



2014 Airline Ancillary Revenue Activity Surpasses \$38 Billion, Up Nearly 21 Percent

*CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany
compiles disclosures from 63 airlines worldwide.*

September 14, 2015, Shorewood, Wisconsin – IdeaWorksCompany researched financial filings made by 130 airlines all over the world, 63 of which disclosed qualifying revenue activity, to reveal that ancillary revenue reported by these airlines was \$38.1 billion for 2014. That represents a more than \$35.6 billion increase since 2007, and the 2014 number is up 20.9% over \$31.5 billion from 2013.

The **2015 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany**, now available free online, provides the most detailed global assessment of a bottom-line-booster that can represent 38.7% of a carrier's revenue, as it does for Spirit Airlines in the US, or \$56.28 per passenger for Jet2.com in the UK, and \$5.86 billion for global behemoth United Airlines.

The full 98-page report examines 63 airlines that disclosed revenue in financial filings during 2014 from sources such as frequent flier miles sold to partners, fees for checked bags, and commissions from car rentals. The complete alphabetical list of carriers is provided on page 3 below in a carrier-by-carrier table, followed by a graph of ancillary revenue expressed as a percent of total revenue.

The Yearbook's individual airline listings clarify the type of ancillary revenue activity for each carrier. 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 onboard cafe sales." Other airlines, such as AirAsia, Hawaiian, and Spirit, provide robust details and seem very proud of their ancillary revenue accomplishments.

New for 2015 is a list of the a la carte items sold through Amadeus, Sabre, and Travelport for each of the 63 disclosing airlines. For example, optional extras for baggage, seat assignments and meals can be booked through Sabre-equipped agencies on Airberlin, and seat assignments and baggage can be booked for Qantas through the Amadeus system. The information for these entries was collected from GDS websites or materials provided by the GDS; IdeaWorksCompany is not responsible for the accuracy or veracity of the claims made by these vendors.

IdeaWorksCompany Press Release, Page 2

The following examples illustrate the ancillary revenue details found in the Yearbook:

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

The **2015 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany** was released today as a free-of-charge report sponsored by CarTrawler. The full report is available at the consulting firm's web site: www.IdeaWorksCompany.com.

Airlines Posting Ancillary Revenue Results

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

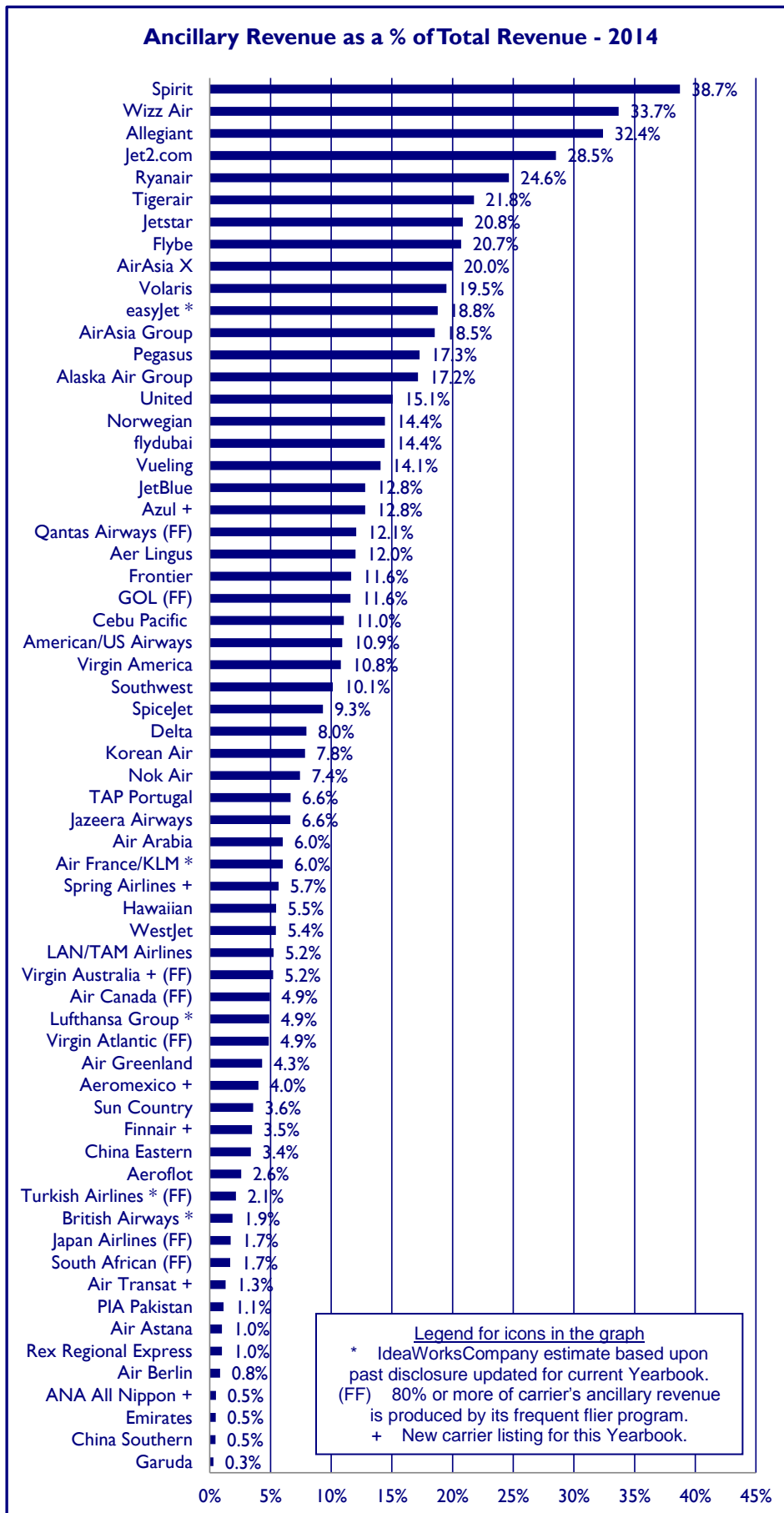
| Carriers <i>See bottom for icon legend</i> | Ancillary Revenue in US\$ | % of Total Revenue | US\$ per Passenger | Euros per Passenger | Region |
|---|---------------------------|--------------------|--------------------|---------------------|------------------------|
| Aer Lingus | \$255,743,496 | 12.0% | \$26.19 | € 19.14 | Europe and Russia |
| Aeroflot | \$241,518,646 | 2.6% | \$6.96 | € 5.09 | Europe and Russia |
| Aeromexico + | \$132,363,000 | 4.0% | \$7.70 | € 5.63 | The Americas |
| Air Arabia | \$60,914,786 | 6.0% | \$8.94 | € 6.53 | Middle East and Africa |
| Air Astana | \$9,329,000 | 1.0% | \$2.46 | € 1.79 | Asia / South Pacific |
| Air Berlin | \$48,330,967 | 0.8% | \$1.52 | € 1.11 | Europe and Russia |
| Air Canada (FF) | \$616,189,175 | 4.9% | \$15.99 | € 11.69 | The Americas |
| Air France/KLM * | \$2,046,292,309 | 6.0% | \$26.40 | € 19.30 | Europe and Russia |
| Air Greenland | \$9,234,352 | 4.3% | \$24.24 | € 17.72 | Europe and Russia |
| Air Transat + | \$45,525,370 | 1.3% | \$12.72 | € 9.30 | The Americas |
| AirAsia Group | \$556,862,155 | 18.5% | \$13.19 | € 9.65 | Asia / South Pacific |
| AirAsia X | \$182,852,732 | 20.0% | \$43.22 | € 31.59 | Asia / South Pacific |
| Alaska Air Group | \$921,000,000 | 17.2% | \$31.46 | € 22.99 | The Americas |
| Allegiant | \$368,276,000 | 32.4% | \$45.16 | € 33.01 | The Americas |
| American/US Airways | \$4,651,000,000 | 10.9% | \$24.06 | € 17.58 | The Americas |
| ANA All Nippon + | \$83,732,109 | 0.5% | \$1.66 | € 1.21 | Asia / South Pacific |
| Azul + | \$291,526,971 | 12.8% | \$13.95 | € 10.20 | The Americas |
| British Airways * | \$374,247,189 | 1.9% | \$8.91 | € 6.51 | Europe and Russia |
| Cebu Pacific | \$131,703,049 | 11.0% | \$9.18 | € 6.71 | Asia / South Pacific |
| China Eastern | \$491,201,621 | 3.4% | \$5.86 | € 4.28 | Asia / South Pacific |
| China Southern | \$81,893,805 | 0.5% | \$0.81 | € 0.59 | Asia / South Pacific |
| Delta | \$3,212,909,000 | 8.0% | \$18.75 | € 13.71 | The Americas |
| easyJet * | \$1,457,215,349 | 18.8% | \$22.49 | € 16.44 | Europe and Russia |
| Emirates | \$118,704,061 | 0.5% | \$2.41 | € 1.76 | Middle East and Africa |
| Finnair + | \$135,692,465 | 3.5% | \$14.07 | € 8.21 | Europe and Russia |
| Flybe | \$212,868,304 | 20.7% | \$27.65 | € 20.21 | Europe and Russia |
| Flydubai | \$172,502,048 | 14.4% | \$23.79 | € 17.39 | Middle East and Africa |
| Frontier | \$183,250,000 | 11.6% | \$16.18 | € 11.82 | The Americas |
| Garuda | \$10,172,649 | 0.3% | \$0.35 | € 0.26 | Asia / South Pacific |
| GOL (FF) | \$529,471,104 | 11.6% | \$13.32 | € 9.74 | The Americas |
| Hawaiian | \$126,300,000 | 5.5% | \$12.39 | € 9.06 | The Americas |
| Japan Airlines (FF) | \$202,946,932 | 1.7% | \$5.15 | € 3.76 | Asia / South Pacific |
| Jazeera Airways | \$14,699,988 | 6.6% | \$12.62 | € 9.22 | Middle East and Africa |
| Jet2.com | \$344,403,419 | 28.5% | \$56.28 | € 41.14 | Europe and Russia |
| JetBlue | \$745,000,000 | 12.8% | \$23.22 | € 16.98 | The Americas |
| Jetstar | \$637,231,532 | 20.8% | \$30.17 | € 22.05 | Asia / South Pacific |
| Korean Air | \$919,239,157 | 7.8% | \$39.28 | € 28.72 | Asia / South Pacific |
| LAN/TAM Airlines | \$634,141,000 | 5.2% | \$9.35 | € 6.83 | The Americas |
| Lufthansa Group * | \$1,632,765,608 | 4.9% | \$15.41 | € 11.26 | Europe and Russia |
| Nok Air | \$28,215,085 | 7.4% | \$3.70 | € 2.71 | Asia / South Pacific |
| Norwegian | \$457,289,966 | 14.4% | \$19.05 | € 13.93 | Europe and Russia |

- Table continued on following page -

IdeaWorksCompany Press Release, Page 4

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

*2014 carrier results were based upon recent 12-month financial period disclosures.
* IdeaWorksCompany estimate based upon past disclosure updated for current Yearbook.
(FF) 80% or more of carrier's ancillary revenue is produced by its frequent flier program.
Please refer to individual carrier listings for details. + New carrier listing for this Yearbook.*



IdeaWorksCompany Press Release, Page 6

Please note: CarTrawler and IdeaWorksCompany will distribute a companion press release, scheduled for November 2015, will use these results to extrapolate the amount of ancillary revenue generated by a global list which exceeds 180 airlines.

Disclaimer: IdeaWorksCompany makes every effort to ensure the quality of the information in this report. Before relying on the information, readers should obtain any appropriate professional advice relevant to their particular circumstances. Neither IdeaWorksCompany nor CarTrawler guarantee, or assume any legal liability or responsibility for the accuracy, currency or completeness of the information.

About CarTrawler

CarTrawler's connects business and leisure customers and online travel retailers with more road and rail transport solutions than they will find anywhere else. Over 70 international airlines and 2,000 travel retailers around the world trust CarTrawler to provide their customers with real-time access to over 1,500 leading and independent car rental agents, coach transfers, rail networks and chauffeur drive services at 30,000 locations in 174 countries. CarTrawler also owns and operates the Cabforce, Holiday Autos and Argus Car Hire brands. The company headquarters and Customer Centre of Excellence are located in Dublin, Ireland, with additional offices in Boston, London and Helsinki. CarTrawler is private equity backed by BC Partners and Insight Venture Partners. For further information, please visit www.cartrawler.com

About IdeaWorksCompany

IdeaWorksCompany 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 airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany specializes in ancillary revenue improvement, brand development, customer research, competitive analysis, frequent flier programs, and on-site executive workshops. Learn more at IdeaWorksCompany.com.

Contact details

CarTrawler

Joe Farinella, Director of Marketing

Tel: +353 1 218 3855

E-mail: jfarinella@cartrawler.com

IdeaWorksCompany

Jay Sorensen, President

Tel: 1-414-961-1939

E-mail: [Jay "at" IdeaWorksCompany.com](mailto:Jay@IdeaWorksCompany.com)