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Head of A380 Marketing

A380

Boosting the revenue advantage

January 2015

A380 takes off or lands every 4 minutes

317

Orders

152

Deliveries

165

Backlog

Average
daily utilisation
>13 hrs

75 million passengers
1,760,000 flight hours
208,000 revenue flights

At end of December 2014

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

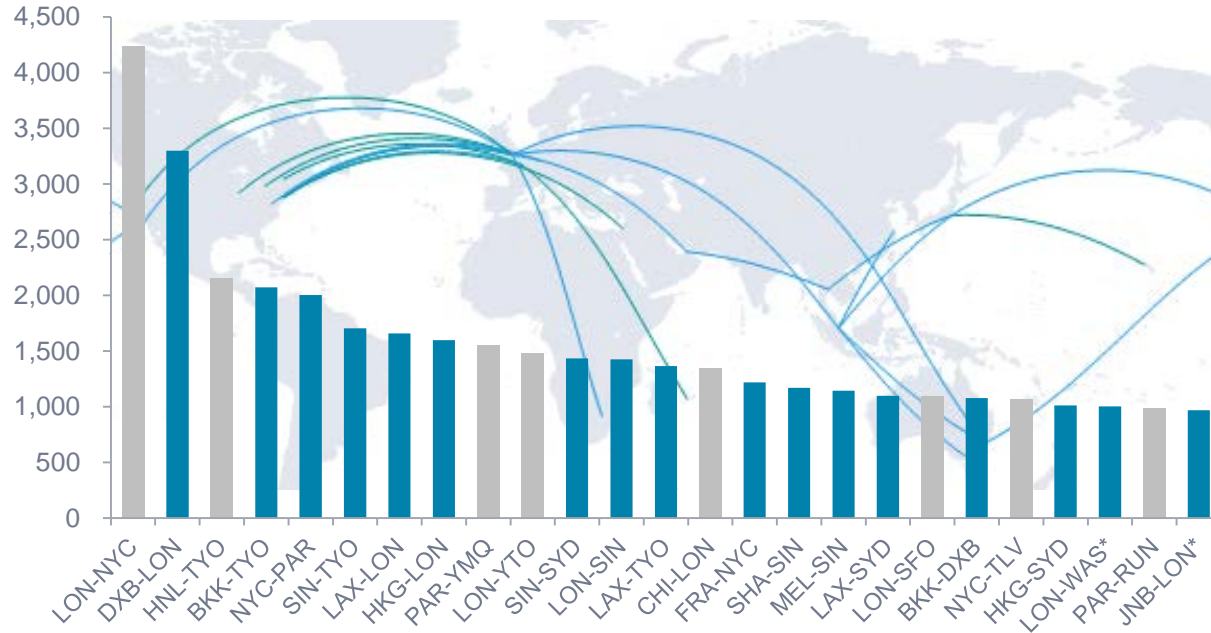
A380

**Welcomed
by airports
the world
over**

- Destinations opened 1st half of 2014
- Destinations opening 2nd half of 2014

A380 operating on most of world's busiest city pairs

2013 annual passengers
('000)



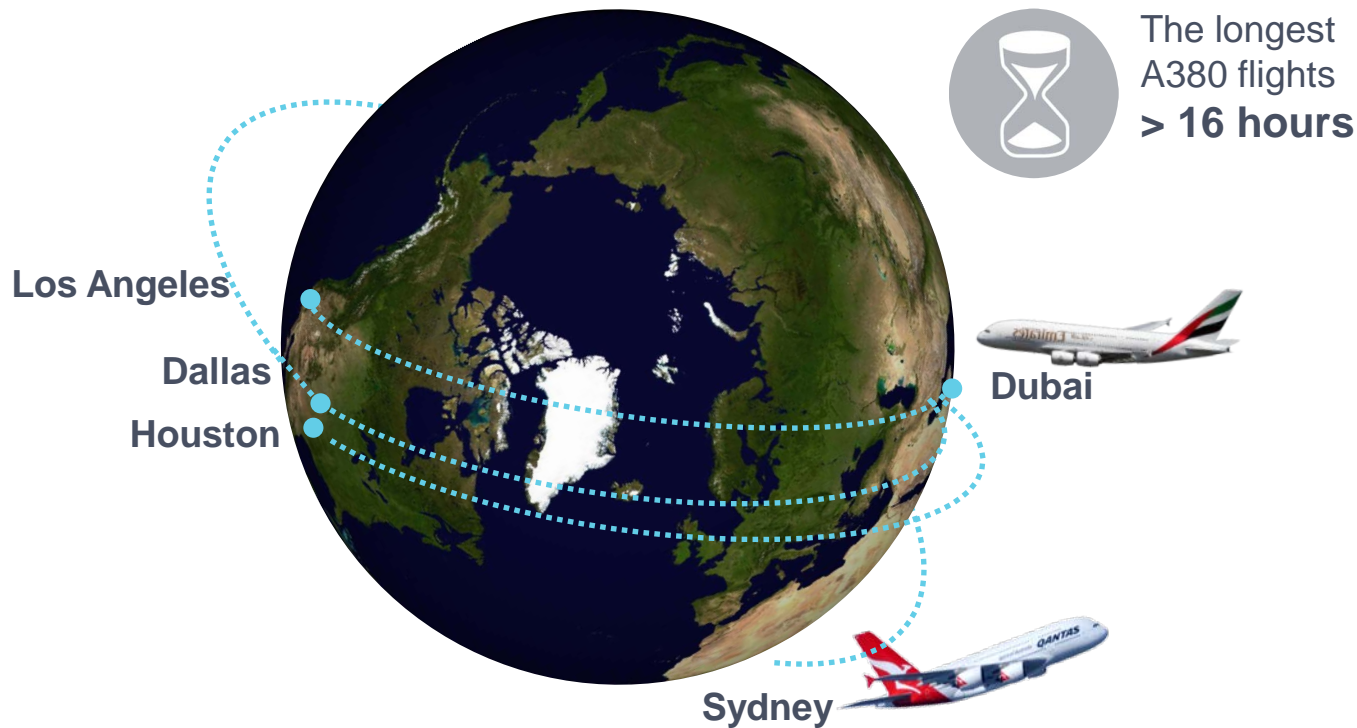
World's busiest city pairs
 A380 is operating on **2/3** of routes

- With A380 operations
- Without A380 operations

*A380 operation commences in 2014
 Source: Sabre 2013, all city pairs further than 2000nm



Ultra-long haul on the A380



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

The world's longest routes are operated with A380

A380 routes are real

High volume routes



High percentage of premium traffic



Market growth potential



Constrained time channels/
Slot controlled airport



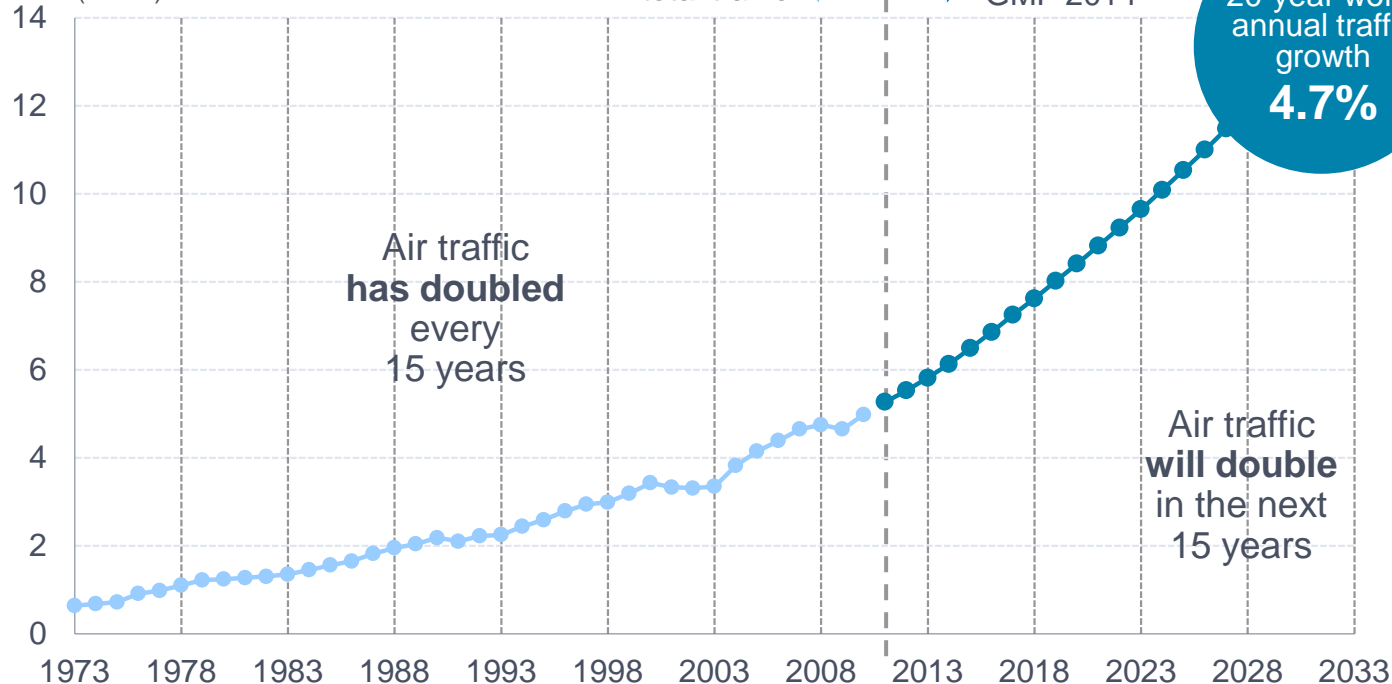
Very Large Aircraft market characteristics

Routes with these characteristics are best suited for the A380



Air travel is a growth market

World annual traffic
RPK (trillion)



Air traffic

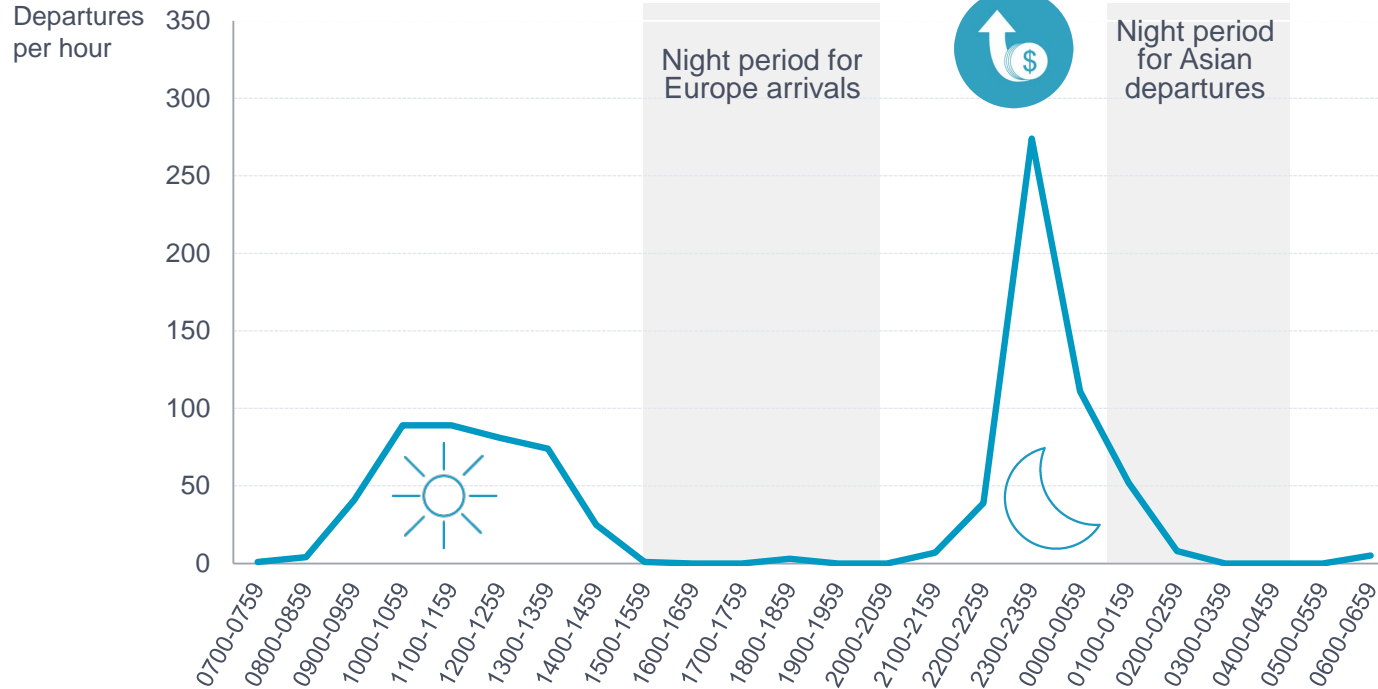
Doubles every 15 years

The core of the VLA market is between Aviation Mega-Cities

2023 Routes



Scheduling the right capacity at the right time: Asia to Europe as example



**Long Haul
passengers**

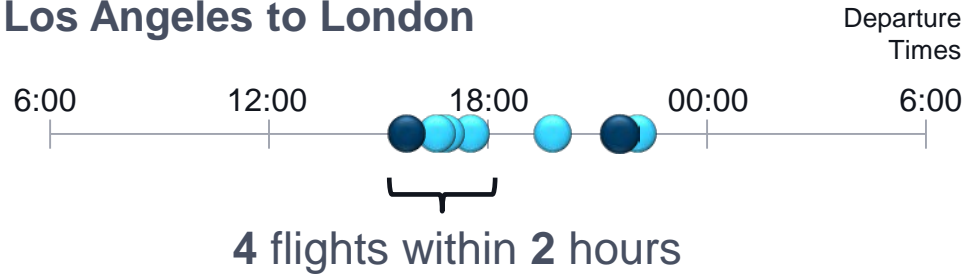
Pay more for
night flights
**+8% yield
premium**

Source: OAG / Sabre

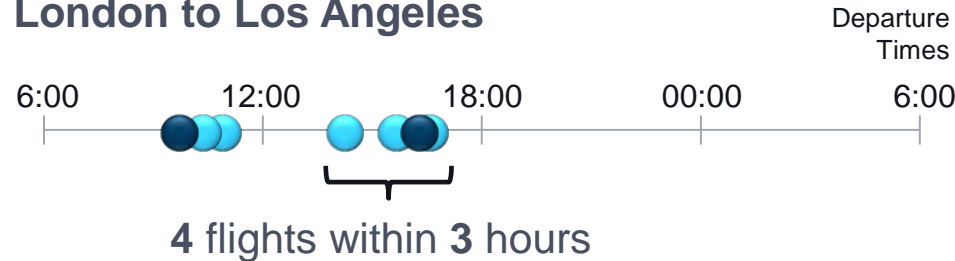
Concentration of flights between Mega-Cities



Los Angeles to London



London to Los Angeles



A380 - solution for growth

Slot and time zone constraints drive frequency concentration

- A380 departure
- Departures

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

+14%
capacity



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

A380

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


BRITISH AIRWAYS
LHR-LAX
(Summer 2014)




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

-1%
capacity


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

+16%
capacity


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

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 2014 daily schedule



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

Similar Total Capacity
Lower Operating Costs

LAX Summer 2013 daily schedule



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

More Premium Seats
Higher Average Yield

IAG

Strategic update

A380 performance

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

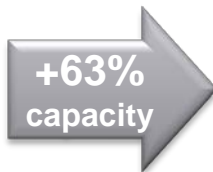
British Airways Case Study LHR-LAX

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

A380

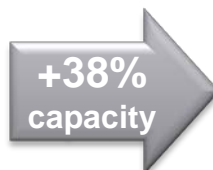
Traffic and
revenue booster



KUL-LHR
(November 2012)



747-400
359 seats
14 frequencies per week
5,026 seats per week



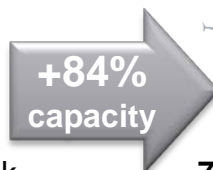
A380
494 seats
14 frequencies per week
6,916 seats per week



DXB-DFW
(October 2014)

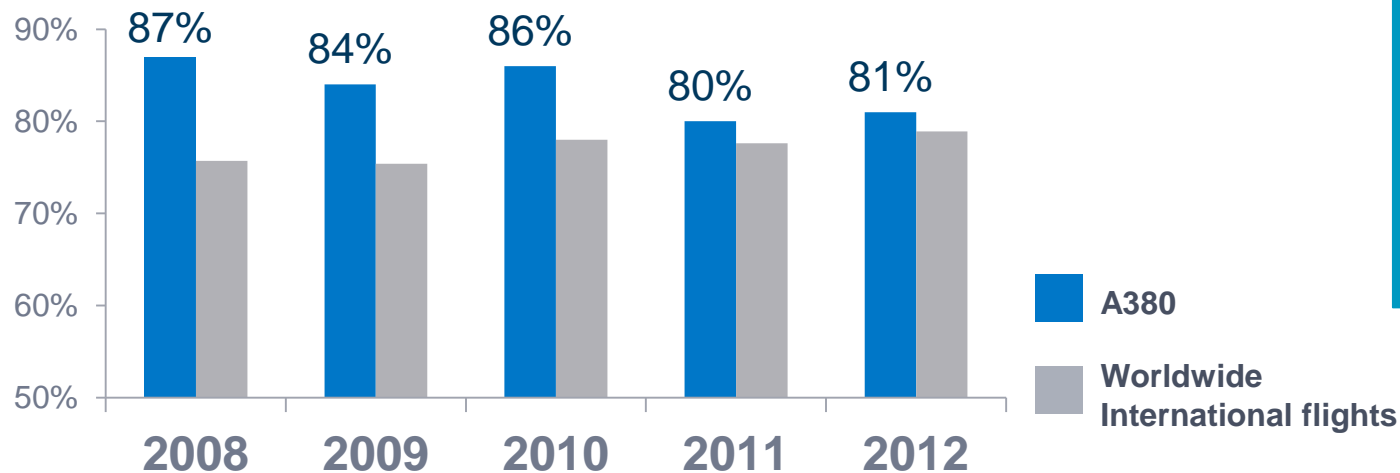


777-200LR
266 seats
7 frequencies per week
1,862 seats per week



A380
489 seats
7 frequencies per week
3,423 seats per week

A380 achieves high load factors



A380 load factor

Above 80%
since EIS

Higher than
worldwide
industry average

Source: ICAO, IATA 2008-2012.
Emirates load factors not reported to ICAO

Across industries, demand segmentation maximises revenue



Demand segmentation

Matching products to customers' value expectations

Maximising revenue generation

The A380 enables the best segmentation on an aircraft



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

Premium Economy is, or soon will, flying on 5 out of 13 A380 operators



Premium economy

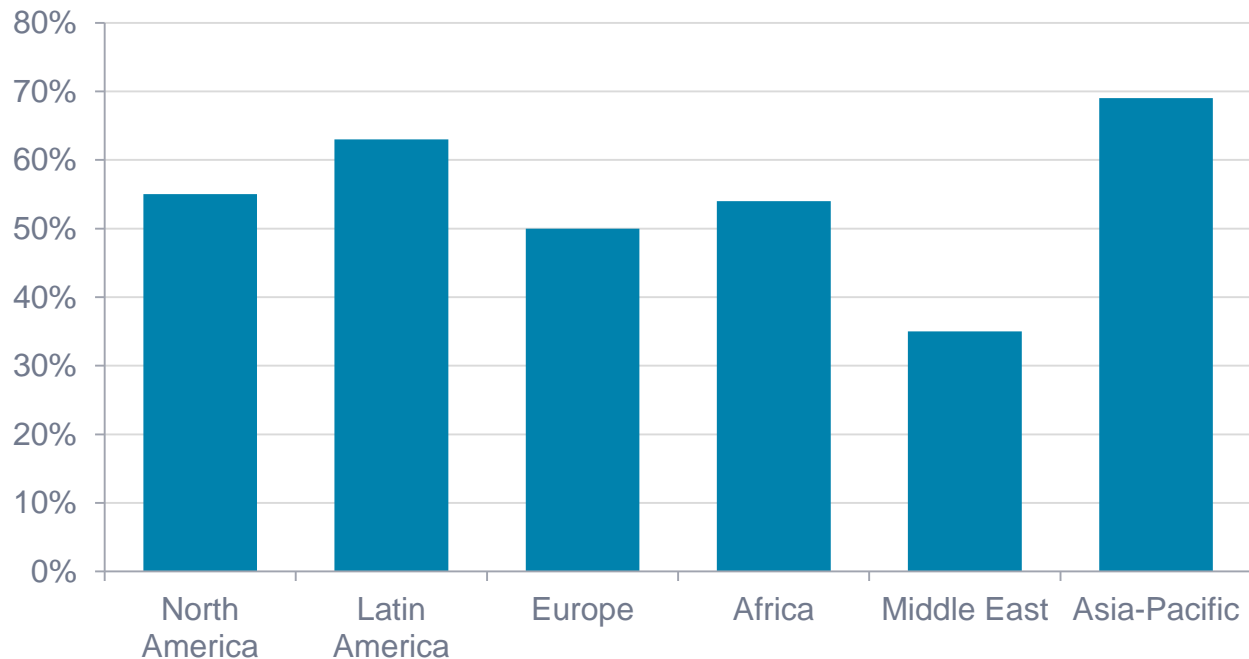
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Is a growing trend with A380 operators



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

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

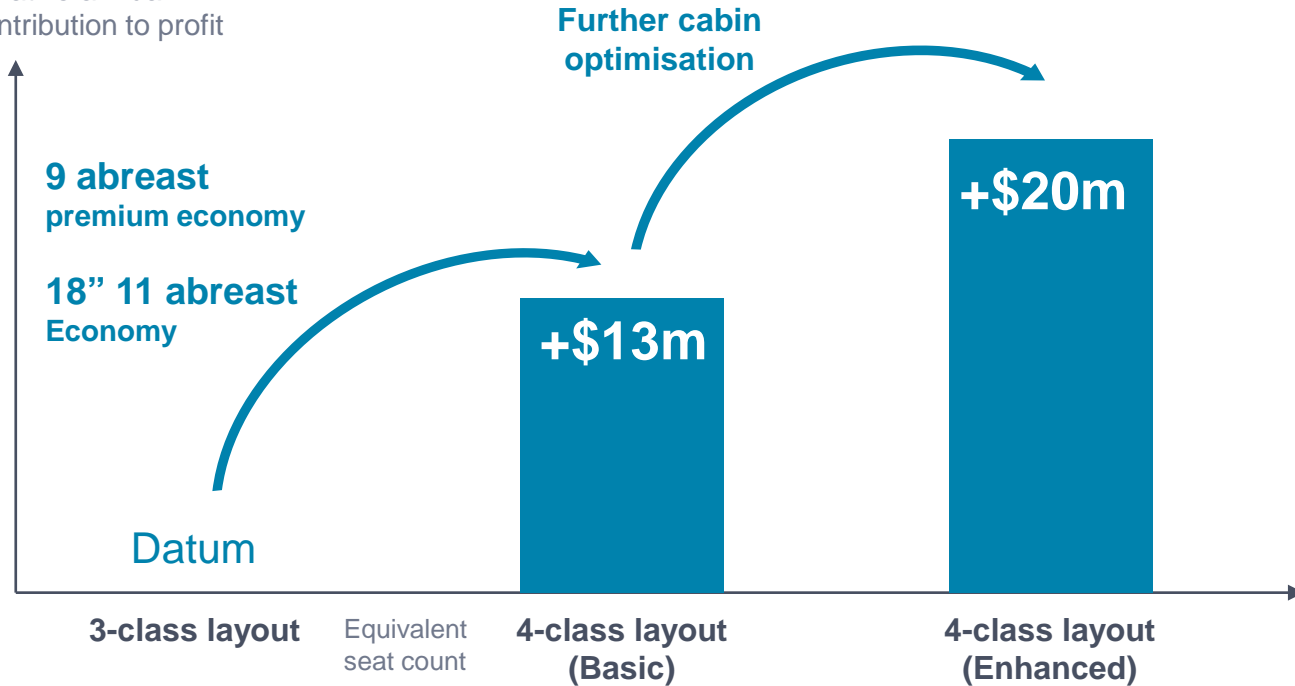


Economy class

—
18" seat width
for more comfort

2014 Segmentation and revenue enablers: roll-out and value

Relative annual contribution to profit



Cabin enablers

Enriching the revenue mix through segmentation

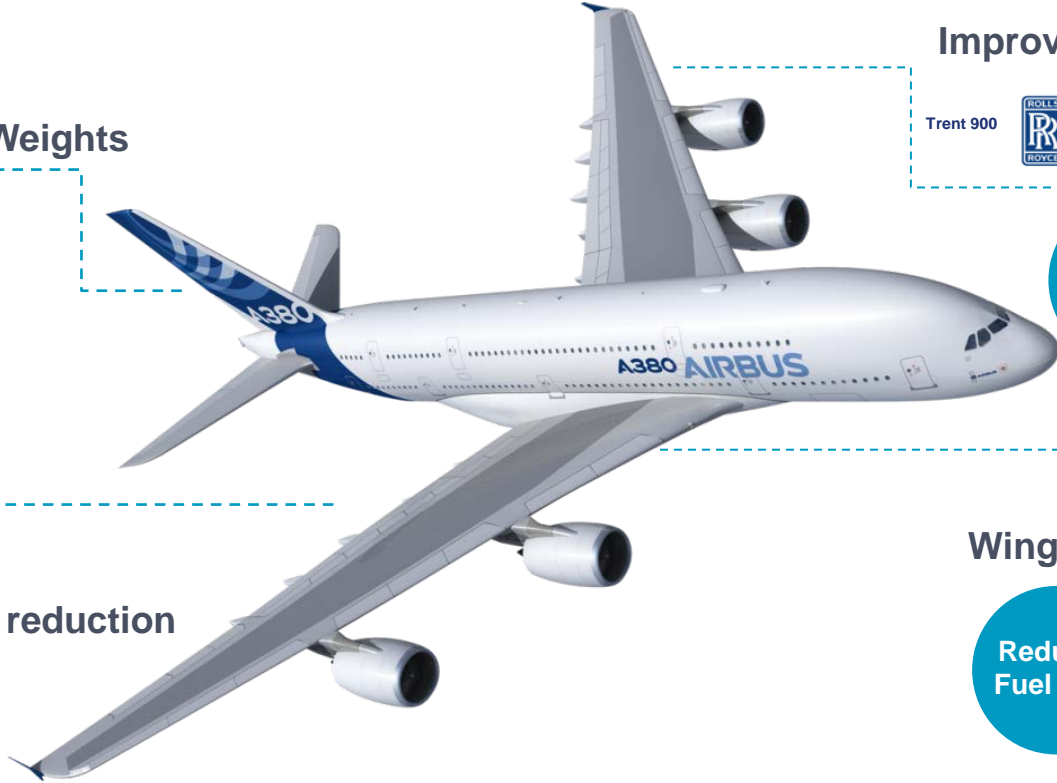
A380 keeps getting better

New Design Weights

Increased payload-range

Aircraft weight reduction

Reduced Fuel burn



Improved SFC*



Reduced Fuel burn

Wing twist

Reduced Fuel burn

Since EIS

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

SFC = Specific Fuel Consumption

Revenues and costs do not have the same leverage



Net Impact to Profitability*
+/-1% Fuel costs → -/+ 2%



+/-1% Staff costs → -/+ 1%



+/-1% Maintenance → -/+ 0.2%



Net Impact to Profitability*
+/-1% Load factor → +/- 4%



+/-1% Yields → +/- 4%

Source: Airbus estimates based on 31 airlines data. 2012

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

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



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

A380

**The best
solution for
21st
century
growth**