



Contact: Jay Sorensen
For inquiries: 414-961-1939
www.IdeaWorksCompany.com

How Ryanair Achieves Ancillary Revenue Zen in a World Where Airline Profits Might Become Zero

*IdeaWorks offers an excerpt from its recently released
147-page Ancillary Revenue Guide.*

February 19, 2008, Shorewood, Wisconsin. Ryanair likely leads all other low cost airlines in total ancillary revenue. The carrier recently announced revenue from sources such as car-hire commissions, checked-baggage charges, and priority boarding, increased by 30% (compared to 2006) to €111 million for the quarter ended December 31, 2007. The airline says it is on target to generate 20% of total revenue from ancillary sources within the next three years.

Ryanair's net margin of 21% is a remarkable achievement in an industry, which according to an International Air Transport Association forecast, averaged an operating margin of 5.6% for 2007. The secret to Ryanair's robust profit can be partially attributed to its ancillary revenue expertise. How does Ryanair achieve these industry-leading results? Here is a sampling of observations from the analysis:

- Ryanair's aggressive a la carte pricing strategy includes a €4 airport fee for passengers that don't plan ahead and use the website for check-in.
- Fees are also charged for checked baggage and start at €9 for the first piece when paid in advance at the website, which doubles to €18 when paid at the airport.
- An exclusive relationship with Hertz contributed to year car hire revenue of nearly €23 million for fiscal year 2007.

Ryanair - The Godfather of Ancillary Revenue was released today as a 10-page Industry Analysis, and is an excerpt from the 147-page Ancillary Revenue Guide by IdeaWorks. More information is available at the website: IdeaWorksCompany.com.

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

-- end --