

ANCILLARY REVENUE REPORT SERIES FOR 2011



The Amadeus Yearbook of Ancillary Revenue

By IdeaWorks

Researched and Written by Jay Sorensen

Edited by Eric Lucas

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About Jay Sorensen, Writer of the Report



Jay, with sons Aleksei and Anton, in the Sunrise area of Mount Rainier National Park in the state of Washington.

Jay Sorensen's research and reports have made him a leading authority on frequent flier program development and the ancillary revenue movement. For 2011 he is a speaker at the World Low Cost Airlines Congress in London. His published works are relied upon by airline executives throughout the world. The 2010 Guide to Ancillary Revenue was the third edition of this popular report; it is regarded as a global resource on the topic of a la carte pricing. IdeaWorks also published its first Guide to Loyalty Marketing in 2010.

Mr. Sorensen is a veteran management professional with 27 years experience in product, partnership, and marketing development. As president of the IdeaWorks consulting firm, he has enhanced the generation of airline revenue, started loyalty programs and co-branded credit cards, developed products in the service sector, and helped start airlines and other travel companies. His career includes 13 years at Midwest Airlines where he was responsible for marketing, sales, customer service, product development, operations, planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

About Eric Lucas, Editor of the Report



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

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

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Add more to the trip

Add Ancillary Services

CAN ANCILLARY SERVICES SOLVE THE PRICE COMPARISON CONUNDRUM?

In this report you will read about how a lot of airlines are earning a lot of money selling ancillary services.

This is partly an illusion. Some airline ancillary services earnings aren't additional revenue but shifted revenue. Airline base fares are at an all time low and ancillary services are supposed to make up the difference.

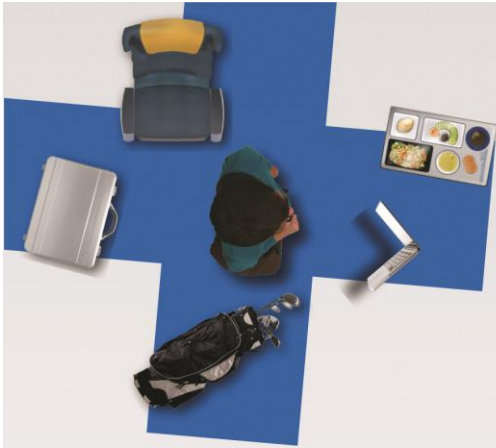
But can they do more than that? Can they shift the base of comparison from price to service? Behavioural economists talk about "priming". To understand this, think of the following experiment.

Ask a person to think of a number between one and ten. Then ask them how much they would pay for a service. Then ask someone else to think of a number between 500 and a thousand, and ask them how much they would pay for the same service. Chances are, person 2 will feel much more generous than person 1.

So low base fares and low-fare search brings out the miser in all of us. Amadeus is trying to counter this by building

service-based search into its low-fare search tools. This would allow, for example, people looking for a flight on an online travel agency to search for all flights which include checked bags in the ticket, or all flights with extra leg-room. The idea is to prime users to think about service.

Can ancillary services shift the base of comparison from price to service?



Add more to the trip

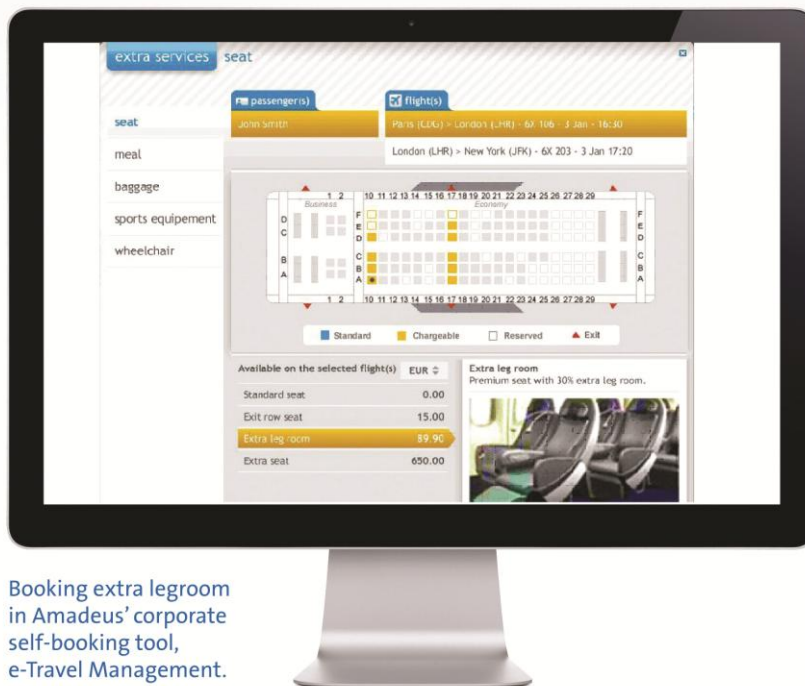
Add Ancillary Services

Will it work? We don't know yet, but it is surely worth a try.

Of course, once you have sold a service you'd better deliver it. So we thought about the whole ancillary service process from shopping to delivery. Our ancillary services IT solution (available to airlines using Amadeus Altéa) displays services to check-in agents and

ensures that passengers keep their ancillary services even if their flight is disrupted. Ancillary revenue numbers already look big, but as an industry we are still only at the beginning of understanding how to package and deliver these services to maximise value for airlines and their passengers.

At Amadeus, we're delivering the technology to help you meet this challenge.



Booking extra legroom in Amadeus' corporate self-booking tool, e-Travel Management.

Amadeus Airline Ancillary Services is available across all touchpoints, including: travel agency desktop, corporate self booking tools, low fare search engines used by online travel agencies, airline sales offices (ACO/CTO and call centres) and airline websites.

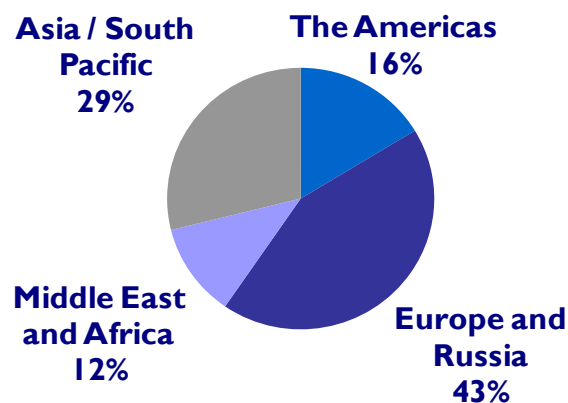
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2010 Amadeus Yearbook of Ancillary Revenue

IdeaWorks analyzed financial statements from 104 airlines to develop a picture of ancillary revenue activity by carriers worldwide. Of the 104 airlines, 47 reported revenue details identifying ancillary activities. The carriers that comprise the 104 airlines provide financial statements or investor presentations and typically offer shares to the public. IdeaWorks used a number of resources, such as airline stock indexes, to identify these publicly-held airlines. Some of the carriers included do not offer shares to the public, but provide financial information at airline websites. Airlines which are privately owned and don't disclose financial results are not included in this analysis.

IdeaWorks Analyzed Financial Statements from 104 Airlines Worldwide



Economic difficulties are the key reason airlines add ancillary revenue activities. This explains why the pace of activity has quickened since IdeaWorks started reviewing airline financial reports in 2007. Back then, only 23 airlines worldwide disclosed ancillary revenue activity - - a modest total of €1.72 billion (\$2.45 billion). The world has changed dramatically in four years with 47 carriers disclosing 2010 ancillary revenue activity of €15.11 billion (\$21.46 billion). This represents ancillary revenue growth of 38% over 2009 and 96% since 2008. The amount listed by 47 carriers comes close to the €18.4 billion projected by IdeaWorks in autumn 2010 as the ancillary revenue associated with a global list of 150 carriers.

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

Two trends are obvious from the review of the financial disclosures made by airlines for the 2010 Amadeus Yearbook of Ancillary Revenue. First, airlines already engaged in ancillary revenue activities are bringing more products to market. This occurs through the introduction of new a la carte features and the inclusion of distribution methods beyond the carrier's website. Second, many of these airlines are becoming savvy retailers. Branding has been emphasized, pricing is more sophisticated, and an increasing number of features are presented during the booking process.

Research carried out by IdeaWorks shows that ancillary revenue has definitely grown beyond its low cost airline beginnings. The oil price peak of 2008 caused huge losses and prompted US airlines to start charging travelers for checked baggage. Ultimately, the ripple effect of these fees has eased the path for more airlines to consider à la carte additions and catalyzed a stunning increase of 778% since 2007.

The list of top players in 2007 was dominated by carriers such as Ryanair, easyJet, and Aer Lingus. Since then, large carriers have learned how to generate large ancillary revenue numbers. Continental disclosed its ancillary revenue results for the first time when it merged with United. The combination has created an ancillary revenue giant with annual results in excess of €3.5 billion, or nearly \$5 billion (based on current exchange rates).

American, Delta, and United have been very pleased by the payout from baggage fees, which now contribute hundreds of millions of dollars to the income statements of US-based carriers. Consumers have grumbled, but they too are aware of the higher prices paid when they fill their automobile tanks. The price of oil has been testing the same levels as it did back in 2008, and this will likely trigger the spread of baggage fees to more global markets such as Asia and South America. The tightly woven world of airline alliances and codeshare operations will almost certainly require the alliances to accept a new wave of bag fees.

Top 10 Airlines – Total Ancillary Revenue (euros)			
Annual Results – 2010		Annual Results – 2009	
€ 3,530,000,000	United Continental	€ 1,527,310,000	United
€ 2,612,200,000	Delta	€ 1,507,750,000	American
€ 1,379,524,000	American	€ 1,117,120,500	Delta
€ 1,087,268,000	Qantas	€ 782,903,000	Qantas
€ 834,492,000	US Airways	€ 663,600,000	Ryanair
€ 801,600,000	Ryanair	€ 608,796,693	easyJet
€ 654,824,400	easyJet	€ 540,589,500	US Airways
€ 426,240,000	Emirates	€ 534,143,000	Air Canada
€ 390,065,000	Alaska Airlines	€ 368,869,000	Alaska Airlines
€ 359,489,220	TAM Airlines	€ 356,742,400	TAM Airlines

2010 carrier results were based upon recent 12-month financial period disclosed which may have ended during 2010 or 2011.

Second place Delta has embraced ancillary revenue as evidenced by the spread of baggage fees to transatlantic routes, and a la carte fees associated with inflight Wifi, on-demand movies, onboard dining, and SkyClub lounge passes. The big jump for 2010 can largely be attributed to more thorough financial disclosure of a la carte activity in its annual report and more SkyMiles program revenue. The carrier disclosed revenue from the sale of various a la carte activities generated \$2.1 billion during 2010 with an additional \$1.6 billion from its SkyMiles frequent flier program. IdeaWorks includes the sale of miles or points to partners as ancillary revenue activity.

Qantas disclosed “ancillary revenue” of A\$334 million (€252 million) from traditional a la carte sources. However, it is the Qantas Frequent Flyer Program that really piles on the profits. Revenue posted by the frequent flyer program was A\$1.108 billion (€835 million) for 2010. Points in the program have seemingly gained the status of official currency through partnerships with major Australian retailers and banks. With 7.2 million members, that’s a stunning A\$154 (€116) for every program member.

Ancillary revenue as a percentage of total revenue provides a better measure of ancillary aggressiveness and marketing acumen. This method of measurement allows low-cost carriers to dominate the top-10 list for 2009 and 2010.

Top 10 Airlines – Ancillary Revenue as a % of Total Revenue			
Annual Results – 2010		Annual Results – 2009	
29.2%	Allegiant	29.2%	Allegiant
22.6%	Spirit	23.9%	Spirit
22.1%	Ryanair	22.2%	Ryanair
21.0%	Jet2.com	19.4%	easyJet
20.5%	Tiger Airways	19.4%	Tiger Airways
19.2%	easyJet	18.1%	Jet2.com
18.7%	AirAsia	14.4%	Aer Lingus
18.1%	AirAsia X	13.3%	Alaska Airlines
15.7%	Flybe	13.2%	Flybe
14.7%	United Continental	13.1%	AirAsia

Currency exchange based upon rates in effect for 2011 and 2010. 2010 carrier results were based upon recent 12-month financial period disclosed which may have ended during 2010 or 2011.

Low cost carriers are known for low fares and thus it’s easier for ancillary revenue to represent a larger piece of the total revenue picture. They earn ancillary revenue through the complete array of a la carte activity. Consumers benefit from a menu-based approach. Rock bottom prices are possible for those who only travel with a carry-on bag, opt for non-assigned seating, and bring their own food and drink onboard. But these airlines are retail masters and oh-so-effectively encourage consumers to click and buy extras such as checked baggage, priority boarding, pre-order meals, hotel accommodations, and trip insurance.

Ten years ago Michael O’Leary, CEO of Ryanair, expressed the desire for ancillary revenue to eventually replace the need to charge air fare. The results on the above table suggest this objective may top out at 30%; the best performers achieve rates of 20 to 29%. Ancillary revenue certainly helps the bottom line and definitely reduces the pain of high fuel prices. But its ability to eliminate air fares remains elusive for Ryanair and the airline industry.

Ancillary revenue expressed on a per passenger basis is another method to rank the ability of airlines to “build the check” as any good waiter does in a restaurant. These airlines don’t merely sell the entrée ... they also encourage the customer to order a cocktail, appetizer, and a piece of cake.

Top 10 Airlines – Ancillary Revenue per Passenger (euros)			
Annual Results – 2010		Annual Results – 2009	
€ 29.45	AirAsia X	€ 24.89	Allegiant
€ 26.24	Qantas	€ 22.51	Jet2.com
€ 24.23	United Continental	€ 22.35	Spirit
€ 24.20	Jet2.com	€ 20.37	Qantas
€ 23.20	Allegiant	€ 18.76	United
€ 17.76	Spirit	€ 17.23	Air Canada
€ 17.67	Aer Lingus	€ 16.72	Aer Lingus
€ 16.72	Alaska Airlines	€ 16.47	Alaska Airlines
€ 16.06	Delta	€ 14.43	American
€ 14.84	Flybe	€ 13.47	easyJet

Currency exchange based upon rates in effect for 2011 and 2010. 2010 carrier results were based upon recent 12-month financial period disclosed which may have ended during 2010 or 2011.

AirAsia X has obviously found its ancillary revenue verve by jumping to €29.45 per passenger in 2010 from last year's result of €17.07. Early pundits called the idea of operating an all a la carte service on 13 hour flight segments to be sheer folly. That's right, passengers wanting a meal on a flight between Asia and Europe had better pre-order or bring their wallet. The result posted by AirAsia X demonstrates that travelers on long flights tend to spend more online and while onboard. Consumers have embraced the long haul - a la carte concept; the carrier's continued growth and planned share offering are signs of this success.

The strong showing by a merged United and Continental is a significant development for 2010. United has been hard at work for years perfecting its a la carte product offer under the Travel Options by United brand name. Continental has been innovating too and added fare lock and extra legroom seating options during 2010. IdeaWorks estimates the combined revenue from the sale of United Mileage Plus and Continental OnePass miles was approximately \$3 billion (€2.1 billion) for 2010. Synchronizing the ancillary revenue efforts of these two airlines will undoubtedly produce higher results for 2011. Allegiant's lower per passenger results for 2010 can be attributed to euro-dollar exchange rate fluctuations. When expressed in dollars, the 2010 rate was \$32.86, which is higher than \$30.61 for 2009. Per passenger results for Spirit dropped by more than \$2 for 2010. This is likely due to the more refined disclosure made in its IPO document for 2010 whereas the 2009 result was based upon a management presentation when it was a privately held company. Readers may find dollar-based tables on the next page of this report.

Ancillary revenue and a la carte pricing continue to provide compelling benefits for consumers and airlines. Advertising by an early a la carte airline pioneer said it best back in 1981, "You pay only for baggage you want to check, drinks you want to drink, and the snacks you want to snack." It's a proposition that is difficult to change even 30 years later. But the magic of ancillary revenue is the broad appeal it offers to virtually every type of carrier. It's a revenue art practiced by global airlines known for luxurious first class suites such as Emirates and carriers that sell a bare bones product of a seat with a 30-inch pitch such as Ryanair. After four years of amazing growth, ancillary revenue has proven itself as a crucial component in today's travel marketplace.

The following tables reflect actual dollar disclosures by US-based airlines. All other financial disclosures have been converted to US dollars using rates in effect for 2010 and 2009. Carrier rankings remain the same as euro-based tables but year over year changes for individual carriers will be different due to exchange rate fluctuations.

Top 10 Airlines – Total Ancillary Revenue (US\$)			
Annual Results – 2010		Annual Results – 2009	
\$5,000,000,000	United Continental	\$1,878,610,086	United
\$3,700,000,000	Delta	\$1,854,551,046	American
\$1,954,000,000	American	\$1,374,071,956	Delta
\$1,532,846,000	Qantas	\$962,980,320	Qantas
\$1,182,000,000	US Airways	\$816,236,162	Ryanair
\$1,130,256,000	Ryanair	\$748,827,421	easyJet
\$926,239,400	easyJet	\$664,931,734	US Airways
\$603,840,000	Emirates	\$657,002,460	Air Canada
\$552,500,000	Alaska Airlines	\$453,713,407	Alaska Airlines
\$509,069,792	TAM Airlines	\$378,840,000	TAM Airlines

Currency exchange based upon rates in effect for 2011 and 2010. 2010 carrier results were based upon recent 12-month financial period disclosed which may have ended during 2010 or 2011.

Top 10 Airlines – Ancillary Revenue per Passenger (US\$)			
Annual Results – 2010		Annual Results – 2009	
\$41.60	AirAsia X	\$30.61	Allegiant
\$37.00	Qantas	\$27.69	Jet2.com
\$34.32	United Continental	\$27.50	Spirit
\$34.24	Jet2.com	\$25.05	Qantas
\$32.86	Allegiant	\$23.07	United
\$25.16	Spirit	\$21.19	Air Canada
\$24.91	Aer Lingus	\$20.57	Aer Lingus
\$23.68	Alaska Airlines	\$20.26	Alaska Airlines
\$22.75	Delta	\$17.75	American
\$20.99	Flybe	\$16.57	easyJet

Currency exchange based upon rates in effect for 2011 and 2010. 2010 carrier results were based upon recent 12-month financial period disclosed which may have ended during 2010 or 2011.

Ancillary Revenue Defined

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

Ancillary Revenue Defined

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

IdeaWorks further defines ancillary revenue using these categories:
1) a la carte features, 2) commission-based products, 3) frequent flier activities, and 4) advertising sold by the airline.

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

- **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.
- **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.
- **Advertising Sold by the Airline.** This is a newer category and includes any advertising initiative linked to passenger travel. The following are typical activities: 1) revenue generated from the inflight magazine, 2) advertising messages sold in or on aircraft, loading bridges, gate areas, and airport lounges, and 3) fee-based placement of consumer products and samples.

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

About Individual Airline Listings

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

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

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 longer length of some listings, such as Allegiant Air, indicates the company dedicated more space in its reports to the topic of ancillary revenue. Commentary by IdeaWorks is occasionally added to provide added context related to industry-wide trends and the unique qualities of a carrier’s a la carte activity.

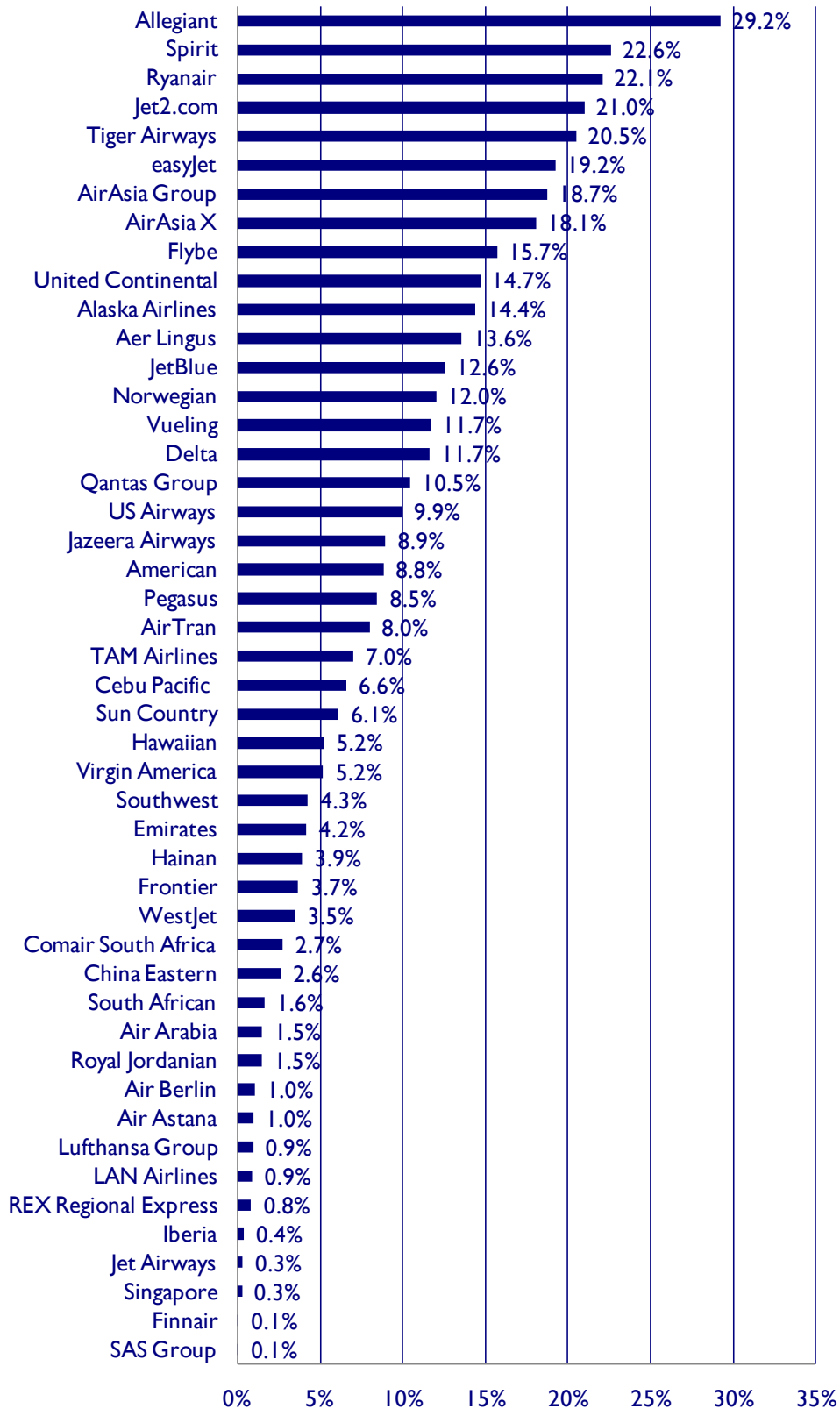
Airlines Posting Ancillary Revenue Results

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

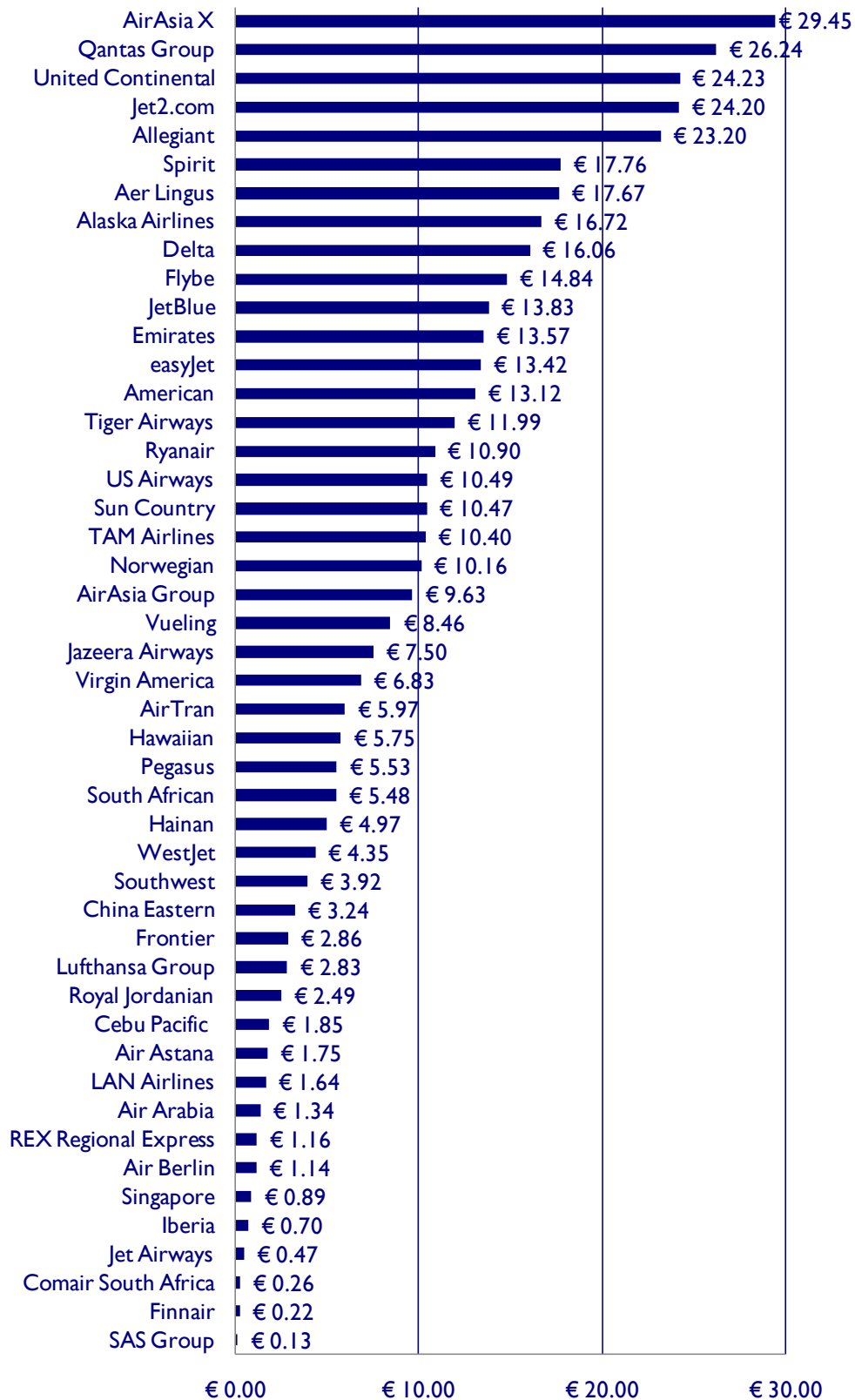
Carriers	Ancillary Revenue in Euros	% of Total Revenue	Euros per Passenger	US\$ per Passenger	Region
Aer Lingus	€ 165,127,000	13.6%	€ 17.67	\$24.91	Europe and Russia
Air Arabia	€ 5,980,224	1.5%	€ 1.34	\$1.90	Middle East and Africa
Air Astana	€ 4,507,810	1.0%	€ 1.75	\$2.48	Asia / South Pacific
Air Berlin	€ 38,204,000	1.0%	€ 1.14	\$1.61	Europe and Russia
AirAsia Group	€ 247,427,095	18.7%	€ 9.63	\$13.65	Asia / South Pacific
AirAsia X	€ 56,564,500	18.1%	€ 29.45	\$41.60	Asia / South Pacific
AirTran	€ 147,554,000	8.0%	€ 5.97	\$8.45	The Americas
Alaska Airlines	€ 390,065,000	14.4%	€ 16.72	\$23.68	The Americas
Allegiant	€ 136,964,000	29.2%	€ 23.20	\$32.86	The Americas
American	€ 1,379,524,000	8.8%	€ 13.12	\$18.58	The Americas
Cebu Pacific	€ 30,619,383	6.6%	€ 1.85	\$2.62	Asia / South Pacific
China Eastern	€ 210,643,590	2.6%	€ 3.24	\$4.60	Asia / South Pacific
Comair South Africa	€ 916,470	2.7%	€ 0.26	\$0.37	Middle East and Africa
Delta	€ 2,612,200,000	11.7%	€ 16.06	\$22.75	The Americas
easyJet	€ 654,824,400	19.2%	€ 13.42	\$18.98	Europe and Russia
Emirates	€ 426,240,000	4.2%	€ 13.57	\$19.22	Middle East and Africa
Finnair	€ 1,600,000	0.1%	€ 0.22	\$0.32	Europe and Russia
Flybe	€ 106,048,319	15.7%	€ 14.84	\$20.99	Europe and Russia
Frontier	€ 41,807,202	3.7%	€ 2.86	\$4.05	The Americas
Hainan	€ 92,536,749	3.9%	€ 4.97	\$7.04	Asia / South Pacific
Hawaiian	€ 48,396,300	5.2%	€ 5.75	\$8.14	The Americas
Iberia	€ 17,750,000	0.4%	€ 0.70	\$0.99	Europe and Russia
Jazeera Airways	€ 9,749,251	8.9%	€ 7.50	\$10.62	Middle East and Africa
Jet Airways	€ 5,638,400	0.3%	€ 0.47	\$0.66	Asia / South Pacific
Jet2.com	€ 75,030,912	21.0%	€ 24.20	\$34.24	Europe and Russia
JetBlue	€ 335,350,000	12.6%	€ 13.83	\$19.58	The Americas
LAN Airlines	€ 28,380,494	0.9%	€ 1.64	\$2.32	The Americas
Lufthansa Group	€ 258,000,000	0.9%	€ 2.83	\$4.01	Europe and Russia
Norwegian	€ 132,352,000	12.0%	€ 10.16	\$14.39	Europe and Russia
Pegasus	€ 47,387,527	8.5%	€ 5.53	\$7.83	Europe and Russia
Qantas Group	€ 1,087,268,000	10.5%	€ 26.24	\$37.00	Asia / South Pacific
REX Regional Express	€ 1,442,402	0.8%	€ 1.16	\$1.65	Asia / South Pacific
Royal Jordanian	€ 7,470,000	1.5%	€ 2.49	\$3.53	Middle East and Africa
Ryanair	€ 801,600,000	22.1%	€ 10.90	\$15.37	Europe and Russia
SAS Group	€ 3,360,000	0.1%	€ 0.13	\$0.19	Europe and Russia
Singapore	€ 14,586,000	0.26%	€ 0.89	\$1.25	Asia / South Pacific
South African	€ 36,924,000	1.6%	€ 5.48	\$7.77	Middle East and Africa
Southwest	€ 345,940,000	4.3%	€ 3.92	\$5.56	The Americas
Spirit	€ 112,790,560	22.6%	€ 17.76	\$25.16	The Americas
Sun Country	€ 9,711,736	6.1%	€ 10.47	\$14.82	The Americas
TAM Airlines	€ 359,489,220	7.0%	€ 10.40	\$14.73	The Americas
Tiger Airways	€ 71,583,600	20.5%	€ 11.99	\$16.99	Asia / South Pacific
United Continental	€ 3,530,000,000	14.7%	€ 24.23	\$34.32	The Americas
US Airways	€ 834,492,000	9.9%	€ 10.49	\$14.86	The Americas
Virgin America	€ 26,567,486	5.2%	€ 6.83	\$9.67	The Americas
Vueling	€ 93,400,000	11.7%	€ 8.46	\$11.99	Europe and Russia
WestJet	€ 66,047,500	3.5%	€ 4.35	\$6.17	The Americas

Data source: Research conducted during May 2011 by IdeaWorks of the financial statements filed by 47 airlines worldwide. Please refer to individual carrier listings for details.

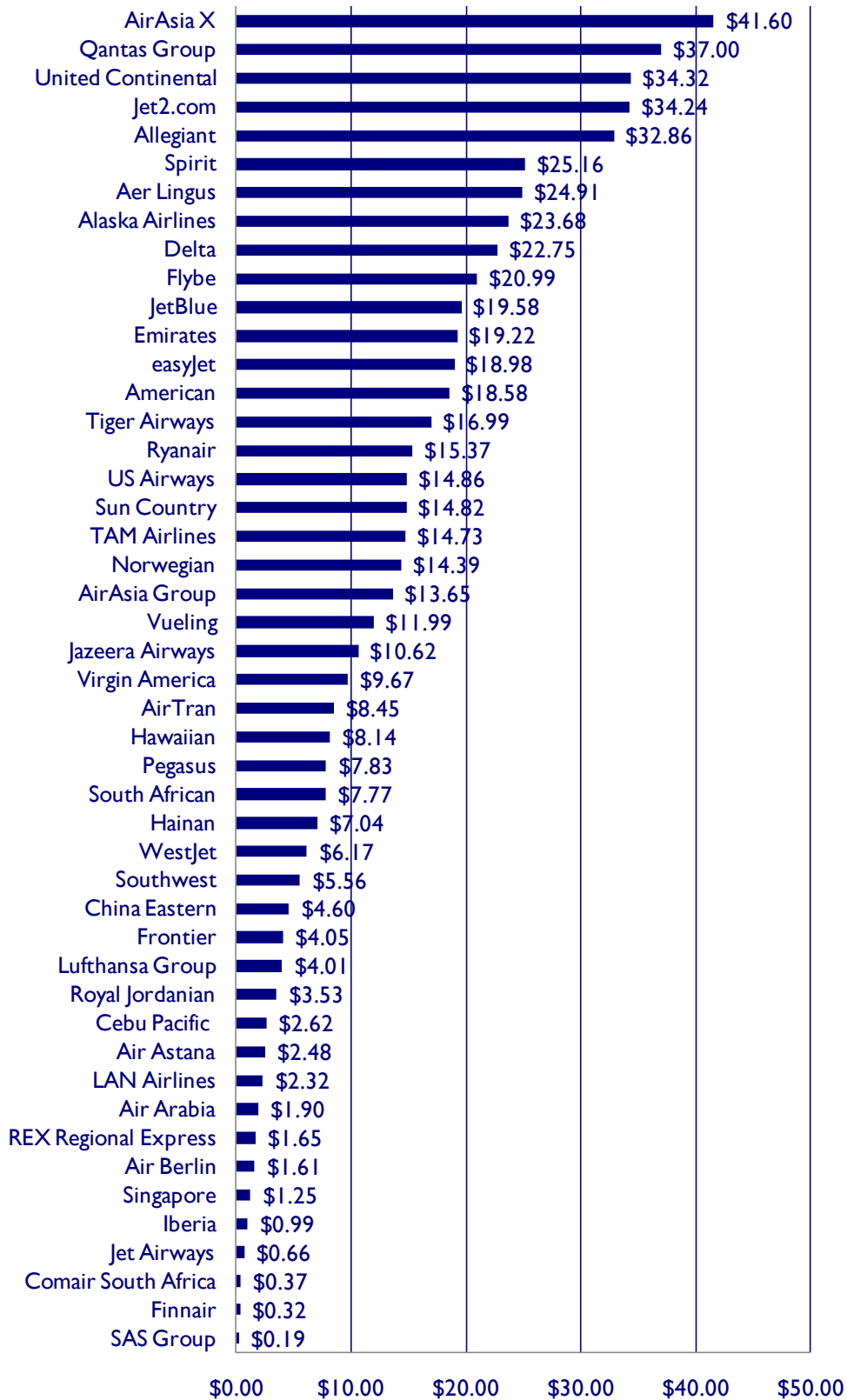
Ancillary Revenue as a % of Total Revenue - 2010



Ancillary Revenue in Euros per Passenger - 2010



Ancillary Revenue in US\$ per Passenger - 2010



Europe and Russia

Aer Lingus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 165,127,000
As a % of Revenue	13.6%
Euros per Passenger	€ 17.67
Reporting Period	Calendar year 2010
Total Revenue	€ 1,215,572,000
Passengers	9,346,000
Information Source	2010 Full Year Results Presentation Dated 28 February 2011 and Preliminary results (unaudited) for the year ended 31 December 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Ancillary revenue for 2010 reflected a lower level of passenger traffic which was offset by increased spending per passenger. Aer Lingus ranked 9th worldwide in terms of ancillary revenue per passenger per the report issued by Amadeus/IdeaWorks. The focus for 2011 will be to improve the attractiveness of the onboard retail proposition, add new products, and make a larger investment in IT systems. • Ancillary revenue for 2010 was €165,127,000, and on a per passenger basis was €17.67, which reflects a 5.5% increase above 2009 per passenger results. However, total ancillary revenue fell by 5.1% from the 2009 result. On a per passenger basis, online booking fee revenue increased 2.1%, seat selection fees were up 8.3%, and baggage fees increased 6.6% above 2009 levels. The most significant elements of ancillary revenue are inflight sales, baggage fees, online booking fees, seat selection fees and commissions.

Air Berlin

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 38,204,000
As a % of Revenue	1.0%
Euros per Passenger	€ 1.14
Reporting Period	Calendar year 2010
Total Revenue	€ 3,723,600,000
Passengers	33,593,000

Information Source	Air Berlin Annual Report for 2010 and Analysts & Investors Conference (Abu Dhabi) 04 April 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Revenue from inflight sales fell by 22.2% to €38.2 million from €49.1 million, largely due to a lower proportion of long-haul routes. • The carrier disclosed the following revenue from additional products and services associated with flying: Inflight and duty free sales: €38,204,000. • As of December 2010, there were more than 2.4 million topbonus frequent flier program members. Revenue associated with the program was not disclosed.

easyJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 654,824,400
As a % of Revenue	19.2%
Euros per Passenger	€ 13.42
Reporting Period	Fiscal year ended 30 September 2010
Total Revenue	€ 3,407,172,600
Passengers	48,800,000 (please see Note A below)
Information Source	easyJet Annual Report and Accounts 2010 and 2010 Full year results analyst presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (GBP). • easyJet has a number of opportunities to improve margins: <ul style="list-style-type: none"> – Grow fares through continued network optimization and attracting more business travelers. – Grow ancillary revenues through yield management of fees, partner revenue, and inflight sales. – Boost revenue through better execution and innovative methods such as easyJet Holidays. – Manage costs by reducing complexity and disruption expense and continue procurement initiatives in airports, ramp operations, and maintenance. • Ancillary revenue for the fiscal year ended 30 September 2010 was £571,400,000. Regulatory changes which required the “opt in” process for insurance products led to a reduction in insurance income of £8 million during the year. Changes to VAT legislation negatively impacted inflight income by £2 million. • There was improved performance in a la carte fees and checked baggage revenue. However, hotel and car hire

	<p>revenues were down versus the prior year. The airline admits its ancillary revenue performance was disappointing and is working to ensure it has the correct product offerings to underpin growth plans going forward.</p> <ul style="list-style-type: none"> • The following discloses the change in ancillary revenue per seat for fiscal year 2010 versus 2009: <ul style="list-style-type: none"> – Bag charging +£0.14 – Fees and charges +£0.53 – Partner revenues -£0.19 – Inflight net revenue -£0.05 • The carrier’s main ancillary partners are Gate Gourmet (provides inflight merchandise), Europcar (car rental), Hotelopia and Laterooms (broker hotels), and Alvia (through the Mondial brand provides insurance). • Amounts paid by “no-show” customers are recognized as passenger or ancillary revenue as appropriate when the booked service is provided as such customers are not generally entitled to change flights or seek refunds once a flight has departed. • Revenue for the fiscal year ended 30 September 2010 was £2,973,100,000. • Note A: Represents the number of earned seats flown. Earned seats include paid for seats whether or not the passenger turns up because easyJet is a no-refund airline, and once a flight has departed a no-show customer is generally not entitled to change flights or seek a refund. Earned seats also include seats provided for promotional purposes and to staff for business travel.
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Finnair

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 1,600,000
As a % of Revenue	0.1%
Euros per Passenger	€ 0.22
Reporting Period	Calendar year 2010
Total Revenue	€ 2,023,000,000
Passengers	7,139,000
Information Source	Annual Review 2010 and Financial Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Finnair did not report revenue from a la carte activities. However, the carrier did report operating income of €1.6 million from its frequent flier program. The majority of this is likely provided by the carrier's Finnair

	<p>Plus co-branded credit card portfolio.</p> <ul style="list-style-type: none"> • The Finnair Plus frequent-flier program has around 1 million members in Finland and half a million members abroad. • Revenue for 2010 was €2,023,000,000.
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Flybe

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 106,048,319
As a % of Revenue	15.7%
Euros per Passenger	€ 14.84
Reporting Period	12-month period ended 30 September 2010
Total Revenue	€ 674,650,200
Passengers	7,148,000
Information Source	Flybe – An Introduction Presentation to Analysts, 17th January 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (GBP). • Flybe’s fiscal year ends 31 March. These statistics were calculated using half year results for the periods ending 30 September 2010 and 31 March 2010. • Ancillary Revenue Total: £92,537,800 Half year ended 30 September 2010: £13.1 per passenger or £51,980,800. Half year ended 31 March 2010: £12.70 per passenger or £40,557,000. • Passenger Traffic Total: 7,148,000. Half year ended 30 September 2010: 3,968,000. Half year ended 31 March 2010: 3,180,000 • Company Revenue Total: £588,700,000. Half year ended 30 September 2010: £321,000,000. Half year ended 31 March 2010: £267,700,000. • Flybe considers ancillary revenue to consist of: 1) checked baggage, 2) advance seat assignment, 3) commissions earned on the sale of items, 4) reservation change fees, and 5) credit card fees. These are recognized as revenue on the date the right to receive consideration occurs. In respect of credit card fees, this occurs when each flight is booked and paid. For the remaining ancillary revenue, this occurs on the date of transportation, as this is when the service is generally provided. • Commissions received from the issue of Flybe branded credit cards by a third party provider are allocated between the sales value of free flights and revenue.

Revenue associated with free flights is recognized when the related flights are taken and remaining revenue is recognized upon receipt of payment, provided that it is not refundable and there are no further obligations for the company.

Iberia

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 17,750,000
As a % of Revenue	0.4%
Euros per Passenger	€ 0.70
Reporting Period	Calendar year 2010
Total Revenue	€ 4,770,000,000
Passengers	25,300,000
Information Source	Iberia Group Summary of Financial Statements for the Year Ended 31 December 2010 Oneworld At-a-Glance Statistics reviewed May 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Iberia does specifically list ancillary revenue in its financial filings. However, the carrier disclosed it owns 43.5% of Iberia Cards (Sociedad Conjunta para la Emisión y gestión de Medios de Pago EFC, S.A.). The company's shareholders are: Iberia Airlines, Grupo Banco Popular, BBVA, and Caja Madrid. • According to the Iberia Cards website, "Iberia Cards offers a complete range of products that meets the needs of all segments of customers: families, small and medium enterprises, large corporations and public and private institutions. With over 8,000 branches spread across the Spanish geography, Iberia Cards has the largest sales network in the country. Thanks to this broad coverage, Iberia Cards is adding more customers and increasing its brand presence nationally." • Iberia Cards generated revenue of €38 million during 2010; 43.5% (representing Iberia's ownership share) would be €16.5 million. Iberia may have realized a larger amount from the sale of points to Iberia Cards. • The carrier also disclosed it owns 25% of Grupo Air Miles Espana, S.A. This entity generated revenue of €5 million during 2010; 25% (representing Iberia's ownership share) would be €1.25 million. Grupo Air Miles Espana operates the Spain Travel Club Program which is a consumer loyalty program with a membership base of 6 million.

- As of 2011, Iberia Plus has 4 million members. The company estimates 27.59% of points will never be redeemed based on the experience of Iberia over the lifetime of the program.

Jet2.com

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 75,030,912
As a % of Revenue	21.0%
Euros per Passenger	€ 24.20
Reporting Period	12-month period ended 31 March 2011
Total Revenue	€ 357,552,000
Passengers	3,100,000
Information Source	Dart Group Plc. Reports and Accounts 2011 (31 March 2011)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (GBP). • Jet2.com is a UK-based airline owned by the Dart Group Plc. • The carrier refers to ancillary revenue as “retail revenue” in its financial documents. Jet2.com discloses retail revenue per passenger increased from £14.93 to £21.12 in 2009/10. • Activity was generated from a number of sources including checked baggage charges, online seat assignment, extra leg room seats, onboard sales, and commissions on car hire. Customers are also able to pre-order hot food. • The carrier is devoting considerable resource to develop its in-house reservation system to improve the booking experience for customers and optimize retail revenues. During the year the reservation system was enhanced to offer customers dynamic currency conversion, online redemption for “myJet2” loyalty scheme members as well as discounted pricing on bundles of optional purchases such as food and extra leg room. • Ancillary revenue <ul style="list-style-type: none"> – 12 months ended 31 March 2011: £65,472,000 • Operating revenue: <ul style="list-style-type: none"> – 12 months ended 31 March 2011: £312 million • Notes regarding financial reporting. Retail revenue from cabin service sales, excess baggage charges, seat assignment fees and extra leg room charges are recognized once the relevant flight has taken place. Separately identified incremental credit card charges and call centre booking fees are recognized at the date of

	<p>booking and booking change fees are recognized when the change is made, in line with the costs which such charges are designed to cover. Commission earned from car hire and hotel bookings is recognized on departure and from travel insurance on booking, reflecting the time when commission can no longer be recovered on cancellation.</p> <ul style="list-style-type: none"> • The myJet2 frequent flier program has more than 250,000 members.
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Lufthansa Group

Source and Type	Commission-based travel services
Ancillary Revenue	€ 258,000,000
As a % of Revenue	0.9%
Euros per Passenger	€ 2.83
Reporting Period	Calendar year 2010
Total Revenue	€ 27,327,000,000
Passengers	91,200,000
Information Source	Lufthansa Consolidated Financial Statements 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Consolidated results include Lufthansa, Lufthansa Regional, SWISS, Austrian, BMI, and Germanwings. • Lufthansa reports “other revenue” which includes €117 million from “ground services and inflight sales” and €137 million commission revenue from “travel services.” Ground services are not considered ancillary revenue and the €117 million was not included in this report. However, commissions from the sale of travel services do qualify and have been included. • Miles & More International GmbH, which is 100% owned by Deutsch Lufthansa AG, contributed income of €121 million to the Group. The Miles & More program has more than 20 million members. The disclosure made reflects income; it does not indicate revenue, which would be a larger amount.

Norwegian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 132,352,000
As a % of Revenue	12.0%
Euros per Passenger	€ 10.16
Reporting Period	Calendar year 2010
Total Revenue	€ 1,100,505,600
Passengers	13,030,000
Information Source	Norwegian Air Shuttle Fourth Quarter Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Norway kroner (NOK). • Results for Norwegian Air Shuttle ASA (the Group) consist of Norwegian Air Shuttle ASA and its subsidiaries. • Ancillary revenue for 2010 was NOK 1,034 million. • Onboard wireless internet is viewed as a future ancillary revenue source. The airline plans fleet wide installation in its 737-800 aircraft by 2012. • Norwegian considers ancillary revenue to include luggage fees, seat selection fees, commissions from sale of hotel bookings and insurance sold to customers while booking the flight. The company also operates Call Norwegian AS (established January 2008) to offer products such as cell-phone coverage and internet access that produce additional ancillary revenue. • Total revenue was NOK 8,597.7 million for 2010.

Pegasus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 47,387,527
As a % of Revenue	8.3%
Euros per Passenger	€ 5.47
Reporting Period	Calendar year 2010
Total Revenue	€ 559,250,576
Passengers	8,573,795
Information Source	Direct disclosure by the airline to IdeaWorks
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Privately-held Pegasus disclosed the details of its ancillary revenue activity for 2010 direct to IdeaWorks. Ancillary revenue consists of the following activities:

excess baggage, seat selection, onboard café, call center fee, online booking fee, duty free commission, airport parking revenue, car rental commission, advertising revenue, travel insurance commission, and sale of frequent flier points.

- All figures include scheduled and charter operations for the airline.

Ryanair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 801,600,000
As a % of Revenue	22.1%
Euros per Passenger	€ 10.90
Reporting Period	12 months ended 31 March 2011
Total Revenue	€3,629,500,000
Passengers	72,719,666
Information Source	Ryanair Full Year Results 2011 Quarterly Results for Ryanair Holdings Plc, and Ryanair Investor Day (London) 29 September 2010 Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • The carrier has essentially achieved its goal of 100% online check-in without significant activity occurring at the airport. Checked baggage averages 0.4 bags per passenger. • Current issues include: <ul style="list-style-type: none"> – Getting onboard sales to €2 per passenger. – Maintaining consistent sales and customer service delivery – Expanding products, removing underperformers. – Rewarding crews – commissions, incentives, and prizes. • The carrier defines ancillary revenue to consist of onboard sales, non-flight scheduled revenues, and other ancillary products.

SAS Group

Source and Type	Onboard sales
Ancillary Revenue	€ 3,360,000
As a % of Revenue	0.1%
Euros per Passenger	€ 0.13

Reporting Period	Calendar year 2010
Total Revenue	€ 4,560,976,000
Passengers	25,200,000
Information Source	SAS Group Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Sweden kroner (SEK). • SAS Group statistics include Scandinavian Airlines, Widerøe, and Blue1 Airlines. • SAS disclosed operating revenue from inflight sales was SEK 30,000,000. • The carrier includes the following among its commercial offerings: ticket add-ons, inflight sales, and upgrades. • Revenue for 2010 was SEK 40,723,000,000.

Vueling

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 93,400,000
As a % of Revenue	11.7%
Euros per Passenger	€ 8.46
Reporting Period	Calendar year 2010
Total Revenue	€ 796,500,000
Passengers	11,036,183
Information Source	Direct disclosure by the airline to IdeaWorks and Vueling Airlines 2010 Full-Year and Q4 Financial Results
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Vueling disclosed the details of its ancillary revenue activity for 2010 direct to IdeaWorks. Ancillary revenue consists of the following activities: excess baggage, seat selection, onboard retail, price lock, itinerary via SMS, hotel booking, car rental and travel insurance commissions, and the sale of frequent flier points. • New products introduced during 2010 include : <ul style="list-style-type: none"> – Lock your fare. – Demand-based pricing. – New seat assignment features. – New agreements with external partners (hotels and cars). • More than 18% of ancillary revenue comes from products that are new or have been enhanced in 2010.

Non-Reporting Carriers for Europe and Russia

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

Air Europa (Globalia), Air Greenland, Air Malta (only 2009 available at press time), Aegean Airlines, Aeroflot, Air France KLM (includes Transavia), Alitalia, Atlantic Airways, Austrian (reported under Lufthansa Group), BMI British Midland (reported under Lufthansa Group), British Airways, Cimber, Croatia Airlines (only 2009 available at press time), Cyprus Airways, Eurofly, Germanwings (reported under Lufthansa Group), Icelandair, TUI Travel Group (Airline brands: Arkefly, Corsairfly, First Choice Airways, Jet4You, Thomson Airways, TUIfly, and TUIfly Nordic), Spanair, SWISS (reported under Lufthansa Group), TAP Portugal (only 2009 available at press time), Thomas Cook Group (includes Condor), Transaero (only 2009 available at press time), and UTair (only 2008 available at press time).

The Americas

AirTran

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 147,554,000
As a % of Revenue	8.0%
Euros per Passenger	€ 5.97
Reporting Period	Calendar year 2010
Total Revenue	€ 1,849,135,432
Passengers	24,721,226
Information Source	2010 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Non-fare ancillary revenue is an important source of revenue from operations. Traditional sources of ancillary revenues include fees charged for the carriage of pets; liquor sales; baggage charges; special services fees, such as fees related to the transportation of unaccompanied minors; and revenue from the sale of frequent travel credits. • In 2007, AirTran introduced optional fees for advance seat assignments and a fee for call center services. • In 2008, AirTran introduced fees for priority seat selection, the extension or transfer of A+ Miles Rewards (in addition to fees for the purchase of A+ Miles Rewards), and fees for checked baggage. • The carrier continually evaluates potential new services which may be of interest to customers. As a result of the unbundling of pricing and services and, to a lesser extent the introduction of new fee-generating services, ancillary revenues have grown since 2007, with significant growth in ancillary revenues occurring in 2008 with the introduction of checked bag fees and in 2009 and 2010, with full years of checked bag fees for all checked baggage. • Other revenues for the year ended December 31, 2010, increased \$11.7 million (4.7 percent) compared to the year ended December 31, 2009. Other revenues include change and cancellation fees, direct booking fees, revenues derived from the sale of frequent flier credits, baggage fees, preferred seat assignments and other miscellaneous revenues. Other Revenue for 2010 was \$264,218,000. Reservation change fees reported to the DOT for a 12-month period ended 30 September 2010 were \$55,200,000. IdeaWorks does not include these fees as ancillary revenue. IdeaWorks estimates 2010

- ancillary revenue was \$209 million.
- Operating revenue for 2010 was \$2,619,172,000.

Alaska Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 390,065,000
As a % of Revenue	14.4%
Euros per Passenger	€ 16.72
Reporting Period	Calendar year 2010
Total Revenue	€ 2,705,603,800
Passengers	23,334,000 (Combined total of Alaska Airlines mainline and Horizon Air)
Information Source	2010 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Passenger revenue also includes certain “ancillary” or non-ticket revenue such as reservations fees, ticket change fees, and baggage service charges. These fees are recognized as revenue when the related services are provided. • Ancillary revenue included in passenger revenue increased from \$131.8 million in 2009 to \$179.7 million in 2010. The increase is primarily due to the implementation of fee for the first checked bag in the third quarter of 2009 and growth in the number of passengers. • Total Mileage Plan revenue for 2010 was \$372.8 million. • For the years 2010, 2009, and 2008, approximately 167,000, 181,000, and 214,000, respectively, round-trip flight awards were redeemed. In November 2008, Alaska began charging a \$25 administrative fee for awards redeemed on airline partners. • Other net revenue increased \$52.1 million, or 38.5%, from 2008. Mileage Plan revenue increased by \$50.0 million primarily because of an increase in the rate paid to Alaska by its credit card partner under the affinity card agreement and an increase in the number of miles needed to redeem a travel award. • Operating revenue for 2010 was \$3,832,300,000.

Allegiant

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 136,964,000
As a % of Revenue	29.2%
Euros per Passenger	€ 23.20
Reporting Period	Calendar year 2010
Total Revenue	€ 468,530,546
Passengers	5,903,184
Information Source	Allegiant Travel Company, Form 10-K for the period ending 31 December 2010 and Management Presentation dated 10 March 2011.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Ancillary revenue is generated from air-related charges and third party products. Air-related charges are generated through fees for use of the website to purchase tickets, checked bags, advance seat assignments, priority boarding and other services provided in conjunction with scheduled air service. Allegiant also generates revenue from the sale of third party products such as hotel rooms, ground transportation (rental cars and hotel shuttle products) and attraction and show tickets. The carrier recognizes ancillary revenue net of amounts paid to service providers, travel agent commissions and credit card processing fees. • Allegiant earns ancillary revenue in conjunction with the sale of scheduled air service which represents a significant percentage of total operating revenue. Ancillary revenues have grown from \$114.6 million in 2008, to \$162.7 million in 2009, and \$194.0 million in 2010, representing 22.7%, 29.2% and 29.2% of total operating revenues, respectively. On a per scheduled service passenger basis, ancillary revenues increased from \$29.43 per scheduled service passenger in 2008 to \$33.07 in 2009 and \$34.58 in 2010. The carrier believes ancillary revenue will continue to be a key component in total average fare and has proven during 2010 it can sustain high ancillary revenue per passenger levels in a difficult revenue environment. • Ancillary revenue from 3rd party sources (hotel accommodations and rental cars) produced net revenue of \$24 million in 2010. Gross sales revenue from these activities was \$89 million with a very high margin of 24% pre-tax. This amount is included in the \$194 million figure. • Individual a la carte pricing examples are:

- Checked bag (\$15 - \$30)
- Convenience fee (\$15)
- Call-center booking fee (\$15)
- Assigned seat (\$6 - \$35)
- Priority boarding (\$10)
- Trip flex (\$8)
- Allegiant currently works with many premier leisure companies in its leisure destinations that provide ancillary products and services sold to customers. For example, the carrier has contracts with Caesars Entertainment Inc. (formerly Harrah's Entertainment Inc.) and MGM MIRAGE, among others, that allow the airline to provide hotel rooms sold in packages to customers. During 2010, Allegiant generated revenue from the sale of more than 500,000 hotel rooms.
- Since approximately 89% of the carrier's scheduled service revenue was purchased directly through the website in 2010.
- Allegiant has chosen to maintain full control over seat inventory and only distributes its product through the company website, call center, and at airport ticket counters. The airline does not sell through Expedia, Travelocity, Orbitz or any other internet travel agencies nor is product displayed and sold through the global distribution systems which include Sabre, Galileo, Worldspan and Amadeus.
- As of 01 March 2011, Allegiant has agreements to offer rooms from approximately 260 hotels and tickets to over 50 attractions in its leisure destinations. In addition, the airline has an exclusive agreement with one rental car operator for the sale of rental cars packaged with air travel at all major leisure destinations and most of other leisure destinations.
- During 2010, Allegiant entered into an amendment of an agreement with one of its key Las Vegas hotel partners for access to hotel rooms for sale. Under the amendment, the airline prepaid \$25.0 million in exchange for discounted room rates and inventory commitments. Over the term of the agreement, the carrier is not required to purchase a fixed quantity of rooms. The agreement is not exclusive in nature and allows Allegiant to be refunded any unused portion of the prepayment upon termination or expiration of the agreement.
- Operating revenue for 2010 was \$663,641,000.

American

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 1,379,524,000
As a % of Revenue	8.8%
Euros per Passenger	€ 13.12
Reporting Period	Calendar year 2010
Total Revenue	€ 22,170,000,000
Passengers	105,163,576 (Combined total of American mainline and American Eagle)
Information Source	Form 10-K Annual Report of AMR Corp. for 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Other revenues, which were \$2.411 billion, includes revenue from the marketing services related to the sale of mileage credits in the AAdvantage program, membership fees and related revenue from the Company's Admirals Club operations, and other miscellaneous service revenue, including administrative service charges and baggage handling fees. IdeaWorks does not include flight change fees as ancillary revenue. American reported revenue of \$457.1 million to the DOT from this activity for a 12-month period ended 30 September 2010. The amount was deducted from the \$2.411 billion disclosure to generate adjusted ancillary revenue of \$1.954 billion. • Other revenues have been increasing as American unbundles its services and charges for ancillary services. • Other revenues increased 5.3 percent, or \$121 million, to \$2.4 billion due to increases in certain passenger service charge volumes and fees and increased revenue associated with the sale of mileage credits in the AAdvantage frequent flyer program. • During 2010, AAdvantage issued approximately 185 billion miles, of which approximately 62% were sold to program participants. • Operating revenue for 2010 was \$22.17 billion and 105,163,576 passengers were carried (86,127,370 on American and 19,036,206 on American Eagle).

Delta

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 2,612,200,000
As a % of Revenue	11.7%
Euros per Passenger	€ 16.06
Reporting Period	Calendar year 2010
Total Revenue	€ 22,419,030,000
Passengers	162,614,714
Information Source	Form 10-K for the year ended 31 December 2010, Delta Air Lines Reports December Traffic, 5 January 2011, Delta Investor Day – 15 December 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Ancillary Businesses: More than \$2 billion was generated during 2010 from unbundled fees and services. This includes double digit revenue improvements from commercial aviation service businesses. SkyMiles generated \$1.6 billion and unbundled ticketing contributed \$2.1 billion. • Other revenue includes revenue from (1) the Marketing Premium component of the sale of mileage credits discussed above, (2) baggage handling fees, (3) the sale of seats on other airlines' flights under alliance agreements and (4) other miscellaneous service revenue, including administrative service charges and revenue from ancillary businesses, such as the aircraft maintenance and repair and staffing services it provides to third parties. Other revenue increased \$241 million primarily due to new or increased baggage handling fees and higher SkyMiles program revenue, partially offset by decreased revenue from alliance agreements and a reduction in our aircraft maintenance and repair service. • Operating revenue for 2010 was \$31.755 billion.

Frontier Airlines

Source and Type	Checked baggage fees
Ancillary Revenue	€ 41,807,202
As a % of Revenue	3.7%
Euros per Passenger	€ 2.86
Reporting Period	Calendar year 2010
Total Revenue	€ 1,132,769,940
Passengers	14,603,935

Information Source	Annual Form 10-K Report for 2010 Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The carrier disclosed baggage fee revenue of \$56,522,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity. • The carrier disclosed miscellaneous free revenue of \$2,695,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to airline business partners, and other fee revenue. • Total ancillary revenue for 2010 was estimated to be \$59,217,000. • Passenger revenue from branded flying operations (Frontier Airlines and subsidiary Midwest Airlines) for 2010 was \$1,604,490,000 and 14,603,935 passengers were carried.

Hawaiian Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 48,396,300
As a % of Revenue	5.2%
Euros per Passenger	€ 5.75
Reporting Period	Calendar year 2010
Total Revenue	€ 924,925,658
Passengers	8,418,000
Information Source	Form 10-K for Hawaiian Holdings for the period ended 31 December 2010 and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Other operating revenue was \$155.1 million for the year ended December 31, 2010. Other operating revenue includes baggage fees, cargo revenue, charter revenue, ticket change fees, ground handling fees, commissions and fees earned under certain joint marketing agreements with other companies and other incidental sales. • The comingling of cargo revenue, ticket change fees, and

ground handling revenue in the other operating revenue category prevents its inclusion as ancillary revenue. However, the carrier disclosed baggage fee revenue of \$48,550,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity.

- In 2009, Hawaiian reached an agreement with its co-branded credit card partner to extend its co-branded credit card agreement. Under this amendment, the partner purchases frequent flier miles from Hawaiian for mileage credits earned by HawaiianMiles members for making purchases using a Hawaiian Airlines branded credit card issued by the partner. The amendment provides for an increase in the rate per frequent flier mile sold to the partner effective 01 January 2009 as well as an advance payment of \$24.1 million to Hawaiian for the forward sale of miles, which was received in June 2009. The Company recorded \$22.9 million of the advance purchase of mileage credits as a loan. During 2010, the Company settled approximately \$20 million of its outstanding debt balance in a non-cash transaction by the issuance of HawaiianMiles to the Partner. As of 31 December 2010, there is no outstanding balance. IdeaWorks believes the \$20 million qualifies as frequent flier program revenue for 2010.
- Total ancillary revenue for 2010 was estimated to be \$68,550,000.
- Operating revenue for 2010 was \$1,310,093,000.

JetBlue

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 335,350,000
As a % of Revenue	12.6%
Euros per Passenger	€ 13.83
Reporting Period	Calendar year 2010
Total Revenue	€ 2,667,974,000
Passengers	24,254,000
Information Source	Form 10-K for the period ended 31 December 2010 and JetBlue Airways Corp. Q4 2010 Earnings Call Transcript
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Ancillary revenues continue to be an ongoing focus for JetBlue. Total ancillary revenue in the fourth quarter of 2010 was about \$20 per passenger and grew roughly

\$35 million or 8% during the full year of 2010 as compared to 2009.

- Based upon the 4th quarter disclosure, IdeaWorks estimates 2010 ancillary revenue was \$475 million (24.25 million passengers x \$19.60 average annual ancillary revenue per passenger). The amount is also supported by review of a bar graph provided by the airline in an investor conference given 3 February 2011.
- This increase was driven in large part by the “Even More Legroom” offering which generated over \$85 million of revenue in 2010. This offer will continue to be enhanced and is expected to continue to be a very important source of revenue for JetBlue. In 2011, JetBlue expects ancillary revenue to increase approximately 20% year-over-year.
- Other revenues increased 3%, or \$9 million, primarily due to a \$10 million increase in marketing-related revenues, higher excess baggage revenue of \$4 million, and increased rates for certain ancillary services during 2010. Other revenue also increased \$3 million due to higher inflight food and beverage sales, but was offset by a \$10 million reduction in change fees and reservation fees as a result of high levels of change fee waivers during the first half of 2010 in conjunction with our new system migration. Other revenue consists primarily of fees charged to customers relating to reservation changes and baggage limitations, the marketing component of TrueBlue point sales, concession revenues, revenues associated with transporting mail and cargo, rental income and revenues earned by our subsidiary, LiveTV, LLC, for the sale of, and on-going services provided for, inflight entertainment systems on other airlines.
- JetBlue’s co-branded credit card agreement, under which the airline sells TrueBlue points, provides a minimum cash payment guarantee. This is paid to the carrier throughout the life of the agreement if specified point sales and other ancillary activity payments have not been achieved by the issuing bank. Through 31 December 2010, JetBlue received \$21 million in connection with this guarantee, which is subject to refund in the event that cash payments exceed future minimums through April 2011. The airline records revenue related to this guarantee when the likelihood of providing future service is remote. During 2010, JetBlue recognized approximately \$5 million related to this guarantee, leaving \$11 million deferred and included as air traffic liability. IdeaWorks believes this activity is included in the ancillary revenue disclosed by the carrier.

- Operating revenue for 2010 was \$3,779,000,000.

LAN Airlines

Source and Type	Duty free and tour package sales
Ancillary Revenue	€ 28,380,494
As a % of Revenue	0.9%
Euros per Passenger	€ 1.64
Reporting Period	Calendar year 2010
Total Revenue	€ 3,193,449,800
Passengers	17,293,200
Information Source	Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The carrier does not report ancillary revenue but does describe “Other Revenues” which include aircraft leases, courier and logistic services, storage and customs brokering, duty-free sales, and tours. Of these, duty-free and tour package sales qualify as ancillary revenue (totals \$40,199,000) <ul style="list-style-type: none"> – Duty-free sales for 2010: \$11,983,000 – Tour package sales for 2010: \$28,216,000 • Operating revenue for 2010 was \$ 4,523,300,000.

Southwest

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 345,940,000
As a % of Revenue	4.3%
Euros per Passenger	€ 3.92
Reporting Period	Calendar year 2010
Total Revenue	€ 8,111,234,000
Passengers	88,191,322
Information Source	2010 Annual Report, Southwest Airlines Q4 2010 Earnings Call, and Raymond James Global Airline Conference presentation on 3 February 2011.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • During 2010 the airline completed a top-to-bottom rebuild of its Southwest.com website, producing better booking rates, more product options, and better access to ancillary revenues.

- Southwest experienced revenue benefits in 2010 from the prior year addition of new service offers such as the EarlyBird Check-in and Pets Are Welcome on Southwest (PAWS) products. EarlyBird Check-in allows customers to obtain an early boarding position directly behind Business Select and A-List Customers by adding an additional \$10 to the price of a one-way fare (priority boarding privileges are already included in the purchase of a Business Select fare and are a benefit of being an A-List frequent flier.)
- Summary of 2010 revenue initiatives (which total \$236 million).
 - Business Select: \$88 million for 2010 versus \$71 million in 2009 with 19% more customers opting for this service during 2010.
 - EarlyBird: \$98 million for 2010 versus \$16 million in 2009 (began September 2009) with no noticeable decrease for Business Select.
 - Overweight/3rdBags, PAWS Pet Service, and UM Fee: \$50 million combined for 2010 versus \$35 million in 2009.
- Southwest also believes it has a significant opportunity with the Southwest Airlines Rapid Rewards Credit Card issued by Chase. Management considers the portfolio very lucrative but it underperforms relative to its size when compared to the portfolios associated with some legacy carriers. As a result, changes will be made to the program to make it more attractive to consumers. The eventual revenue benefit is estimated to be in the hundreds of millions of dollars.
- Other revenue for 2010 was \$490 million and increased \$150 million, or 44.1%, compared to 2009. Approximately 63% of the increase was due to revenues from initiatives, such as the company's EarlyBird product, for which customers pay \$10 to automatically receive an assigned boarding position before general check-in begins, and service charges for unaccompanied minors and for pets. The remainder of the increase primarily was due to higher commissions earned from programs the airline sponsors with certain business partners, such as the co-branded credit card. The category also includes revenue from charter aircraft operations.
- IdeaWorks estimates the carrier's 2010 charter revenue was \$31 million based upon disclosures made to the US Department of Transportation for the 12-month period ended 31 September 2010. This activity was deducted from the \$490 million to generate ancillary revenue of \$459 million for 2010. Of this, \$236 was listed at the revenue initiatives described above. The remaining

	<p>amount of \$223 million is assumed to represent revenue from the sale of points to partners associated with the Rapid Rewards frequent flier program.</p> <ul style="list-style-type: none"> • Total ancillary revenue for 2010 was estimated to be \$490 million. • Operating revenue for 2010 was \$11,489,000,000.
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Spirit Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 112,790,560
As a % of Revenue	22.6%
Euros per Passenger	€ 17.76
Reporting Period	12 month period ended 30 June 2010
Total Revenue	€ 499,175,888
Passengers	6,350,000
Information Source	Spirit Airlines 2010 Form S-1 Registration Statement (IPO)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Spirit Airlines filed a Form S-1 Registration Statement with the US Securities and Exchange Commission on September 17, 2010 for an initial public offering. The filing provided financial disclosures through 20 June 2010. • Since 2007, Spirit has unbundled components of its air travel service that have traditionally been included in base fares, such as baggage and advance seat selection, and offer them as optional, ancillary services for additional fees (which are recorded in financial statements as non-ticket revenue) as part of a strategy to enable passengers to identify, select and pay for the services they want to use. While many US domestic airlines have also adopted some aspects of this unbundled pricing strategy, unlike Spirit, they generally have not made a corresponding reduction in base fares. • The following describes the carrier's ancillary revenue strategy: <ul style="list-style-type: none"> – Charging for baggage. – Passing through all distribution-related expenses to consumers. – Charging for premium seats and advance seat selection. – Consistently enforcing ticketing policies, including change fees. – Generating subscription fees from the \$9 Fare Club ultra low-fare subscription service. – Deriving brand-based fees from proprietary services,

- such as the FREE SPIRIT frequent flier program.
 - Selling itinerary attachments, such as hotel and car rental reservations through the website.
 - Selling products in flight and generating revenue through onboard advertising.
- Spirit claims it has lowered base fares by up to 40% since initiating its unbundling strategy, with the goal of stimulating additional passenger demand in the markets it serves. The carrier plans to continue to use low fares to stimulate demand, a strategy that generates additional non-ticket revenue opportunities and, in turn, allows Spirit to further lower base fares and stimulate demand even further.
- The carrier plans to continue expanding the portfolio of ancillary products and services, through new programs and enhancements to existing offerings. Spirit also seeks to maximize revenue opportunities through multiple interactions with customers at different stages of their travel, from pre-purchase through travel and post-trip.
- During calendar year 2009 and the first six months of 2010, Spirit generated non-ticket revenues of \$163.9 million and \$98.1 million, respectively. At Spirit, non-ticket revenue is the same as ancillary revenue. The portion considered by IdeaWorks to represent ancillary revenue was \$159,760,000 for the 12-month period ended June 30, 2010:
 - Baggage: \$64,418,000.
 - Passenger usage fee: \$34,139,000 (per passenger fee charged for all bookings except those made at the airport).
 - Advance seat selection: \$22,398,000.
 - Other: \$38,805,000.
- Other air related charges consist of optional services and products provided to passengers such as onboard products, travel insurance, use of the call center or travel agent, pet fees, and unaccompanied minors fee, among others. Non-air related charges included in “other” primarily consist of revenues from advertising on our aircraft and websites, \$9 Fare Club subscription-based membership program, FREE SPIRIT frequent flier program, and commissions from the sales of hotel rooms, trip insurance, and rental cars.
- The airline also generated reservation change revenue of \$22,743,000 during the 12-month period ended 30 June 2010. IdeaWorks does not consider this to be ancillary revenue; the amount was not included in the total.
- Operating revenue was \$707,048,000.

Sun Country

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 9,711,736
As a % of Revenue	6.1%
Euros per Passenger	€ 10.47
Reporting Period	Calendar year 2010
Total Revenue	€ 158,850,000
Passengers	928,000
Information Source	USDOT, Bureau of Transportation Statistics, and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Sun Country is privately held but is required to report revenue and traffic data to the US Department of Transportation. • The carrier disclosed baggage fee revenue of \$13,646,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity. • The carrier disclosed miscellaneous free revenue of \$110,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to airline business partners, and other fee revenue. • Total ancillary revenue for 2010 was estimated to be \$13,756,000. • IdeaWorks estimates passenger revenue for 2010 was \$225 million and 928,000 passengers were carried based upon an analysis of statistics available from the US Department of Transportation website.

TAM Airlines

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 359,489,220
As a % of Revenue	7.0%
Euros per Passenger	€ 10.40
Reporting Period	Calendar year 2010
Total Revenue	€ 5,132,478,000

Passengers	34,553,000
Information Source	Financial Statements at 31 December 2010 & Report of Independent Auditors and Fourth Quarter 2010 Results Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Brazil reais (BRL). • Beginning on 01 January 2010, Multiplus assumed the exclusive management of the TAM Loyalty Program. On 3 February 2010 Multiplus was listed as a publicly traded company and TAM realized gross proceeds of R\$692,385,000 from the share sale. As a result of the public offering TAM had its interest in Multiplus reduced from 100% to 73.17%. • Revenue of R\$826,412,000 was provided by the following frequent flier program activities during 2010: <ul style="list-style-type: none"> – Loyalty Program (TAM) R\$381,519,000 – Loyalty Program (Multiplus) R\$444,893,000 • Multiplus had nearly 8 million members during 2010. • Gross revenue of R\$11,798,800,000 was generated during 2010.

United Continental

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 3,530,000,000
As a % of Revenue	14.7%
Euros per Passenger	€ 24.23
Reporting Period	Calendar year 2010
Total Revenue	€ 24,027,298,000
Passengers	145,679,617
Information Source	Form 10-K for 2010 and 2011 JP Morgan High Yield Security Conference Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • United Continental combined revenue for 2010 was \$34.03 billion is comprised of \$14.351 billion from Continental and \$19.682 billion from United Air Lines. • United Continental traffic for 2010 was 145,679,617 passengers which is composed of 98,129,000 passengers from United Air Lines (full year) and Continental (4th quarter 2010) plus 47,550,617 from Continental (1st through 3rd quarters). Traffic includes regional operations. • The airline offers the following a la carte items: <ul style="list-style-type: none"> – Seating and Space: Economy Plus upsell. – Onboard: Buy-onboard Meals and premium wine.

- Baggage Services: 1st & 2nd checked bags.
- Premium Experience: United Club lounge pass, Premier Travel, Premier Line, and Award Accelerator.
- Flexibility: FareLock.
- The airline hopes the above activities generate more than \$2 billion revenue for 2011. IdeaWorks estimated 2010 results are near this level of activity as it approximates the \$14 to \$15 per passenger range disclosed by the airline for the 3rd quarter of 2010.
- Continental introduced FareLock in December 2010, which is an option that offers customers the opportunity (for a fee) to hold reservations and lock-in ticket prices for either 72 hours or seven days with no commitment to purchase a ticket.
- Continental started selling extra legroom seating March 2010. Prices vary by flight, distance, and consumer demand. The airline disclosed it “typically generates \$120,000 to \$140,000 a day – about \$50 million per year” from the activity. A spokesperson said, “We have exceeded our financial expectations with this program, despite the fact that our elite frequent fliers get these seat assignments for free. Seats with additional legroom are now the most sought after upgrades to business class.”
- Cash proceeds from miles sold during 2010 were \$2,156,000,000 which includes full year results from United Mileage Plus and 4th quarter 2010 results from Continental OnePass of \$293,000,000. IdeaWorks estimated Continental’s quarter 1-3 results to be \$815,000,000. Total annual revenue from card activities would be approximately \$3 billion.
- Jeff Smisek, CEO of United Continental commented during the 3rd quarter 2010 earnings conference call, “Both companies expanded ancillary revenues again in the third quarter with United’s up 15.5% and Continental’s up almost 21% year-over-year. United generated more than \$15 of ancillary revenues per passenger in the quarter and Continental generated almost \$14 per passenger. We expect to continue ancillary revenue growth as we expand choices for our customers. For instance last week we introduced an enhanced meal offering for purchase in the economy cabin on select Continental flights.”
- Revenue of \$34,033,000,000 was generated during 2010.

US Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 834,492,000
As a % of Revenue	9.9%
Euros per Passenger	€ 10.49
Reporting Period	Calendar year 2010
Total Revenue	€ 8,407,048,000
Passengers	79,560,000 Mainline and Express routes
Information Source	US Airways Group, Inc. Form 10-K for the period ended 31 December 2010, and US Airways Group, Inc. Q4 2010 Earnings Call
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • US Airways total revenue picture benefited from ancillary revenue initiatives, which generated \$514 million for 2010, an increase of \$90 million over 2009. Recent initiatives include: <ul style="list-style-type: none"> – GoGo inflight Wifi – Choice Seats – Online bag pre-pay – Premium snacks and beverages – Power-Nap Sack • Other revenues were \$1.44 billion in 2010, an increase of \$186 million, or 14.8%, from 2009. Ancillary revenues, principally checked bag fees, comprised approximately half of the increase. The remaining increase is primarily related to higher revenues associated with US Airways' frequent flier program, including increased marketing revenues related to miles sold to business partners and increased revenues from partner airline frequent flier award redemptions on US Airways. • Other revenue also includes checked and excess baggage charges, beverage sales, ticket change and service fees, commissions earned on tickets sold for flights on other airlines and sales of tour packages by the US Airways Vacations division, which are recognized when the services are provided. Other revenues also include processing fees for travel awards issued through the Dividend Miles frequent traveler program and the marketing component earned from selling mileage credits to partners. • IdeaWorks does not include ticket change and service fees as ancillary revenue. US Airways reported revenue of \$258 million from this activity for the 12-month period ended 31 September 2010. This activity was assumed by

	<p>IdeaWorks to represent an annual result from this activity. The amount was deducted from the \$1.44 billion disclosure to generate adjusted ancillary revenue of \$1.182 billion.</p> <ul style="list-style-type: none"> • US Airways’ goal is to sell all ancillary products through all distribution channels, which is not yet a common practice among airlines worldwide. The carrier doesn’t want to prevent a GDS and OTA or any travel agent from selling all of the carrier’s products - - more channels represents more earning power. • Choice Seats is a product where consumers can pay more to get a better seat in coach. This ancillary revenue initiative will generate \$30 to \$40 million this year, but this could be \$200 to \$300 million once it’s sold through all distribution channels. • Revenue of \$11,908,000,000 was generated during 2010.
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Virgin America

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 26,567,486
As a % of Revenue	5.2%
Euros per Passenger	€ 6.83
Reporting Period	Calendar year 2010
Total Revenue	€ 511,144,000
Passengers	3,891,100
Information Source	Virgin America 4 th Quarter Financial Results USDOT, Bureau of Transportation Statistics, and Bureau of Transportation Statistics, Form 41; Schedule P-12
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Virgin America is privately held but is required to report revenue and traffic data to the US Department of Transportation. • The carrier disclosed baggage fee revenue of \$34,206,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity. • The carrier disclosed miscellaneous fee revenue of \$3,425,000 to the US Department of Transportation for the 12-month period ended 31 September 2010. This amount was assumed by IdeaWorks to represent an annual result from this activity. This activity largely qualifies as ancillary revenue and includes pet transportation, the sale of frequent flier award miles to

	<p>airline business partners, and other fee revenue.</p> <ul style="list-style-type: none"> • Total ancillary revenue for 2010 was estimated to be \$37,631,000. • Passenger revenue for 2010 was \$724 million.
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WestJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 66,047,500
As a % of Revenue	3.5%
Euros per Passenger	€ 4.35
Reporting Period	Calendar year 2010
Total Revenue	€ 1,891,714,225
Passengers	15,173,581 (described in the annual report as “Segment Guests”)
Information Source	Consolidated Financial Statements and Notes for the years ended 31 December 2010 and 2009 Management’s Discussion and Analysis of Financial Results 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Canadian dollars (CAD). • Other Revenue for 2010 was CAD\$203,980,000 and includes charter revenue, cargo revenue, net revenues from the sale of the land component of vacation packages, ancillary revenues and other activities. Revenue from the land component of vacation packages is generated from providing agency services equal to the amount paid by the guest for products and services less payment to the travel supplier. These are reported at the net amounts received. Revenue from the land component is deferred as advance ticket sales and recognized in earnings on completion of the vacation. Included in other revenue is revenue from expired non-refundable guest credits recognized at the time of expiry. • Ancillary revenues include excess baggage fees, buy-onboard sales, pre-reserved seating fees, and frequent flier partner revenue. • For 2010, ancillary revenues were CAD\$91.1 million, representing a slight decrease from CAD\$91.7 million in 2009. • After the October 2009 implementation of the Sabre reservation system, Westjet experienced lower revenue from pre-reserved seating, change and cancellation fees. The variance in pre-reserved seating fees was experienced throughout the first three quarters of 2010 (as compared to 2009) mainly due to the shift in distribution methods to more indirect channels, such as

the use of travel agents. With the new reservation system, the airline had limited ability to sell pre-reserved seating through these channels.

- Westjet is implementing plans to increase the availability of pre-reserved seating through all booking channels; revenue from these fees improved throughout 2010. During the fourth quarter of 2010, the corporate website redesign helped to improve conversion rates for pre-reserved seating fees, as the booking flow now highlights this option more prominently than in the past. Here too, the carrier is realizing higher booking levels for pre-reserved seating fees than was experienced prior to the reservation system implementation.
- In November 2010, Westjet announced a charge of CAD\$20 for guests checking a second bag, effective for travel on or after 19 January 2011. Concurrent with this change, Westjet reduced the fee for the third and fourth bag from CAD\$75 to CAD\$50. This checked baggage policy better aligns the airline with standard industry practice and will help to offset the impact of rising fuel costs.
- Westjet has a co-branded MasterCard with the Royal Bank of Canada (RBC). RBC issues Frequent Guest Program (FGP) credits to cardholders as a percentage of their total retail spend. Ancillary revenue from the issuance of FGP credits on the credit card is measured as the difference between the cash received and the fair value of the credit and is recognized in other revenue on their issuance. Revenue related to new cards issued is recognized in “other revenue” immediately upon activation.
- Revenue for 2010 was CAD\$2,609,261,000.

Non-Reporting Carriers for the Americas

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

Air Canada, Copa Airlines, GOL, and go!Mokulele (Mesa Air Group)

Asia and the South Pacific

Air Astana

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 4,507,810
As a % of Revenue	1.0%
Euros per Passenger	€ 1.75
Reporting Period	Calendar Year 2010
Total Revenue	€ 467,007,704
Passengers	2,570,000
Information Source	Financial Statements for the Year Ended 31 December 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Revenue from excess baggage charges: \$5,201,000. • Revenue from the sale of advertising: \$1,184,000. • Ancillary revenue for 2010 was \$6,385,000. • Revenue for 2010 was US\$661,484,000.

AirAsia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 247,427,095
As a % of Revenue	18.7%
Euros per Passenger	€ 9.63
Reporting Period	Calendar year 2010
Total Revenue	€ 1,320,626,445
Passengers	25,680,609
Information Source	AirAsia Berhad Fourth Quarter Report dated 31 December 2010, and Fourth Quarter 2009 Results dated 24 February 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • Figures are disclosed by AirAsia Group in local currencies which are Malaysian ringgit (RM), Thai baht (THB), and Indonesian rupiah (IDR). These were converted to Malaysian ringgit by IdeaWorks. • The Group disclosed ancillary revenue for each operating division: <ul style="list-style-type: none"> – Malaysia: RM 707,842,000 – Thailand: THB 1,771,191,000 (RM 175,830,107) – Indonesia: IDR 483,495,000,000 (RM 169,209,149) • Group totals: <ul style="list-style-type: none"> – Ancillary Revenue: RM 1,052,881,256 – Total Revenue: RM 5,619,687,000

	<ul style="list-style-type: none"> - Traffic: 25,680,609 passengers • The carrier reports customer demand for checked baggage continues to soar, along with increased buying activity for inflight meals, seat assignments, and travel insurance. • AirAsia disclosed every one Malaysian ringgit increase on average spending for ancillary revenue provides a buffer against a \$1 per barrel increase in the price of oil. Ancillary revenue will be pushed as a natural hedge against oil price increases. • The carrier has a medium-range target of RM 50 to RM 60 average ancillary revenue per passenger; the rate for 2010 was RM 42. AirAsia will introduce additional ancillary revenue services.
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AirAsia X

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 56,564,500
As a % of Revenue	18.1%
Euros per Passenger	€ 29.45
Reporting Period	Calendar year 2010
Total Revenue	€ 313,067,000
Passengers	1,920,916
Information Source	Disclosed by AirAsia X management directly to IdeaWorks.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Malaysian ringgit (RM). • Passenger ancillary revenue for 2010 was RM 240.7 million. The airline discloses its largest sources of ancillary revenue are: <ul style="list-style-type: none"> - Checked baggage - Seat assignments, including Hot Seats - Food & beverage - Merchandise and duty free - Travel insurance • AirAsia X has initiated a Connecting Transfer service called Fly-Thru, which includes a built-in fee when two sectors are combined. The service provides flight to flight baggage transfer and the use of a transfer desk to save the trouble of clearing immigration/customs in Kuala Lumpur. • Revenue for 2010 was RM 1,332,200,000.

Cebu Pacific

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 30,619,383
As a % of Revenue	6.6%
Euros per Passenger	€ 1.85
Reporting Period	Calendar year 2010
Total Revenue	€ 465,420,783
Passengers	16,556,000
Information Source	Annual Report for 2010 Cebu Air, Inc. (CEB) FY2010 Results of Operations
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Philippine peso (PHP). • The company offers ancillary services such as inflight merchandising (sale of duty-free products on international flights), excess baggage, and travel-related products and services. • Excess baggage fees: PHP 778,395,570. • Other ancillary revenue: PHP 1,135,315,885. This is generated from inflight sales and services provided through the reservation system such as advance seat selection and commissions. • Total ancillary revenue for 2010: PHP 1,913,711,455. • Revenue for 2010 was PHP 29,088,798,959.

China Eastern

Source and Type	Tour and sightseeing revenue
Ancillary Revenue	€ 210,643,590
As a % of Revenue	2.6%
Euros per Passenger	€ 3.24
Reporting Period	Calendar Year 2010
Total Revenue	€ 8,044,598,831
Passengers	64,930,430
Information Source	Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • Revenues from tour and travel services and other travel related services: CNY 1,932,510,000. • Revenue for 2010 was CNY 73,803,659,000.

Hainan Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 92,536,749
As a % of Revenue	3.9%
Euros per Passenger	€ 4.97
Reporting Period	Calendar Year 2010
Total Revenue	€ 2,365,970,023
Passengers	18,630,000
Information Source	Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • Based upon the carrier's disclosure, excess baggage revenue is estimated to be CNY 810 million. • Revenue from the sale of miles: CNY 38,961,000. • Total ancillary revenue from the above sources: CNY 848,961,000. • Revenue for 2010 was CNY 21,706,147,000.

Jet Airways

Source and Type	Checked baggage fees
Ancillary Revenue	€ 5,638,400
As a % of Revenue	0.3%
Euros per Passenger	€ 0.47
Reporting Period	Fiscal year ended March 31, 2010
Total Revenue	€ 1,699,667,200
Passengers	12,039,475
Information Source	Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). Financial disclosures sometimes refer to "lakh" which is an Indian phrase for "100,000." • Excess baggage revenues were INR 352,400,000 (consolidated results) for fiscal 2010. The increase was largely from traffic growth. • Revenue for 2010 was INR 106,229,200,000.

Qantas Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 1,087,268,000
As a % of Revenue	10.5%
Euros per Passenger	€ 26.24
Reporting Period	Fiscal year ended 30 June 2010
Total Revenue	€ 10,384,088,000
Passengers	41,428,000
Information Source	Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • The results listed are for the Qantas Group which includes Qantas and its low cost carrier Jetstar (which participates in the Qantas Frequent Flyer program). • The Group disclosed “ancillary passenger revenue” of AUD\$334 million. • With 7.2 million members and more than 400 partners, Qantas Frequent Flyer is the largest and most popular airline loyalty program in the southern hemisphere. Revenue from the program was AUD\$1,108 million. • Qantas Frequent Flyer achieved a record Underlying EBIT of \$328 million which was \$102 million higher than the prior year. This result includes the full-year impact of the change in accounting estimate implemented on 1 January 2009, which has contributed AUD\$161 million to the 2009/2010 result, compared to AUD\$77 million in 2008/2009 (calculated on a normalized basis). • The reduction in Qantas’ capacity has resulted in lower Classic Award redemptions. However, Any Seat and Frequent Flyer Store redemptions have increased 21% and 8% respectively, resulting in an overall increase in the redemption margin of 10%. • Qantas Frequent Flyer continued to build on program enhancements and alliances through 2009/2010. The successful launch of the Woolworths alliance has assisted in maintaining point sales during the global financial crisis. More than 1.4 million new members joined since 1 July 2009, with total membership increasing to over 7.2 million people. Of the total members, around 2.8 million have linked through the partnership with the Woolworths Group. • Revenue for 2010 was AUD\$13,772 million.

REX Regional Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 1,442,402
As a % of Revenue	0.8%
Euros per Passenger	€ 1.16
Reporting Period	Fiscal year ended June 30, 2010
Total Revenue	€ 173,167,410
Passengers	1,238,883
Information Source	Annual Report for the Financial Year Ended June 30, 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • Results include REX Regional Express, Air Link, and Pel-Air Aviation. • The carrier sells hotel accommodations, car rentals, and travel insurance at its website. The carrier sells annual memberships for its airport lounge in Sydney. Service fees are charged for payment made by credit card. • The carrier disclosed revenue of AUD\$1,913,000 from “other passenger services and amenities.” • Revenue for 2010 was AUD\$229,665,000.

Singapore Airlines

Source and Type	Excess baggage fees
Ancillary Revenue	€ 14,586,000
As a % of Revenue	0.26%
Euros per Passenger	€ 0.89
Reporting Period	Fiscal year ended March 31, 2010
Total Revenue	€ 5,691,345,000
Passengers	16,480,000
Information Source	Singapore Airlines Group Annual Report 2009/2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Singapore dollars (SGD). • Excess baggage revenues were SGD 26 million for the fiscal year ended March 31, 2010. • Results are for Singapore Group which includes these five primary operating companies: Singapore Airlines, SilkAir, Singapore Airport Terminal Services Group, SIA Engineering Group, and Singapore Airlines Cargo. • Revenue for 2010 was SGD 10,145,000,000.

Tiger Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 71,583,600
As a % of Revenue	20.5%
Euros per Passenger	€ 11.99
Reporting Period	Fiscal year ended 31 March 2011
Total Revenue	€ 349,054,200
Passengers	5,968,000
Information Source	Tiger Airways Holdings Limited FY10/11 Results Presentation, and Results Press Release dated 20 May 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Singapore dollars (SGD). • Ancillary revenue for the group (Tiger Airways Singapore and Tiger Airways Australia) was listed as a line item in the income statement: SGD 127,600,000. • Ancillary revenues are an important profit centre for the Group. It's described as a mechanism to combat rising fuel prices. • Revenue for 2010 was SGD 622,200,000. • As of 5 July 2011 the domestic Australia operations of Tiger Airways had been suspended by regulatory authorities. However the operations of Tiger Airways Singapore were not affected.

Non-Reporting Carriers for Asia and the South Pacific

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

Air China, Air New Zealand, Air Pacific, All Nippon Airways, Asiana, Cathay Pacific Airways, EVA Airways, China Southern Airlines, Japan Airlines (no reports since 2009), Kingfisher, Korean Air, Malaysia Airlines, Philippine Airlines (only 2009 available at press time), PIA Pakistan, Skywest (Australia), SpiceJet, Starflyer, Thai Airways, Virgin Blue Airlines (now Virgin Australia).

Middle East and Africa

Air Arabia

Source and Type	Excess baggage fees
Ancillary Revenue	€ 5,980,224
As a % of Revenue	1.5%
Euros per Passenger	€ 1.34
Reporting Period	Calendar year 2010
Total Revenue	€ 399,420,096
Passengers	4,460,000
Information Source	Annual Report 2010 for Air Arabia and Investor Presentation Fiscal Year 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All revenue below is stated in UAE dirhams (AED). • The carrier disclosed baggage revenue of AED 31,147,000 for 2010. • Revenue for 2010 was AED 2,080,313,000.

Comair (South Africa)

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 916,470
As a % of Revenue	2.7%
Euros per Passenger	€ 0.26
Reporting Period	12-month period ending 30 June 2010
Total Revenue	€ 33,336,354
Passengers	3,518,000
Information Source	Annual Report 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in South African rand (ZAR). • Comair disclosed ad hoc revenue received from participation in an international loyalty program (British Airways Executive Club) of 8,985,000 rand. • The carrier operates the British Airways franchise in South Africa. Comair also owns Kulu.com, a low cost carrier in South Africa. However, ancillary revenue results from this subsidiary were not disclosed. • Revenue for 2010 was ZAR 326,827,000 and 3,518,000 passengers were carried. Passenger traffic is estimated by IdeaWorks based upon 2009 traffic reported in Air Transport World.

Emirates

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 426,240,000
As a % of Revenue	4.2%
Euros per Passenger	€ 13.57
Reporting Period	Fiscal year ended 31 March 2011
Total Revenue	€ 10,194,816,000
Passengers	31,422,000
Information Source	Annual Report 2010-2011 of The Emirates Group for the period ended March 31, 2011
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • Emirates did not specifically disclose ancillary revenue, but it did list many qualifying activities in its annual report: 1) Sale of consumer goods / duty free (AED 1,927,000,000), and 2) Revenue from excess baggage charges (AED 293,000,000). The total ancillary revenue calculated by IdeaWorks is AED 2,220,000,000. • The Skywards frequent flier program has 6.2 million members. Members may accrue miles by utilizing the services of program partners; the carrier did not disclose revenue from the sale of miles in its 2010-2011 report. • Emirates now allows passengers to pre-purchase excess baggage online at discounted prices. • Revenue for 2010/2011 fiscal year was AED 53,098,000,000.

Jazeera Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	€ 9,749,251
As a % of Revenue	8.9%
Euros per Passenger	€ 7.50
Reporting Period	Calendar Year 2010
Total Revenue	€ 108,960,061
Passengers	1,300,000
Information Source	2010 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Kuwait dinars (KWD). • Ancillary revenue disclosed for 2010 was KWD 3,808,301. IdeaWorks believes this activity consists of call center reservation booking fees and commissions on

	<p>hotel reservations and car rentals made through the airline.</p> <ul style="list-style-type: none"> • The carrier recently changed its strategy and now provides free meals and up to 40 kg. checked baggage allowance for economy class passengers. IdeaWorks notes this reversal, which represents a bundling of the product, is an unusual move in the airline industry. • Revenue for 2010 was KWD 42,562,524.
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Royal Jordanian

Source and Type	Checked baggage fees
Ancillary Revenue	€ 7,470,000
As a % of Revenue	1.5%
Euros per Passenger	€ 2.49
Reporting Period	12-month period ending 31 December 2010
Total Revenue	€ 507,960,000
Passengers	3,000,000
Information Source	3 rd Quarter Consolidated Financial Statement for 2010
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Jordanian dinars (JOD). • Royal Jordanian disclosed excess baggage revenue in its 3rd quarter 2010 financial statements: 5,650,000 dinars (for the 9-month period). IdeaWorks estimates annual revenue from this activity was JOD 7,500,000 for 2010. • Revenue for quarters 1-3 for 2010 was JOD 388,247,000. IdeaWorks estimates annual revenue was JOD 510,000,000 for 2010. The company disclosed in a press release that 3 million passengers were carried during calendar year 2010.

South African

Source and Type	Partner activities associated with the frequent flier program
Ancillary Revenue	€ 36,924,000
As a % of Revenue	1.6%
Euros per Passenger	€ 5.48
Reporting Period	Fiscal year ended 31 March 2010
Total Revenue	€ 2,270,826,000
Passengers	6,735,000
Information Source	2010 Annual Report

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in South African rand (ZAR).
- South African Airways generates ancillary revenue from its Voyager frequent flier program. Voyager revenue consists of annual participation fees, sale of miles to Voyager airline partners and non-airline partners such as hotels and car rental agencies. Fiscal year 2010 Voyager revenue was 362 million rand.
- South African Airways Group results include its low cost carrier Mango.
- Revenue for 2010 was ZAR 22,263,000,000.

Non-Reporting Carriers for the Middle East and Africa

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

I Time Airline (I Time Holdings), Air Mauritius, Egyptair (only 2008/2009 report at press time), El Al, Kenya Airways, and Oman Air (only 2009 report at press time).

Currency Exchange Rates Used for the Worldwide Statistics

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

Australia dollar (AUD)	= 0.754 euro
Brazil reais (BRL)	= 0.435 euro
Canada dollar (CAD)	= 0.725 euro
China yuan (CNY)	= 0.109
Great Britain pound (GBP)	= 1.146 euro
India rupees (INR)	= 0.016 euro
Japan yen (JPY)	= 0.009 euro
Jordan dinar (JOR)	= 0.996 euro
Kuwait dinars (KWD)	= 2.56 euro
Malaysia ringgit (MYR)	= 0.235 euro
Norway kroner (NOK)	= 0.128 euro
Pakistan rupee (PKR)	= 0.008 euro
Philippine peso (PHP)	= 0.016
Singapore dollars (SGD)	= 0.561 euro
South Africa rand (ZAR)	= 0.102 euro
Sweden kroner (SEK)	= 0.112 euro
UAE dirham (AED)	= 0.192 euro
US dollar (USD)	= 0.706 euro

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



IdeaWorks is a consulting organization building revenue through innovation in product, partnership and marketing, and building profits through financial improvement and restructuring. Our international client list includes the hotel, airline, marine, railroad, and consumer products sectors.

Enhancing Profits, Products and Partnerships

ANCILLARY REVENUE ACTIVITY

A La Carte Features • Commission-Based Products • Frequent Flier Activities • Onboard Marketing and Promotion • Employee Buy-In and Training • Revenue Analysis • Ancillary Revenue Guide by IdeaWorks

LOYALTY MARKETING AND FREQUENT FLIER PROGRAMS

Financial Modeling • Customer and Member Projections • Accrual and Reward Design • Business Plan Development • Operating Manual and Training • Partner Selection and Negotiation • Partner Marketing • Mileage and Point Valuation • Loyalty Program Spinoffs

CORE MARKETING ACTIVITIES

Brand Development • Sales & Distribution • Interactive Marketing • Advertising and Promotion • Customer Research

FINANCIAL IMPROVEMENT

Cost Reduction Programs • Business Restructuring • Capital and Long Term Lease Renegotiation • Enhancing Stakeholder Support and Communication

EDITORIAL AND COMMUNICATION ENHANCEMENT

Web Site Content • Newsletter Design and Development • Research • Copywriting • Editing and Proofreading

Our clients:

AirAsia X

AirTran Airways

ATA Airlines

British Airways

Esprit Airways

Flybaboo Airlines

Flybe Airlines

Frontier Airlines

LAN Airlines

Malev Hungarian Airlines

TransBrasil Airlines

Virgin America

Vueling Airlines

Amtrak Intercity

Baymont Inns and Suites

Forever Resorts

Fosshotel of Iceland

Hawaii Superferry

Kalahari Resorts

Lake Michigan Carferry

Marcus Hotels and Resorts

Marcus Theatres

Aeroplan

Alterra Coffee Roasters

Amadeus

A.T. Kearney

ezRez Software

Kwik Trip Petroleum

Lacek Group - OgilvyOne

Ogilvy One Worldwide

Radix International

Visa



The IdeaWorks Mission Statement

IDENTIFY A CLIENT'S UNIQUE PRODUCT ADVANTAGE

IdeaWorks strives to identify and enhance the following attributes:

- 1) where the client is strongest,
- 2) where the competition is weakest, and
- 3) what is most valued by the customer.

Enterprises that focus on these areas enjoy the greatest success and deliver the best return for stakeholders.

STRIVE TO INNOVATE, BE NIMBLE, AND EXCEED CLIENT EXPECTATIONS

Innovation excites the consumer and frustrates the competition. Nimbleness excites the client and sharpens staff intellect. Exceeding expectations earns repeat business and encourages referrals.

FOLLOW THE ADVICE OFFERED BY MAX EHRMANN'S "DESIDERATA"

Speak your truth quietly and clearly; and listen to others. Enjoy your achievements as well as your plans. Keep interested in your own career. Strive for high ideals. Be yourself.

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