Frank Vermeire
Head of A380 Marketing

A380
Boosting the revenue advantage
January 2015
A380 takes off or lands every 4 minutes

Orders: 317
Deliveries: 152
Backlog: 165

Average daily utilisation: >13 hrs

At end of December 2014

75 million passengers
1,760,000 flight hours
208,000 revenue flights
2014 highlights
A record 10 new destinations in 2014

“We are delighted to welcome the arrival of Emirates’ first A380 to India in Mumbai.”

Naveen Chawla,
Vice President – Aero marketing, Mumbai International Airport

“The announcement of QF A380 service to DFW is outstanding news for our Airport and the Dallas/Fort Worth region”

Sean Donohue,
CEO of DFW International Airport
A380 operating on most of world’s busiest city pairs

2013 annual passengers ('000)

World’s busiest city pairs

A380 is operating on 2/3 of routes

With A380 operations

Without A380 operations

*L380 operation commences in 2014

Source: Sabre 2013, all city pairs further than 2000nm
Ultra-long haul on the A380

The longest A380 flights > 16 hours

SYDNEY / DALLAS
DUBAI / LOS ANGELES
DUBAI / DALLAS
DUBAI / HOUSTON

The world’s longest routes are operated with A380
A380 routes are real

Very Large Aircraft market characteristics

- Routes with these characteristics are best suited for the A380

High volume routes

High percentage of premium traffic

Market growth potential

Constrained time channels/Slot controlled airport
Air travel is a growth market

Air traffic has doubled every 15 years.

Air traffic will double in the next 15 years.

20-year world annual traffic growth 4.7%
The core of the VLA market is between Aviation Mega-Cities.

Today's VLA routes:
- Between secondary cities
- To/From Aviation Mega-Cities
- Between Aviation Mega-Cities

Today's Aviation Mega-Cities:
- St Tropez

2023 Routes:
- 88 Routes

2024:
- >190 Routes
Scheduling the right capacity at the right time: Asia to Europe as example

Source: OAG / Sabre

Long Haul passengers
- Pay more for night flights +8% yield premium

Source: OAG / Sabre
Concentration of flights between Mega-Cities

Los Angeles to London

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<thead>
<tr>
<th>Departure Times</th>
<th>A380 Departure</th>
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<td>6:00</td>
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4 flights within 2 hours

London to Los Angeles

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4 flights within 3 hours

Source: OAG - June 2014 Schedules

A380 - solution for growth
Slot and time zone constraints drive frequency concentration

Source: OAG - June 2014 Schedules
How A380 carriers have deployed A380: rationalising growth

THAI
BKK-CDG
(March 2013)

777-300ER
312 seats
10 frequencies per week
3,120 seats per week

A380
507 seats
7 frequencies per week
3,549 seats per week

BRITISH AIRWAYS
LHR-LAX
(Summer 2014)

747-400
317 seats (avg)
21 frequencies per week
6,657 seats per week

A380
469 seats
14 frequencies per week
6,566 seats per week

AIRFRANCE
CDG-JNB
(April 2010)

777-2/300ER
251 / 303 seats*
3/7 frequencies per week
2,666 seats per week

A380
516 seats
6 frequencies per week
3,096 seats per week

Optimising networks, targeting demand peaks, freeing slots for new route development

LHR-LAX (Summer 2014):

-1% capacity

BKK-CDG (March 2013):

+14% capacity

CDG-JNB (April 2010):

+16% capacity

777-300ER
312 seats
10 frequencies per week
3,120 seats per week

A380
507 seats
7 frequencies per week
3,549 seats per week

747-400
317 seats (avg)
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An A380 consolidation example – British Airways LHR-LAX

New aircraft performing well

Example: Q4 2013 A380 flight vs. B747-400 flight LHRLAX

Cost per seat gain:
Total: -17.7%
Fuel: -18.4%

Lower Unit costs

LAX Summer 2013 daily schedule

Configurations:
+5% premium
-7% non-premium

More Premium Seats
Higher Average Yield

LAX Summer 2014 daily schedule

Total seats per day: -1% (richer mix)
Total trip cost per day: -19%

Similar Total Capacity
Lower Operating Costs

London Heathrow network

More capacity at peak times

Lower cost, more revenue per day

One slot extra to further develop the network

IAG Q4 2013 Results presentation
British Airways Case Study LHR-LAX
How A380 carriers have deployed A380: harnessing growth

- **Lufthansa**
  - FRA-IAH (August 2012)
  - **747-400**
    - 322 seats
    - 7 frequencies per week
    - 2,254 seats per week
  - **A380**
    - 526 seats
    - 7 frequencies per week
    - 3,682 seats per week
  - +63% capacity

- **Malaysia Airlines**
  - KUL-LHR (November 2012)
  - **747-400**
    - 359 seats
    - 14 frequencies per week
    - 5,026 seats per week
  - **A380**
    - 494 seats
    - 14 frequencies per week
    - 6,916 seats per week
  - +38% capacity

- **Emirates**
  - DXB-DFW (October 2014)
  - **777-200LR**
    - 266 seats
    - 7 frequencies per week
    - 1,862 seats per week
  - **A380**
    - 489 seats
    - 7 frequencies per week
    - 3,423 seats per week
  - +84% capacity
A380 achieves high load factors

A380 load factor –
Above 80% since EIS

Higher than worldwide industry average

Emirates load factors not reported to ICAO
Across industries, demand segmentation maximises revenue

- **7 series**: Top-of-the-line
- **5 series**: Luxury
- **Z4**: Special features
- **3 series**: Enhanced entry level
- **1 series**: Entry level

Demand segmentation - Matching products to customers’ value expectations

Maximising revenue generation
The A380 enables the best segmentation on an aircraft

Class of travel
- Luxury
- First
- Business
- Premium Economy (MD 9-abreast / UD 7-abreast)
- Economy Plus (MD 10-abreast 19”)
- Economy (MD 11-abreast 18”)

Travelers’ needs
- Arrive refreshed
- Travel in comfort
- Personal space
- Basic needs
- Privacy & service

A380 cabin value analysis
- Distinctly segmented cabin products allow to maximise yields

MD: Main Deck; UD: Upper Deck
Etihad unveils A380 luxury “residence” suite

Etihad A380

First operator to add a “residence” suite to the First/Business & Economy classes

Already sold out for the first 10 flights
Premium Economy is, or soon will, flying on 5 out of 13 A380 operators

Data to end July 2014; Lufthansa and Singapore Airlines due in 2015

Premium economy - Is a growing trend with A380 operators
Product diversification to capture all preferences

Business travellers booked in Economy on long haul – last 12 months

On long haul

- 60% business travellers fly Economy

2013 IATA Global Passenger Survey for flights over 5 hours
A380 cabin: Revenue maximisation with 11-abreast seating

Economy class

18” seat width for more comfort
2014 Segmentation and revenue enablers: roll-out and value

Cabin enablers
- Enriching the revenue mix through segmentation

Relative annual contribution to profit

9 abreast premium economy
18” 11 abreast Economy
Datum

3-class layout
4-class layout (Basic)
4-class layout (Enhanced)

Equivalent seat count

Further cabin optimisation

+$13m
+$20m
A380 keeps getting better

New Design Weights
- Increased payload-range
- Aircraft weight reduction
- Reduced Fuel burn

Wing twist
- Reduced Fuel burn

Improved SFC*

Since EIS
- 500nm further
- 8t more payload
- 2% less fuel burn

SFC = Specific Fuel Consumption
Revenues and costs do not have the same leverage

Source: Airbus estimates based on 31 airlines data. 2012

* Net result = after operating costs, financing costs and taxes

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Revenue is the strongest lever

Same potential saving per year

40% fuel burn improvement

New revenue enablers

+$20m per year
Airlines can bank on the A380
Airlines can bank on the A380

A380 has
10% lower seat costs vs. 777-9X

A380 has
$165m more profit potential*

Relative COC and *15 years PV with yield dilution, 4000nm sector, Airbus standard 4-class layouts
A380 – Own the sky

**Optimise networks**
Capture demand at higher yielding peak times
Harness Growth

**The best cabin in the sky**
High comfort levels in all travel classes
18” wide seats in Economy class
Offers the space for highly segmented cabins

**Maximise profitability**
More revenue with up to 50% more seats than its nearest competitor
Lowest unit cost of any large widebody aircraft
Highest potential contribution to profit