R\$481.5 million for the 9 months ended 30 September 2014 (<u>R\$642,000,000 annualized estimate</u>). This activity includes cargo services, passenger-related fees, upgrades to seats with extra leg room (Espaco Azul), sales of advertising space in various customer-facing formats, commissions on travel insurance sales, revenues from airport parking at its Campinas Airport hub, and the Azul Viagens travel packages initiative (commissions from hotel reservations and car rentals bundled with flight sales).</li> </ul>

	<ul style="list-style-type: none"> <li>The company operated a narrow-body fleet during 2014 and its cargo revenues are not believed to be significant. However, this will change during 2015 as the company adds larger aircraft and flights to the US.</li> <li>Operating revenue for the 9 months ended 30 September 2014 was R\$3,762,000,000, or R\$5,016,000,000 as an annualized estimate.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Delta

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$3,212,909,000
As a % of Revenue	8.0%
Dollars per Passenger	\$18.75
Financial Period	Calendar year 2014
Total Revenue	\$40,362,000,000
Passengers	171,350,030
Information Source	Form 10-K for the year ended 31 December 2014, Delta Air Lines Management Discusses Q4 2014 Results - Earnings Call Transcript, Deutsche Bank Conference on 04 June 2014 Transcript, Investor Day 2014 Presentation, and 05 January 2015 Financial and Traffic Press Release
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in US dollars.</li> <li>Delta generates ancillary revenue with the following products and services: <ul style="list-style-type: none"> <li>Checked bags.</li> <li>Preferred seats.</li> <li>Inflight Wifi.</li> <li>Economy Comfort+ upgrades.</li> <li>Lift package (priority boarding and mileage booster).</li> <li>Ascend package (priority boarding and Wi-Fi).</li> <li>Hotels, car rentals, and trip insurance.</li> <li>SkyClub passes.</li> </ul> </li> <li>Edward Bastian (President and Director) disclosed the following on 20 January 2015 during an earnings call, "Our revenues for our premium economy product comfort plus, increased by 18% and we're now generating an annual</li> </ul>

incremental revenue stream of roughly \$350 million.”

- He also added, “A third focus for our commercial team is rolling out our branded fare initiatives. Our basic economy product is already in over 75 markets and is producing strong results as we continue to expand it into additional domestic and Latin markets. Finally, we’ve changed SkyMiles from a distance based program to a spend-based program. This change should drive higher revenues from a stronger customer loyalty as we put rewards into our most valuable customers and we are already receiving positive feedback from them.”
- The carrier now offers four branded fare products: Delta One/First Class, Delta Comfort+, Main Cabin, and Basic Economy. Delta estimates the total revenue benefit provided by the branded fare approach will be \$1.5 billion annually by 2018.
- Per its Investor Day presentation, the airline has a new, multi-year contract with American Express (effective January 2015) which continues the growth momentum of Delta’s \$2 billion co-brand revenue stream. In addition, the new agreement improves the economics across multiple business lines, to include the co-branded credit card, AMEX Membership Rewards participation, Sky Club lounges, and merchant processing. The new agreement doubles the benefits [this was not defined] to Delta over the next five years.
- During 2014 SkyMiles program members redeemed more than 296 billion miles for 12.5 million rewards. During this period, 7.4% of revenue miles flown on Delta were from award travel.
- Total ancillary revenue for Delta is estimated to be \$3,212,909,000 using the following data:
  - Revenue from baggage fees was \$862,909,000 for 2014 based upon data available at US DOT Bureau of Transportation Statistics website.
  - Co-branded revenue from SkyMiles of \$2 billion.
  - Delta Comfort+ upgrade revenue of \$350 million.
- Airline operating revenue for 2014 was \$40,362,000,000.

A la Carte Services Sold Through GDS  
(refer to A la Carte Services note on page 12)

Amadeus	Paid seats
Sabre	Branded fares
Travelport	Paid seats



## Frontier Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$183,250,000
As a % of Revenue	11.6%
Dollars per Passenger	\$16.18
Financial Period	Calendar year 2014
Total Revenue	\$1,574,869,000
Passengers	11,328,000
Information Source	USDOT, Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• On 03 December 2013 Frontier was sold by Republic Airways to an affiliate of Indigo Partners LLC and Frontier became a privately-held company. Financial reporting for 2014 is limited to information filed with the US DOT.</li> <li>• Total ancillary revenue for Frontier is estimated to be <u>\$183,250,000</u>:             <ul style="list-style-type: none"> <li>– Revenue from baggage fees was \$144,853,000 for 2014.</li> <li>– Revenue from passenger transport related activities was \$33,260,000 for 2014; for Frontier this would largely consist of onboard sales (food, beverage, and entertainment).</li> <li>– Revenue from miscellaneous operating revenue (includes pet transportation and sale of frequent flier miles/points) was \$5,137,000 for 2014.</li> </ul> <p>The above results are from the US DOT Bureau of Transportation Statistics website.</p> </li> <li>• Operating revenue for 2014 was \$1,574,869,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

## GOL

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	\$529,471,104
As a % of Revenue	11.6%
Dollars per Passenger	\$13.32
Financial Period	Calendar year 2014

Total Revenue	\$4,570,985,797
Passengers	39,749,000
Information Source	Individual and Consolidated Financial Statements dated 31 December 2014, Form 20-F of GOL Intelligent Airlines Inc. for 2014, and Fact Sheet for Q4 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Brazilian reais (R\$).</li> <li>• The company discloses revenue from cargo operations and ancillary revenue activities as a single result. Details are not provided to allow further definition. GOL does describe ancillary revenue as including the following activities: <ul style="list-style-type: none"> <li>– Excess baggage.</li> <li>– Buy-onboard purchase of food and beverages.</li> <li>– Travel insurance fees.</li> <li>– Extra leg room (R\$30 domestic).</li> <li>– Empty middle seat (starting at R\$25). This service is available between Sao Paulo (CGH) and Rio de Janeiro (SDU), Brasilia and Rio de Janeiro (SDU), Vitoria and Rio de Janeiro (SDU).</li> <li>– GOL+ Conforto extra leg room seating (R\$20 to R\$40). These are extra leg room seats in rows 1-7 offering a 34 inch pitch with 50% more recline.</li> </ul> </li> <li>• During 2014 the airline introduced Bagagem Expressa (Express Baggage), an exclusive service in Brazil giving passengers greater autonomy, allowing for self-weighing and tagging of baggage at the self-service kiosks and the functionality to pay for any excess luggage with a credit card.</li> <li>• The SMILES frequent flier program was incorporated as a separate wholly-owned subsidiary on 21 December 2012. Then on 26 April 2013 SMILES offered shares through an initial public offering (IPO).</li> <li>• The following was disclosed regarding the carrier's relationship with the SMILES frequent flier program for 2014: <ul style="list-style-type: none"> <li>– Revenue related to redemption of reward travel on airline: R\$808 million.</li> <li>– Expenses (most likely the purchase of miles from the program): R\$431 million.</li> <li>– Income (not revenue) from the carrier's SMILES segment: R\$284 million.</li> <li>– Outstanding quantity of miles at 31 December 2014: 42,412,047,693.</li> <li>– Members at 31 December 2014: 10.3 million.</li> <li>– Gain on the sale of SMILES shares (57.3% ownership share to 54.3% by year end): R\$74 million (sale of 3,433,476 shares).</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• GOL ancillary revenue for 2014 is calculated to be <u>R\$1,166,000,000</u> consisting of: <ul style="list-style-type: none"> <li>– R\$808 million for SMILES reward redemptions.</li> <li>– R\$284 million income from SMILES segments.</li> <li>– R\$74 million from the sale of SMILES equity.</li> </ul> </li> <li>• Operating revenue for 2014 was R\$10,066,214,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Hawaiian Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$126,300,000
As a % of Revenue	5.5%
Dollars per Passenger	\$12.39
Financial Period	Calendar year 2014
Total Revenue	\$2,314,879,000
Passengers	10,191,000
Information Source	Annual Report 2014 for Hawaiian Holdings, Inc. and 03 December 2014 Investor Day Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• Total ancillary revenue for Hawaiian is estimated to be <u>\$126,300,000</u>: <ul style="list-style-type: none"> <li>– Revenue from preferred seating was \$13.8 million for the 12 months ended September 2014 (up from \$6.6 million for 2013).</li> <li>– Revenue from baggage fees was \$73.9 million for the 12 months ending September 2014.</li> <li>– Revenue from the non-passenger revenue component of the co-branded credit card program was \$30.6 million for the 12 months ended September 2014.</li> <li>– The carrier disclosed net revenue from vacation sales activity of \$8.0 million for the 12-month period ended September 2014.</li> </ul> </li> <li>• Ancillary revenue increased \$29.1 million due to increased sales of frequent flier miles under the carrier’s new co-branded credit card agreement.</li> <li>• Regarding the HawaiianMiles frequent flier program, the number of free travel awards used for travel on Hawaiian was approximately 536,000 in 2014. The amount of free</li> </ul>

	<p>travel awards as a percentage of total revenue passengers was approximately 5.3% in 2014.</p> <ul style="list-style-type: none"> <li>• Other revenue of \$270 million primarily consists of baggage fees, cargo revenue, ticket change and cancellation fees, incidental services revenue, sale of frequent flier miles, revenue earned on reduced rate passengers, inflight revenue, contract services and charter services revenue.</li> <li>• The commingling of cargo revenue, ticket change fees, and ground handling revenue in the other operating revenue category prevents its inclusion as ancillary revenue.</li> <li>• Operating revenue for 2014 was \$2,314,879,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### JetBlue

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$745,000,000
As a % of Revenue	12.8%
Dollars per Passenger	\$23.22
Financial Period	Calendar year 2014
Total Revenue	\$5,817,000,000
Passengers	32,078,000
Information Source	2014 Annual Report for JetBlue Airways, 19 November 2014 Investor Day Presentation, and JetBlue Airways Q4 2014 Results - Earnings Call Transcript
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• JetBlue disclosed 2014 “ancillary revenue” of <u>\$745,000,000</u>. Of this, \$200 million was from its EvenMore Space and EvenMore Speed products. These a la carte services provide extra leg room seating, early boarding, and fast track security.</li> <li>• Other Revenue (which was not used for calculating ancillary revenue for JetBlue) was \$474 million for 2014. The primary component of Other Revenue is the fees from reservation changes and excess baggage charged to customers in accordance with published policies. The carrier also includes the marketing component of TrueBlue (FFP) point sales, onboard product sales, transportation of cargo, charter operations, ground</li> </ul>

handling fees of other airlines and rental income. The carrier sold its Live TV inflight entertainment subsidiary in June 2014.

- In 2014, there was a \$42 million increase in revenues mainly from fees, Getaways vacation package sales, the marketing component of TrueBlue point sales, and onboard product sales.
- The airline will introduce a bundled fares approach to pricing during 2015. Three types of fares are expected with the lowest type not including a checked bag. The expected 2015 operating income improvement from this initiative is \$65 million, with annualized income improvement at \$200 million.
- New and ongoing initiatives are expected to yield \$40 million of margin improvement for 2015 and an annualized rate of \$150 million. This will be generated by improvements from activities associated with these products: Even More, Co-Brand, Mint, Fly-Fi, Getaways and partnerships.
- Even More revenue increased by 16% compared to 2013 through more effective price optimization, which includes pricing that varies by seat and flight.
- According to an article in the *Wall Street Journal* (13 February 2015) JetBlue will not renew its co-branded credit card relationship with American Express in 2015.
- There were over 1.1 million TrueBlue one-way redemption awards flown during 2014, representing approximately 3% of the carrier's total revenue passenger miles.
- Operating revenue for 2014 was \$5,817,000,000.

**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	Branded fares
Sabre	None
Travelport	None

**LAN/TAM Airlines**

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$634,141,000
As a % of Revenue	5.2%
Dollars per Passenger	\$9.35
Financial Period	Calendar year 2014
Total Revenue	\$12,093,501,000
Passengers	67,833,000

Information Source	Annual Report (Form 20-F) of LATAM Airlines Group for the year ended 31 December 2014.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• Total ancillary revenue for LAN and TAM Airlines for 2014 was <u>\$634,141,000</u> and consists of these items: <ul style="list-style-type: none"> <li>– Duty-free income: \$18,076,000.</li> <li>– Tours package revenue: \$109,788,000.</li> <li>– Multiplus income (loyalty program): \$506,277,000.</li> </ul> </li> <li>• The group does report ancillary revenue (also described as “Other Operating Income”) which includes activities such as tours, duty free, inflight sales, aircraft leasing, maintenance, customs and warehousing operations, and other miscellaneous items. For 2014, LATAM generated other revenues of US\$378 million from these activities. The commingling of cargo revenue and aircraft leasing prevents its inclusion as ancillary revenue.</li> <li>• LANPASS had 9.8 million members and TAM Fidelidade had 11.7 million members at the end of 2014. Multiplus is a publicly traded company in Brazil, and TAM S.A. owns 72.74% of the ordinary shares of Multiplus. The company supports TAM’s frequent flier program.</li> <li>• Total operating revenue for 2014 was \$12,093,501,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Southwest

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,885,000,000
As a % of Revenue	10.1%
Dollars per Passenger	\$13.88
Financial Period	Calendar year 2014
Total Revenue	\$18,605,000,000
Passengers	135,767,188
Information Source	2014 Annual Report, presentation from 2014 Investor Day and Southwest Airlines Earnings Call transcripts from Quarters 1-4 for 2014.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• All results include the operations of Southwest and AirTran for 2014. AirTran currently charges fees for</li> </ul>



## Reports

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 fully integrated the operations of AirTran into Southwest during 2014.

- Southwest reported miscellaneous operating revenue of \$1.114 billion to the US DOT for 2012. IdeaWorksCompany believes the majority of this amount (estimated to be \$980 million for 2013) represents revenue from Southwest Rapid Rewards. This amount was included in the calculation of 2013 ancillary revenue. For 2014 Southwest disclosed the program posted a nearly \$400 million contribution. Accordingly, this amount has been added to the \$980 million to generate Rapid Reward ancillary revenue of \$1.38 billion for 2014.
- Southwest's Rapid Rewards frequent flier program has been designed to drive more revenue by:
  - Bringing in new customers, including new Rapid Rewards Members, as well as new holders of Southwest's co-branded Chase Visa credit card.
  - Increasing business from existing customers.
  - Strengthening the company's Rapid Rewards hotel, rental car, credit card, and retail partnerships.
- To date, the program has exceeded the company's expectations with respect to the number of frequent flier members added, the amount spent per member on airfare, the number of flights taken by members, the number of Southwest's co-branded Chase Visa credit card holders added, the number of points sold to business partners, and the number of frequent flier points purchased by program members.
- Customers of Southwest and AirTran redeemed approximately 6.2 million flight rewards, accounting for approximately 11% of revenue passenger miles flown.
- EarlyBird Check-In revenues are estimated to be \$220 million for 2014. This is based upon two disclosures made during quarterly conference calls; EarlyBird for the 3<sup>rd</sup> quarter was \$59 million and \$56 million for the 4<sup>th</sup> quarter.
- "Other ancillary revenue" was also noted during conference calls. This is believed to consist of items such as the A1-A15 select early boarding positions sold at the airport, Business Select, inflight Wifi, and pet carriage. The amounts of \$58 million were referenced for the 2<sup>nd</sup> quarter and \$48 million for the 3<sup>rd</sup> quarter. Accordingly, an average of \$53 million was applied to generate a 2014 total of \$212 million from these activities.

	<ul style="list-style-type: none"> <li>IdeaWorksCompany believes total ancillary revenue for Southwest was <u>\$1,885,000,000</u> for 2014 and was produced by these activities: <ul style="list-style-type: none"> <li>Southwest bag revenue: \$73 million (third checked bag or any bag in excess of 50 pounds).</li> <li>Southwest “other ancillary revenue”: \$212 million.</li> <li>EarlyBird revenue: \$220 million.</li> <li>Rapid Rewards estimate by IdeaWorksCompany: \$1.38 billion.</li> </ul> </li> <li>Operating revenue for 2014 was \$18,605,000,000.</li> </ul>
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A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Spirit Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$748,220,000
As a % of Revenue	38.7%
Dollars per Passenger	\$52.35
Financial Period	12 month period ended 31 December 2014
Total Revenue	1,931,580,000
Passengers	14,294,000
Information Source	2014 Form 10-K and Investor Presentation dated January 2015.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in US dollars.</li> <li>During 2014 Spirit generated non-ticket revenues of \$786,608,000. These include revenues from other air related charges as well as non-air related charges. Other air related charges include optional services and products provided to passengers such as onboard products, travel insurance, and use of the company’s call center or travel agents, among others. Non-air related charges primarily consist of revenues from advertising on the company’s aircraft and website, the company’s \$9 Fare Club subscription-based membership program, and the company’s Free Spirit affinity credit card program.</li> <li>“No waivers and favors” is a core principle for the airline in the training of its front line staff. This seeks to ensure compliance with the carrier’s fee structure, with a focus on checked and carry-on bags.</li> <li>Summary of the primary components of non-ticket</li> </ul>

revenue:

- Baggage: \$318,103,000.
- Passenger usage fee: \$221,992,000 (per passenger fee charged for all bookings except those made at the airport).
- Advance seat selection: \$76,270,000.
- Cancellation and change fees: \$38,388,000.
- Other: \$131,855,000.

Free Spirit loyalty program revenue is included in the other category. IdeaWorksCompany does not consider reservation change fees to be ancillary revenue. The airline reported reservation change revenue of \$38,388,000 during 2014 and this amount should not be included. This adjustment generates total ancillary revenue of \$748,220,000.

- Spirit generates ancillary revenue through the following activities:
  - Charging for checked and carry-on baggage.
  - Passing through all distribution-related expenses.
  - Charging for premium seats and advance seat selection.
  - Enforcing ticketing policies, including service charges for changes and cancellations.
  - Generating subscription revenue from the \$9 Fare Club ultra low-fare subscription service.
  - Deriving brand-based revenues from proprietary services, such as the Free Spirit affinity credit card program.
  - Offering third-party travel products (travel packages), such as hotel rooms, ground transportation (rentals and hotel shuttles) and attractions (show or theme park tickets) packaged with air travel.
  - Selling third-party travel insurance through the website.
  - Selling inflight products and onboard advertising.

This non-ticket revenue has grown from approximately \$5 per passenger for 2006 to \$55 for 2014.

- Per passenger segment revenue statistics for 2014:
  - Average ticket: \$80.11.
  - Average non-ticket: \$55.03.
  - Average fare total: \$135.14.
- During 2014, Spirit increased its average non-ticket revenue per passenger flight segment by 2.2%, or \$1.19, to \$55.03. Total non-ticket revenue increased by 17.7%, or \$118.2 million, to \$786.6 million in 2014. The year-over-year increase in average non-ticket revenue per passenger flight segment was primarily driven by a higher volume of passengers electing to purchase seat assignments, largely due to a software update completed in 2014 that enables the airline to sell seat assignments through more channels as well as a more rigorous approach to managing seat

	<p>inventory.</p> <p>Cash proceeds from the sale of Free Spirit mileage credits to non-airline third parties:</p> <ul style="list-style-type: none"> <li>- 2014: \$33,819,000.</li> <li>- 2013: \$28,496,000.</li> <li>- 2012: \$24,938,000.</li> <li>- 2011: \$20,954,000.</li> <li>- 2010: \$20,748,000.</li> <li>- 2009: \$12,008,000.</li> </ul> <p>This activity is included under non-ticket revenue.</p> <ul style="list-style-type: none"> <li>• Operating revenue for 2014 was \$1,931,580,000.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	Baggage
Travelport	None

### Sun Country

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$16,081,000
As a % of Revenue	3.6%
Dollars per Passenger	\$11.18
Financial Period	Calendar year 2014
Total Revenue	\$450,000,000
Passengers	1,438,000
Information Source	USDOT, Bureau of Transportation Statistics, and Bureau of Transportation Statistics, Carrier Snapshots
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• Sun Country is privately held but is required to report revenue and traffic data to the US Department of Transportation.</li> <li>• The carrier offers these a la carte services: checked baggage, extra leg room and preferred seating (no charge for assignments behind the exit row), buy-onboard food and beverage, inflight entertainment devices, and UFlex flight change benefit.</li> <li>• Total ancillary revenue for Sun Country is estimated to be <b>\$16,081,000</b>: <ul style="list-style-type: none"> <li>- Revenue from baggage fees was \$15,869,000 for 2014.</li> <li>- Revenue from miscellaneous operating revenue (includes pet transportation and sale of frequent flier miles/points) was \$212,000 for 2014.</li> </ul> </li> </ul>

	<p>The above results are from the US DOT Bureau of Transportation Statistics website.</p> <ul style="list-style-type: none"> <li>Based upon data available at the US DOT Bureau of Transportation Statistics website, operating revenue for 2014 was \$450,000,000.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	None
Travelport	None

### United

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$5,861,000,000
As a % of Revenue	15.1%
Dollars per Passenger	\$42.46
Financial Period	Calendar year 2014
Total Revenue	\$38,901,000,000
Passengers	138,029,000
Information Source	United Continental Holdings Annual Report for 2014, JP Morgan Investor Presentation – 03 March 2015 and, United Reports December 2014 Operational Performance
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in US dollars.</li> <li>United disclosed ancillary revenue was \$3 billion for 2014 in an investor presentation dated 03 March 2015; the goal for 2015 is \$3.2 billion.</li> <li>United defined its ancillary revenue strategy in an investor presentation: <ul style="list-style-type: none"> <li>Add new products.</li> <li>Create dynamic pricing capabilities.</li> <li>Improve technology platforms.</li> <li>Expand availability of services.</li> </ul> </li> <li>United placed Economy Plus seating for sale through global distribution systems in 2014 after a multi-year hiatus.</li> <li>The company's cost initiative project that began in 2014, called Project Quality, has a goal to reduce the company's annual costs by \$2 billion and generate an incremental \$700 million in additional ancillary revenue by the end of 2017.</li> <li>MileagePlus activity for 2014: Approximately 4.8 million flight awards were used, which was 7.1% of United's total</li> </ul>

	<p>revenue passenger miles. Total miles redeemed for flights on United, including class-of-service upgrades, represented approximately 77% of the total miles redeemed.</p> <ul style="list-style-type: none"> <li>• United disclosed mileage sales of \$2.861 billion for 2014. The majority of miles were sold to Chase Bank for activities related to the MileagePlus co-branded credit card which included mileage accrual, airport lounge access, and access to membership lists. The airline is believed to have 90 million members.</li> <li>• Total ancillary revenue for 2014 was <u>\$5,861,000,000</u> represented by \$3.0 billion (described above as ancillary revenue) and \$2.861 billion from the sale of miles.</li> <li>• United Continental revenue for 2014 was \$38,901,000,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	Paid seats
Sabre	Paid seats
Travelport	Paid seats

## US Airways

Please refer to the listing for American Airlines Group; results for US Airways have been consolidated under that listing for 2014.

## Virgin America

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$160,756,000
As a % of Revenue	10.8%
Dollars per Passenger	\$24.71
Financial Period	Calendar year 2014
Total Revenue	\$1,489,967,000
Passengers	6,507,000
Information Source	Annual Report of Virgin America, Inc. for the period ended 31 December 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• Total ancillary revenue (Other Revenue) for Virgin America was <u>\$160,756,000</u> for 2014.</li> <li>• Major ancillary revenue products include:               <ul style="list-style-type: none"> <li>– Checked baggage fees.</li> <li>– Ticket change fees.</li> <li>– Express product providing reserved seating near the</li> </ul> </li> </ul>

	<p>front of the main cabin.</p> <ul style="list-style-type: none"> <li>– Priority boarding and security access.</li> <li>– Reservations made through the call center.</li> <li>– Sale of travel insurance on the website.</li> <li>– Revenue in connection with the co-branded credit card program.</li> <li>– Buy-onboard products: meals, snacks, alcoholic and premium non-alcoholic beverages, on-demand current-run movies and premium television programs, headphones and sleep kits.</li> </ul> <ul style="list-style-type: none"> <li>• The 18.7% increase in other revenue for 2014 from 2013 was primarily due to increased advertising and brand revenues resulting from the carrier’s new co-branded consumer credit card program launched in January 2014. In addition, seat selection fee revenue and change fee revenue increased, primarily due to a 2.8% increase in passengers as well as higher fees for ancillary products.</li> <li>• Operating revenue for 2014 was \$1,489,967,000.</li> </ul>
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A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	Animal transport
Travelport	None

### Volaris

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$186,000,000
As a % of Revenue	19.5%
Dollars per Passenger	\$18.96
Financial Period	Calendar year 2014
Total Revenue	\$954,000,000
Passengers	9,809,000
Information Source	Volaris Aviation Holding Company 20-F for the fiscal year ended December 31, 2014, and Investor Presentation dated March 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars unless otherwise stated in Mexican pesos (MXN).</li> <li>• Volaris is a self-described “ultra low cost carrier” based in Mexico. The carrier refers to ancillary revenue as “non-ticket revenue.”</li> <li>• Ancillary revenue was <u>\$186,000,000</u> for 2014.</li> <li>• Non-ticket revenue is composed of ancillary revenue and</li> </ul>



air cargo. IdeaWorksCompany does not define air cargo as ancillary revenue, and believes ancillary revenue is slightly overstated due to the inclusion of air cargo revenues. Regrettably, these can't be excluded because the amount was not disclosed by Volaris.

- Volaris has grown non-ticket revenue by allowing passengers to choose what additional products and services they purchase and use. Thanks to the carrier's "Tú Decides" ("You Decide") promotional strategy, it has increased average non-ticket revenue per passenger flight segment from approximately \$7.60 in 2009 to \$19 in 2014 through these activities:
    - Charging for excess baggage (over the 25 kilograms of free checked luggage required by Mexican regulations). This is a recent addition.
    - Implementing a fee for large carry-on bags.
    - Passing all distribution costs to the consumer.
    - Charging for advance seat selection, extra leg room, booking hold, unaccompanied senior travelers, and on-time guarantee.
    - Consistently enforcing ticketing policies, including change fees.
    - Generating subscription fees from the ultra-low-fare V-Club subscription program (\$49 individual membership, \$149 group membership).
    - Creating brand-based revenue from proprietary services, such as the Volaris affinity credit card program (introduced January 2013). The card provides cash back on Volaris-related purchases, priority boarding, extra 10kg baggage allowance, and access to the Visa lounge at Mexico City's International Airport. Volaris receives a commission on all charge activity. There were 126,000 cardholders by 31 December 2014.
    - Selling itinerary add-ons, such as hotel and car rental reservations and airport parking, and trip interruption insurance through third party vendors.
    - Selling onboard advertising.
- In addition, Volaris plans to sell inflight merchandise and to introduce and expand upon products and services that are unrelated to passenger travel.
- Approximately 1.2% (or MXN 32,800,000) of non-ticket revenue was generated by the Volaris affinity credit card. At year end 2014, there were 126,000 affinity cardholders (65,928 in 2013).
  - V-Club subscription fees produced approximately 1.9% (or MXN 51,934,000) of non-ticket revenues. There were 108,000 V-Club members at the end of 2014 (51,529 in 2013).
  - Revenue for 2014 was \$954,000,000.

A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

## Westjet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$203,221,499
As a % of Revenue	5.4%
Dollars per Passenger	\$10.34
Financial Period	Calendar year 2014
Total Revenue	\$3,732,659,855
Passengers	19,652,000 (described in the annual report as “Segment Guests”)
Information Source	Westjet Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Canadian dollars (CAD).</li> <li>• Included in other revenue are amounts related to ancillary revenue, WestJet Vacations’ non-air revenue and charter and cargo operations. For 2014, other revenue increased by 16.3 percent to CAD 377.4 million from CAD 324.6 million in 2013. This improvement was driven mainly by increases in ancillary revenue.</li> <li>• Ancillary revenue (which includes service fees, onboard sales and WestJet RBC MasterCard program revenue) provides an opportunity to maximize profits through the sale of higher-margin goods and services, while enhancing overall guest experience by providing guests with additional products and services to meet their needs. For the year ended December 31, 2014, ancillary revenue was <u>CAD 216,500,000</u>, which is an increase of 31.2 per cent from 2013. This increase was mainly due to increases in the number of guest bookings, pre-reserved seating and Plus seating upgrade sales, continued cardholder growth of the WestJet RBC MasterCard program, and introduction of a first bag fee on certain flights in the latter half of the year.</li> <li>• Ancillary revenue includes the following activities: <ul style="list-style-type: none"> <li>– Buy-onboard sales.</li> <li>– Change and cancellation fees.</li> <li>– Excess baggage charges.</li> <li>– Pre-assigned seating.</li> </ul> </li> </ul>

– Revenue associated with the WestJet Rewards Program.  
 IdeaWorksCompany believes WestJet’s ancillary revenue is slightly overstated due to the inclusion of change fees. Regrettably, these can’t be excluded because the amount was not disclosed by WestJet.

- Revenue for 2014 was CAD 3,976,552,000.

A la Carte Services Sold Through GDS  
 (refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	Branded fares, paid seats.
Travelport	None

## **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 (no 2014 report available), Copa Airlines, Great Lakes Airways, Interjet, and VivaAerobus (IPO delayed).



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Huifang Yuan, Product Director | Marketing and Sales Department  
Hainan Airlines | Beijing, China

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## Asia and the South Pacific

### **Air Astana**

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$9,329,000
As a % of Revenue	1.0%
Dollars per Passenger	\$2.46
Financial Period	Calendar Year 2014
Total Revenue	\$932,900,000
Passengers	3,800,000
Information Source	Condensed Interim Financial Information for the six-month period ended 30 June 2014 and “Air Astana Operating Profit Increased by 35% in 2014” press release dated 19 January 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in US dollars.</li> <li>• 2014 results for Air Astana are based upon half year results, as the annual report was not available.</li> <li>• Ancillary revenue for 2014 was represented by baggage charges and advertising sales: <ul style="list-style-type: none"> <li>– Revenue from excess baggage charges: \$3,175,000.</li> <li>– Revenue from the sale of advertising: \$1,067,000.</li> </ul>                     The first half total was \$4,242,000, or 1% of revenue based upon first half revenue of \$420,576,000. The annual total for 2014 was estimated by multiplying the 2014 revenue disclosure by 1%, which generated a 2014 ancillary revenue estimate of <u>\$9,329,000</u>.                 </li> <li>• Revenue for 2014 was \$ \$932,900,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### **AirAsia Group**

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$556,862,155
As a % of Revenue	18.5%
Dollars per Passenger	\$13.19
Financial Period	Calendar year 2014
Total Revenue	\$3,003,755,771



Passengers	42,202,558
Information Source	AirAsia Berhad Fourth Quarter Report For the Period ended 31 December 2014 (press release with 3 operating division results) and AirAsia Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• 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 for the ancillary revenue total by IdeaWorksCompany.</li> <li>• The following summarizes activities in various ancillary revenue areas for 2014 and 2015: <ul style="list-style-type: none"> <li>– <b>Chat service.</b> The company introduced roKKi Chats in November 2014. Upon buying tokens, travelers could use chat applications inflight through the aircraft Wifi network. The cost is RM 8 per user per flight for 3MB of data use on these applications: WeChat, WhatsApp and LINE.</li> <li>– <b>Onboard merchandise.</b> AirAsia introduced Wifi-based duty-free shopping during flights.</li> <li>– <b>Pre-paid cards:</b> To support onboard initiatives, the airline and Tune Money developed a pre-paid Visa/MasterCard which accrues BIG points when consumers make purchases.</li> <li>– <b>Premium Flex:</b> This new fare product is designed for business travelers and includes these amenities: travelers may change their flight up to two times at no cost, 20kg baggage allowance, Xpress boarding, and Xpress baggage.</li> <li>– <b>Food.</b> AirAsia introduced a refreshed menu with a broader selection of items and children’s meals with toys.</li> <li>– <b>Barista in the Skies:</b> The service began April 2015 and will feature trained baristas on flights serving premium grade coffee to guests.</li> <li>– <b>Online merchandising:</b> In April 2015 the airline implemented a new system called Dotrez. This software will enhance the presentation of a la carte items during the booking process. The system is four times faster than the predecessor (called SkySales) and provides a better display of food menus, seat photos, item descriptions, bundles, and payment guidelines.</li> </ul> </li> <li>• AirAsia disclosed how ancillary revenue is divided among some of its a la carte activities: <ul style="list-style-type: none"> <li>– Food and beverage: 7%.</li> <li>– Assigned seating: 8%.</li> <li>– Insurance commissions: 6%.</li> <li>– Excess baggage: 44%. Baggage fees collected by AirAsia</li> </ul> </li> </ul>



	<p>Malaysia were MYR 456,039,000 for 2014.</p> <ul style="list-style-type: none"> <li>• BIG is the frequent flier program for the airline and is not owned by the Group. BIG purchased reward travel on AirAsia having a value of MYR 942,000 (US\$3 million); the airline purchased points from BIG having a value of MYR 1,500,000 (US\$4.8million) during 2014.</li> <li>• Results exclude associated companies: AirAsia Philippines and AirAsia Japan.</li> <li>• AirAsia Malaysia (Berhad) <ul style="list-style-type: none"> <li>– Revenue: MYR 5,415,744,000.</li> <li>– Ancillary revenue per passenger: MYR 46.</li> <li>– Passengers: 22,138,796.</li> <li>– Ancillary revenue (calculated): MYR 1,018,384,616</li> </ul> </li> <li>• AirAsia Thailand <ul style="list-style-type: none"> <li>– Revenue: THB 25,355,515,000 (MYR 2,510,580,628).</li> <li>– Ancillary revenue per passenger: THB 359.</li> <li>– Passengers: 12,213,697.</li> <li>– Ancillary revenue (calculated): THB 4,384,717,223 (MYR 434,153,521).</li> </ul> </li> <li>• AirAsia Indonesia (currency: IDR) <ul style="list-style-type: none"> <li>– Revenue: IDR 6,340,254,000,000 (MYR 1,708,219,763).</li> <li>– Ancillary revenue per passenger: IDR 157,729.</li> <li>– Passengers: 7,850,065.</li> <li>– Ancillary revenue (calculated): IDR 1,238,182,902,000 (MYR 333,596,809).</li> </ul> </li> <li>• AirAsia Group results do not include AirAsia X (which is listed below).</li> <li>• Group totals <ul style="list-style-type: none"> <li>– Ancillary Revenue: MYR 1,786,134,946.</li> <li>– Total Revenue: MYR 9,634,544,391.</li> </ul> </li> </ul>
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A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	Baggage, cabin comfort kit, paid meals, paid seats, sports equipment.
Sabre	None
Travelport	Baggage, meals, paid seats, sports equipment.

### AirAsia X

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$182,852,732
As a % of Revenue	20.0%
Dollars per Passenger	\$43.22
Financial Period	Calendar year 2014

Total Revenue	\$915,666,620
Passengers	4,230,952
Information Source	AirAsia X Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in Malaysian ringgit (MYR).</li> <li>• Passenger ancillary revenue for 2014 was MYR 130.40 per passenger or <u>MYR 586,500,000</u>, which represents a 30% increase above 2013.</li> <li>• Ancillary revenue includes assigned seat, cancellation, documentation and other fees, and the onboard sale of meals and merchandise.</li> <li>• The following summarizes activities in various ancillary revenue areas for 2014 and 2015: <ul style="list-style-type: none"> <li>– <b>Food.</b> The menu was extended with new DeluXe Meals which include appetizers, desserts and juices. Selections include the Big Breakfast, roasted chicken with stuffing and cranberry sauce and onigiri (Japanese rice balls) with chicken karaage (fried chicken). Children’s meals were also introduced during 2014.</li> <li>– <b>Pre-paid cards:</b> To support onboard initiatives, the airline and Tune Money developed a pre-paid Visa/MasterCard which accrues BIG points when consumers make purchases.</li> <li>– <b>Onboard merchandise.</b> AirAsia X will introduce Wifi-based duty-free shopping during flights in 2015.</li> <li>– <b>Barista in the Skies:</b> The service will begin in 2015 and will feature trained baristas on flights serving premium grade coffee to guests.</li> </ul> </li> <li>• The airline earned a commission of 25% on the sale of travel insurance (AirAsia Insure) provided by Tune Insurance which is a related party. The commission earned was MYR 1,393,000. It is believed this amount is included in the ancillary revenue total.</li> <li>• BIG is the frequent flier program for the airline and is not owned by the Group. The airline purchased points from BIG having a value of MYR 713,000 (US\$2.3 million) during 2014. The amount of reward travel purchased on AirAsia X was not disclosed.</li> <li>• Operating revenue for 2014 was MYR 2,937,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	Baggage, cabin comfort kit, paid meals, paid seats, sports equipment.
Sabre	None
Travelport	Baggage, meals, paid seats, sports equipment.

## ANA All Nippon

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$83,732,109
As a % of Revenue	0.5%
Dollars per Passenger	\$1.66
Financial Period	Fiscal year 2014
Total Revenue	\$16,878,984,585
Passengers	50,411,228
Information Source	ANA Holdings Consolidated Results for the Period ended 31 March 2014.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in Japan yen (JPY).</li> <li>The airline disclosed two areas of ancillary revenue activity for 2014: <ul style="list-style-type: none"> <li>Travel retail includes the operations of ANA Sky Holiday and ANA Hallo Tour. Operating income (not sales) for 2014 was JPY 4.5 billion.</li> <li>Trade and retail includes ANA Duty Free Shops and ANA Festa retail outlets. Operating income (not sales) for 2014 was JPY 4 billion.</li> </ul> </li> </ul> <p>Total ancillary revenue disclosed for 2014 was <u>JPY 8,500,000,000</u>.</p> <ul style="list-style-type: none"> <li>Total revenue for 2014 was JPY 1,713,457,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

## Cebu Pacific

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$131,703,049
As a % of Revenue	11.0%
Dollars per Passenger	\$9.18
Financial Period	Calendar year 2014
Total Revenue	\$1,192,060,364
Passengers	14,351,765
Information Source	Cebu Air, Inc. (CEB) FY2014 Results of Operations, Securities and Exchange Commission SEC form 17-A

For the fiscal year ended December 31, 2014, and December 2014 Operating Stats	
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures are in Philippine pesos (PHP).</li> <li>The company offers ancillary services such as inflight merchandising (sale of duty-free products on international flights), and travel-related products and services. The definition also includes cancellation fees which IdeaWorksCompany does not define as ancillary revenue. However, the airline separately disclosed this item as PHP 2,920,343,253.</li> <li>The company disclosed ancillary revenue of PHP 8,665,489,377 for 2014 which is up 28.7% from 2013. Deducting the cancellation fee revenue noted above provides an adjusted result of <u>PHP 5,745,146,124</u>. Within this amount, the following activity was disclosed: <ul style="list-style-type: none"> <li>Excess baggage charges: PHP 4,116,640,154.</li> <li>Inflight sales, advanced seat selection fee, reservation booking fees and others: PHP 1,628,505,970.</li> </ul> </li> <li>Total revenue for 2014 was PHP 52,000,018,310.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### China Eastern

Source and Type	Tour and sightseeing revenue sold to passengers
Ancillary Revenue	\$491,201,621
As a % of Revenue	3.4%
Dollars per Passenger	\$5.86
Financial Period	Calendar Year 2014
Total Revenue	\$14,538,568,488
Passengers	83,811,480
Information Source	China Eastern Airlines Corporation Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures are in China yuan (CNY).</li> <li>Income produced by tour operations and other travel related services: <u>CNY 3,047,000,000</u>.</li> <li>The Eastern Miles frequent flier program had 22.84 million members at the end of 2014.</li> <li>Revenue for 2014 was CNY 90,185,000,000.</li> </ul>
A la Carte Services Sold Through GDS	

(refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### China Southern

Source and Type	Tour and sightseeing revenue sold to passengers
Ancillary Revenue	\$81,893,805
As a % of Revenue	0.5%
Dollars per Passenger	\$0.81
Financial Period	Calendar Year 2014
Total Revenue	\$17,504,639,582
Passengers	100,919,000
Information Source	China Southern Airlines Corporation 2014 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures are in China yuan (CNY).</li> <li>Income produced by hotel and travel services income: <u>CNY 508,000,000</u>.</li> <li>Total revenue for 2014: CNY 108,584,000,000.</li> </ul>

A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	Baggage
Travelport	None

### Garuda Indonesia

Source and Type	Checked baggage fees
Ancillary Revenue	\$10,172,649
As a % of Revenue	0.3%
Dollars per Passenger	\$0.35
Financial Period	Calendar year ended 31 December 2014
Total Revenue	\$3,384,255,386
Passengers	29,139,277
Information Source	Garuda Indonesia Annual Report 2014 and Analyst Meeting and Presentation 20 March 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in US dollars.</li> <li>Excess baggage revenues were <u>\$10,172,649</u> for 2014.</li> <li>Total passenger airline revenue for 2014 was</li> </ul>

Reports	\$3,384,255,386.
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	Medical assistance, paid seats.
Travelport	None

### Japan Airlines

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$202,946,932
As a % of Revenue	1.7%
Dollars per Passenger	\$5.15
Financial Period	Fiscal year ended 31 March 2015
Total Revenue	\$11,783,994,088
Passengers	39,437,722 (consolidated international and domestic)
Information Source	Consolidated Financial Results for the Year Ended 31 March 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Japan yen (JPY).</li> <li>• JAL Card Co. Ltd. offers co-branded credit cards such as the JAL Card and the JAL American Express card. JAL Card conducted activities to increase membership through various campaigns. The company introduced a JCB Card Platinum in April 2014. These activities helped add 120,000 members to bring the total to 3,038,000 members as of March 2015. Operating revenue from the JAL card program was JPY 19.6 billion.</li> <li>• IdeaWorksCompany believes the JPY 19.6 billion result represents net revenue for the company and does not include cardholder charge volumes. Average operating revenue per cardholder was JPY 6,451 (US\$64).</li> <li>• The airline disclosed revenue of JPY 1,002,000,000 from luggage operations for domestic and international markets.</li> <li>• Total ancillary revenue calculated for Japan Airlines and JAL Group was JPY 20,602,000,000 for fiscal year 2014.</li> <li>• JALPAK Co. Ltd. provides vacation packages within JAL Group and reported operating revenue JPY 169.8 billion. IdeaWorksCompany believes this amount represents gross sales (including the price of lodging) and is not restricted to the commission received on package sales. Accordingly, it is not included as a qualifying ancillary revenue disclosure.</li> <li>• Air Transportation Segment revenue: JPY</li> </ul>

	1,196,243,000,000.
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Jetstar

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$637,231,532
As a % of Revenue	20.8%
Dollars per Passenger	\$30.17
Financial Period	Fiscal year ended 30 June 2014
Total Revenue	\$3,056,899,758
Passengers	21,121,000
Information Source	Qantas Airways Limited Preliminary Final Report for the Year end 30 June 2014 and Qantas Investor Day presentation date 12 May 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Australian dollars (AUD).</li> <li>• Ancillary revenue for Jetstar Group was AUD 31.80 per passenger during FY2014. The group includes these units: Jetstar Australia, Jetstar International (includes New Zealand), Jetstar Asia (Singapore), Jetstar Japan, Jetstar Hong Kong, and Jetstar Pacific (Vietnam).</li> <li>• Calculation of ancillary revenue per passenger was changed in FY14 to treat catering revenue as a net margin (previously presented as gross revenue). As a result, annual ancillary revenue per passenger was restated for FY10 through FY14.</li> <li>• The company disclosed ancillary revenue on a per passenger basis was flat “due to changing consumer behavior” which was not further explained.</li> <li>• The company will implement the following merchandising enhancements during the 2<sup>nd</sup> quarter of FY2016 to boost ancillary revenue: <ul style="list-style-type: none"> <li>– Use data to create personalized offers and bundles</li> <li>– The Jetstar “digital suite2” will offer an improved online travel shopping experience.</li> <li>– In addition, the booking engine will be changed to simplify flight purchase.</li> </ul> </li> <li>• Multiplying Jetstar’s passenger count by the ancillary revenue disclosure of AUD 31.80 yields total ancillary revenue of <u>AUD 671,647,800</u> for fiscal year 2014.</li> </ul>



	<ul style="list-style-type: none"> <li>• Sources of ancillary revenue include: <ul style="list-style-type: none"> <li>– Checked baggage.</li> <li>– Catering.</li> <li>– Club Jetstar (savings subscription).</li> <li>– Extra leg room seating.</li> <li>– Comfort packs.</li> <li>– Hotel bookings.</li> <li>– Inflight entertainment.</li> <li>– Prepaid extra baggage.</li> <li>– Jetstar MasterCard (Australia).</li> <li>– Hotels and car rentals.</li> <li>– Activity bookings.</li> <li>– Pricing bundles.</li> </ul> </li> <li>• Jetstar.com has 15.5 million visitors per month, and 3.7+ million visitors per week.</li> <li>• Jetstar had total revenue of AUD 3,222,000,000 for fiscal year FY2014.</li> </ul>
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**A la Carte Services Sold Through GDS**  
(refer to A la Carte Services note on page 12)

Amadeus	None
Sabre	None
Travelport	None

### Korean Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$919,239,157
As a % of Revenue	7.8%
Dollars per Passenger	\$39.28
Financial Period	Calendar year ended 31 December 2014
Total Revenue	\$11,719,186,665
Passengers	23,400,000
Information Source	Korean Air, Quarterly Financial Results for 2014, Consolidated Financial Statements for the Year Ended 31 December 2014, and Skyteam fact sheet dated March 2015 (for traffic)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Korean won (KRW).</li> <li>• The airline disclosed revenue from baggage carriage, inflight duty free sales, and similar activities as a percentage of quarterly operating revenue during 2013 under the “others” category which included inflight sales. For 2014, this disclosure was changed to add catering services sold to airlines, which does not qualify as ancillary</li> </ul>

	<p>revenue. Korean Air separately disclosed catering services to be KRW 91,000,000,000 for 2014. The following “others” activity occurred during 2014:</p> <ul style="list-style-type: none"> <li>– 1<sup>st</sup> and 2<sup>nd</sup> quarters: 8.9% of KRW 5,682 billion revenue (KRW 505.7 billion).</li> <li>– 3<sup>rd</sup> quarter: 8.1% of KRW 3.104 billion revenue (KRW 251.4 billion).</li> <li>– 4<sup>th</sup> quarter: 9.1% of KRW 2.894 billion revenue (KRW 263.4 billion).</li> </ul> <p>Total calculated “others” revenue for 2014 is KRW 1,020,500,000,000 less catering revenue of KRW 91,000,000,000 equals ancillary revenue of <u>KRW 929,500,000,000</u>.</p> <ul style="list-style-type: none"> <li>• Total revenue for 2014 was KRW 11,850,000,000,000.</li> </ul>
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<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	Unaccompanied minor
Travelport	None

### Nok Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$28,215,085
As a % of Revenue	7.4%
Dollars per Passenger	\$3.70
Financial Period	Calendar year ended 31 December 2014
Total Revenue	\$379,563,899
Passengers	7,620,000
Information Source	Nok Airlines Public Company Limited, Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Thai bhat (THB).</li> <li>• Nok has positioned itself as a premium low cost carrier and includes 15kg checked baggage and basic catering in the price of its tickets.</li> <li>• The airline disclosed the distribution of tickets sold during 2014 by channel:             <ul style="list-style-type: none"> <li>– Website and mobile: 66.3%</li> <li>– Call center: 9%</li> <li>– Airport counters: 10.2%</li> <li>– Ticket agents: 9.5%</li> <li>– Others: 5%</li> </ul> </li> <li>• Ancillary revenue disclosed for 2014 was <u>THB 914,000,000</u>.</li> </ul>

	<ul style="list-style-type: none"> <li>Total revenue for 2014 was THB 12,295,600,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### PIA Pakistan

Source and Type	Checked baggage fees
Ancillary Revenue	\$11,447,547
As a % of Revenue	1.1%
Dollars per Passenger	\$2.72
Financial Period	Calendar year ended 31 December 2014
Total Revenue	\$1,009,347,156
Passengers	4,202,000
Information Source	Annual Report 2014 – Pakistan International Airlines
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in Pakistan rupees (PKR).</li> <li>Excess baggage revenues were <u>PKR 1,128,699,000</u> for 2014.</li> <li>Total revenue for 2014 was PKR 99,519,057,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Qantas Airways

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$1,387,084,868
As a % of Revenue	12.1%
Dollars per Passenger	\$50.16
Financial Period	Fiscal year ended 30 June 2014 (FY2014)
Total Revenue	\$11,508,440,119
Passengers	27,655,000 (excludes Jetstar)
Information Source	Qantas Airways Limited Preliminary Final Report for the Year end 30 June 2014, Qantas Fact Book 2014, and Qantas Investor Day presentation date 12 May 2015

Ancillary Revenue  
Definitions and Other  
Notes from Financial  
Reports

- All figures below are in Australian dollars (AUD).
- Jetstar is the low fare affiliate of Qantas; please see the separate listing.
- Qantas disclosed the following traffic for FY2014:
  - 16,280,000 Australia domestic passengers.
  - 5,538,000 Qantaslink passengers.
  - 5,837,000 international passengers.Total passengers for period: 27,655,000.
- The results listed below are for the Qantas Group which includes Qantas and its low cost carrier Jetstar (which participates in the Qantas Frequent Flier program).
- The group disclosed the following ancillary revenue activities:
  - AUD 156 million from retail, advertising and other property revenue. Included in this category is revenue from ongoing long term leases with retail stores at Qantas owned domestic terminals. Qantas generates revenue from utilizing digital advertising assets within the terminals through joint revenue share agreements with media agencies.
  - Freight terminal fees are also included in this category, which IdeaWorksCompany would not qualify as ancillary revenue. However, Qantas Club membership fee revenue is not included. It is believed these two items might represent equivalent values (2012 Qantas Club revenue was a substantial AUD 85 million).
- The Qantas Frequent Flyer program had billings of AUD 1.306 billion for FY2014. The program had 10.1 million members in 2014 and 10.7 million in 2015 (approximately 50% of Australian households). Qantas Loyalty was founded in 1987 and was established as a separate segment in 2007. 52% of members interact with the program on a monthly basis.
- Qantas Loyalty has several initiatives designed to increase the scope of its business:
  - Red Planet was started during 2014 as a digital marketing business which uses data from the frequent flier program to selectively place advertising for client companies.
  - Qantas Loyalty purchased Taylor Fry in early 2015, which is an analytics and actuarial consulting business with offices in Sydney and Melbourne.
  - The Acquire program was launched in 2014 as a reward program for companies. 35,000 companies had joined by the end of FY2014.
  - Qantas Golf Club was introduced December 2014 as a program for golf enthusiasts. 33,000 members have joined and may book tee times at courses in Australia and accrue Qantas points for playing golf.

	<ul style="list-style-type: none"> <li>• More than 4.6 million seats were redeemed for flight awards during FY2014, along with 550,000 rewards from the QFF Store and more than 1 million automatically issued rewards through the Woolworths partnership.</li> <li>• IdeaWorksCompany estimates 2014 ancillary revenue was <u>AUD 1,462,000,000</u> represented by this activity: <ul style="list-style-type: none"> <li>– AUD 1.306 billion Qantas Loyalty revenue.</li> <li>– AUD 156 million from ancillary revenue detailed above.</li> </ul> </li> <li>• The group did not specifically disclose ancillary revenue activity for FY2014, which includes checked baggage, assigned seating, extra leg room seating, duty-free merchandise, commissions on travel services such as hotel and car rental bookings, and advertising revenue. More than 89% of disclosed ancillary revenue is affiliated with Qantas Loyalty.</li> <li>• Qantas.com has 2.5 million visitors per week and revenue of AUD\$300 million per month.</li> <li>• Total Group revenue for FY2014 was AUD 15.352 billion; excluding Jetstar revenue of AUD 3.222 billion yields net Qantas Airways revenue of AUD 12,130,000,000.</li> </ul>
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A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	Baggage, loyalty memberships, medical assistance, paid seats, Qantas Service Collection, unaccompanied minor.
Sabre	Baggage, branded fares, paid seats.
Travelport	Baggage, paid seats.

### Rex Regional Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,400,359
As a % of Revenue	1.0%
Dollars per Passenger	\$2.28
Financial Period	Fiscal year ended June 30, 2014
Total Revenue	\$240,354,673
Passengers	1,053,000
Information Source	Annual Report for the Financial Year Ended June 30, 2014 and Fiscal Year 2014 Financial Results Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Australian dollars (AUD).</li> <li>• Results include Rex Regional Express, Air Link, and Pel-Air Aviation.</li> <li>• Rex sells hotel accommodations, car rentals, and travel insurance at its website. The carrier sells annual</li> </ul>

	<p>memberships for its airport lounge in Sydney. Service fees are charged for payment made by credit card.</p> <ul style="list-style-type: none"> <li>• The carrier disclosed revenue of <u>AUD 2,530,000</u> from “other passenger services and amenities.”</li> <li>• Revenue for 2014 was AUD 253,336,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### SpiceJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$97,888,496
As a % of Revenue	9.3%
Dollars per Passenger	\$7.23
Financial Period	Fiscal year ended 31 March 2014
Total Revenue	\$1,050,768,248
Passengers	13,540,000
Information Source	Annual Report 2013 2014 – SpiceJet Limited and SpiceJet Quarter Ended 30 September 2014 Investor Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in India rupees (INR).</li> <li>• Operating revenue includes sale of food and beverage of INR 424,030,000 for FY2013/2014. The prior year total was INR 380,050,000 million.</li> <li>• Revenue from “special service requests” was disclosed, however this includes revenue from reservation changes, which is not included as an ancillary revenue activity for this Yearbook.</li> <li>• Ancillary revenue activities for the airline include:             <ul style="list-style-type: none"> <li>– SpiceMax provides extra leg room onboard, complimentary meal and beverage, priority baggage handling and priority check-in for INR 500-1,000.</li> <li>– Bag out first: priority delivery to baggage claim for INR 100.</li> <li>– Spice Assist: personal assistance at the airport from check-in through arrival at the destination for INR 500.</li> <li>– Spice Assurance: Payout in the event of flight cancelation, delay, or lost baggage.</li> <li>– Priority Check-In.</li> </ul> </li> <li>• Ancillary revenue of INR 1,099,000,000 was disclosed by</li> </ul>

	<p>the airline for the quarter ended 30 September 2013, representing 10.2% of passenger revenue (not operating revenue). This ratio was applied to SpiceJet's FY2013/2014 passenger revenue of INR 57,578,030,000 to generate annualized ancillary revenue of <u>INR 5,872,959,000</u>.</p> <ul style="list-style-type: none"> <li>• The ancillary revenue ratio increased to 11.7% for the quarter ended 30 September 2014 (which is for a quarter included in FY2014/2015 and not part of this report).</li> <li>• Total revenue for the fiscal year ended 31 March 2014 was INR 63,042,330,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Spring Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$66,838,619
As a % of Revenue	5.7%
Dollars per Passenger	\$5.84
Financial Period	Calendar year ended 31 December 2014
Total Revenue	\$1,181,271,949
Passengers	11,447,000
Information Source	Spring Airlines Summary of Annual Report 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures are in China yuan (CNY).</li> <li>• The document was published in Chinese. The following translations may be helpful for finding information:             <ul style="list-style-type: none"> <li>– Revenue: 收入</li> <li>– Ancillary Revenue: 辅助收入</li> <li>– Passenger Traffic: 旅客运输量</li> </ul> </li> <li>• Ancillary revenue for 2014 was <u>RMB 414,610,340</u> which represents a 34.7% increase from 2013.</li> <li>• During 2014 Spring Airlines introduced a new fare bundle designed for business travelers with the following features: meal service, priority boarding, assigned seating, and mileage bonus. The carrier is also in the process of developing hotel and car rental bookings, visa services, VIP lounge access, and other services. Wifi service will be introduced during 2015.</li> <li>• Total revenue for 2014: CNY 7,327,613,500.</li> </ul>



A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

## Tigerair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$118,391,306
As a % of Revenue	21.8%
Dollars per Passenger	\$23.03
Financial Period	For the fiscal year ended 31 March 2015 (FY2015)
Total Revenue	\$543,943,366
Passengers	5,140,000
Information Source	Financial Statement for the 4 <sup>th</sup> Quarter and Fiscal Year ended 31 March 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Singapore dollars (SGD).</li> <li>• Group results are composed of Tigerair Singapore. Tigerair Mandala was shut down during FY2015.</li> <li>• Ancillary revenue and other revenue disclosed for the group was <u>SGD 147,448,000</u> for FY2015.</li> <li>• Tiger provides various ancillary services and generates additional revenue through the provision of additional products and services. Flight-related services include inflight 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"> <li>– Checked Luggage and Luggage Upsize: Upsize charges are based on the weight of the luggage that passengers are checking in, so passengers only pay for their individual luggage requirements.</li> <li>– Tigerbites: Passengers who pre-order meals save 10% and are served first.</li> <li>– 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.</li> <li>– Boardmefirst: For just SGD 6 per person, per segment, everyone in the traveling party can be among the first to get on board.</li> <li>– TigerPLUS: For SGD 48, passengers enjoy dedicated check-in, lounge access, and priority boarding at Singapore.</li> <li>– TigerCombo: For SGD 17, passengers enjoy seat selection and a meal package.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Tigerconnect: No need to claim a bag or process through immigration for connections at Singapore. The service is included in the price of tickets for connections under 8 hours. For more than 8 hours, the fee is SGD 22. Free city center shuttle and sightseeing tour is also provided.</li> <li>- As part of its internet-related services, Tiger also offers accommodation services, travel insurance and car rental through the website.</li> <li>• Operating revenue disclosed for FY2015: SGD 677,443,000.</li> </ul>
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A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	Baggage, meals, paid seats, premium services, sports equipment.

### Virgin Australia

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	\$218,214,446
As a % of Revenue	5.2%
Dollars per Passenger	\$10.91
Financial Period	Calendar year ended 31 December 2014
Total Revenue	\$4,193,512,393
Passengers	Approximately 20 million
Information Source	Interim Financial Reports for the Half Year ended 31 December 2014 and 2013, and the Annual Financial Report for 2014 (period ended 30 June)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Australia dollars (AUD).</li> <li>• Virgin Australia’s fiscal year ends 30 June; some of the information presented here (such as passenger traffic) represents annualized statistics based upon fiscal period statistics.</li> <li>• Virgin Australia completed the sale of a 35% share of its Velocity Frequent Flyer program on 22 October 2014 to “Affinity” (non-controlling interests) for AUD 336 million. This places a valuation of AUD 960 million on Velocity. As a result of this sale, the airline disclosed additional financial details for Velocity.</li> <li>• For the period of 22 October through 31 December 2014, the non-controlling interests’ share of revenue was</li> </ul>

	<p>AUD 16 million. Based upon the 35% share, this indicates total Velocity revenue was AUD 45.7 million.</p> <ul style="list-style-type: none"> <li>• The 71-day period represents approximately 20% of the year. Based upon this period, this indicates annual Velocity revenue was approximately <u>AUD 230,000,000</u> and represents ancillary revenue for the airline. The program has 4.8 million members at the end of 2014.</li> <li>• Annual revenue for the airline was AUD 4,420,000,000 based upon the following results by fiscal period: <ul style="list-style-type: none"> <li>– 01 January through 30 June 2014: AUD 2,064,500,000.</li> <li>– 01 July through 31 December 2014: AUD 2,377,500,000.</li> </ul> </li> </ul>
<p style="text-align: center;"><b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)</p>	
Amadeus	Baggage, paid seats, unaccompanied minor.
Sabre	Baggage, paid seats, unaccompanied minor.
Travelport	Baggage, unaccompanied minor.

## **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 Do, Air India (only 2012/2103 report at press time), Air New Zealand, Asiana (Kumho Asiana), Bangkok Air, Cathay Pacific Airways, EVA Airways, Fiji Airways, Go Airlines, Hainan Airlines, Hong Kong Airlines (planning IPO in 2015), Jeju Air, Jet Airways (investor transcript did not reference ancillary revenue for 2014), Juneyao Airlines, Lion Air, Malaysia Airlines, Peach Aviation, Philippine Airlines, Singapore, Solaseed Air (documents only in Japanese), Starflir (documents only in Japanese), Thai Airways, and TransAsia Airways.

## Middle East and Africa

### **Air Arabia**

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$60,914,786
As a % of Revenue	6.0%
Dollars per Passenger	\$8.94
Financial Period	Calendar year 2014
Total Revenue	\$1,015,246,429
Passengers	6,817,000
Information Source	Air Arabia Annual Report 2014 and Air Arabia Investor Presentation Full Year 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All revenue below is stated in UAE dirhams (AED).</li> <li>• The holding company owns 100% of Air Arabia (UAE), 41% 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.</li> <li>• The carrier disclosed it had accomplished a level of ancillary revenue by 2012 equaling “6% of revenue.” This statistic continues to appear in its financial documents and has not been changed. Applying the 6% rate to 2014 revenue yields a result of <u>AED 223,740,000</u>.</li> <li>• The carrier introduced the Airewards frequent flier program March 2015. The program provides point accrual based on the amount spent on fares and a la carte services. In addition, points may be redeemed for air travel and a la carte services.</li> <li>• Revenue for 2014 was AED 3,729,000,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### **Emirates**

Source and Type	Checked baggage fees
Ancillary Revenue	\$118,704,061
As a % of Revenue	0.5%
Dollars per Passenger	\$2.41

Financial Period	Fiscal year ended 31 March 2015
Total Revenue	\$24,181,596,304
Passengers	49,292,000
Information Source	Annual Report 2014-2015 of The Emirates Group for the period ended March 31, 2014
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in UAE dirhams (AED).</li> <li>Emirates did not specifically disclose ancillary revenue, but it did list 2014 revenue from excess baggage charges: <u>AED 436,000,000</u>.</li> <li>The Group has holdings in a diverse array of businesses worldwide, such as restaurants (Catalina, Grab &amp; Go, and World New Café), hotels (JW Marriott Marquis Dubai and Premier Inn locations in the UAE), and airline catering kitchens. These have not been included as contributing to ancillary revenue because these are general consumer activities and are not primarily directed to Emirates' passengers.</li> <li>Revenue for 2014/2015 fiscal year was AED 88,819,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### flydubai

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$172,502,048
As a % of Revenue	14.4%
Dollars per Passenger	\$23.79
Financial Period	Calendar Year 2014
Total Revenue	\$1,197,930,890
Passengers	7,250,000
Information Source	"2014 sees flydubai achieve increased revenues of AED 4.4 billion up 19.1% and profits of AED 250 million" press release dated 03 March 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>All figures below are in UAE dirhams (AED).</li> <li>Ancillary revenue disclosed for 2014 was 14.4% of revenues or <u>AED 633,600,000</u>. Ancillary revenue items include: inflight entertainment, onboard sales, seat preferences, checked baggage allowance, car rental, hotel</li> </ul>

	<p>bookings, travel insurance and visa facilitation services.</p> <ul style="list-style-type: none"> <li>• The carrier did disclose its definition of ancillary revenue includes cargo; however this is not believed to represent a significant share of ancillary revenue.</li> <li>• Revenue for 2014 was AED 4,400,000,000.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None

### Jazeera Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$14,699,988
As a % of Revenue	6.6%
Dollars per Passenger	\$12.62
Financial Period	Calendar Year 2014
Total Revenue	\$221,689,648
Passengers	1,165,000
Information Source	Jazeera Airways Group Consolidated Annual Financial Statements dated 31 December 2014 and Investor Presentation by Donald Hubbard, CFO dated 30 March 2015
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in Kuwait dinars (KWD).</li> <li>• Ancillary revenue disclosed for 2014 was <u>KWD 4,142,457</u>. IdeaWorksCompany believes this activity consists of call center reservation booking fees and commissions on hotel reservations, and car rentals made through the airline.</li> <li>• Revenue for 2014 was KWD 62,472,147.</li> </ul>
<b>A la Carte Services Sold Through GDS</b> (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	None
Travelport	None



## South African

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	\$44,976,053
As a % of Revenue	1.7%
Dollars per Passenger	\$4.82
Financial Period	Fiscal year ended 31 March 2014
Total Revenue	\$2,689,380,563
Passengers	9,332,000
Information Source	SAA 2014 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> <li>• All figures below are in South African rand (ZAR).</li> <li>• 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 2014 Voyager income was <u>ZAR 480,000,000</u>. According to a 16 March 2014 <i>BusinessDay</i> article, the program has 2.5 million members.</li> <li>• South African Airways Group results include its low cost carrier Mango.</li> <li>• Company revenues for 2014 were ZAR 28,702,000,000.</li> </ul>
A la Carte Services Sold Through GDS (refer to A la Carte Services note on page 12)	
Amadeus	None
Sabre	Baggage
Travelport	Baggage

## **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:

Air Mauritius, Comair (South Africa), Egyptair (only 2011/2012 report was available at press time), El Al (English 2014 annual report was not available at press time), Ethiopian (only 2012/2013 report was available at press time), Etihad, fastjet (2014 annual report was not available at press time), FlyAfrica.com, flynas, Kenya Airways, Middle Eastern Airlines (only 2013 report was available at press time), Qatar Airways, Royal Jordanian (only 2013 report was available at press time), and Oman Air.

## Currency Exchange Rates Used for the Worldwide Statistics

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

Australian dollar (AUD)	= 0.9488
Brazil reais (BRL)	= 0.4541
Canada dollar (CAD)	= 0.9387
China yuan (CNY)	= 0.1612
Croatian kuna (HRK)	= 0.1805
Danish kroner (DKK)	= 0.1835
euro (€)	= 1.3680
Great Britain pound (GBP)	= 1.7144
India rupees (INR)	= 0.0167
Japan yen (JPY)	= 0.0099
Korean won (KRW)	= 0.0010
Kuwait dinars (KWD)	= 3.5486
Malaysia ringgit (MYR)	= 0.3118
Norway kroner (NOK)	= 0.1623
Pakistan rupee (PKR)	= 0.0101
Philippine peso (PHP)	= 0.0229
Russian ruble (RUB)	= 0.0291
Singapore dollars (SGD)	= 0.8029
South Africa rand (ZAR)	= 0.0937
Thai baht (THB)	= 0.0309
Turkish lira (TRY)	= 0.4698
UAE dirham (AED)	= 0.2723

Currency exchange rates are from XE.com, the Universal Exchange Converter.  
As effective on 01 July 2014