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the low cost airline
weekly



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Perspective

**The coffee shop industry
– but hardly a champagne celebration
\$6.10 – how much airlines earn when you fly**

Global airlines carried over 2.1 billion passengers last year, generating USD13 billion in operating (pre-tax) profits – or around USD6.10 per passenger. Although this is near the best ever, it is small change for most globalised businesses – about the price of a couple of cups of coffee.

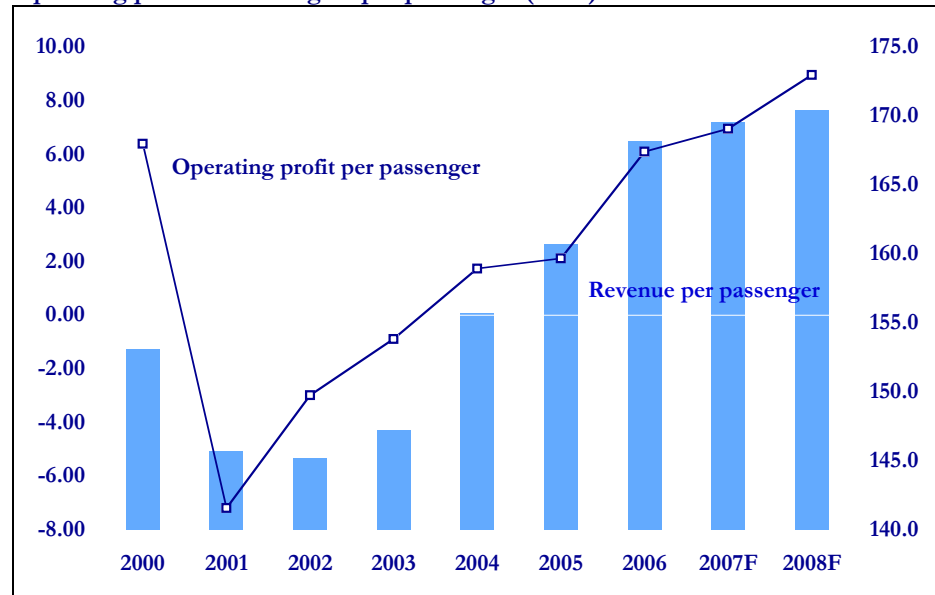
Collectively the airlines earned passenger revenues of USD358 billion in 2006, according to a recent IATA survey, or USD168 per passenger.

So airlines are doing a lot of flying for peanuts, earning a 2.9% operating margin last year, up from just 1% in 2005.

And these are “good times” for airlines, with strong underlying economies worldwide and rising demand – although the industry could be hitting the peak of the earnings cycle this year or next, depending largely on fuel prices.

It’s certainly better than 2001, when the airlines lost USD7.20 for every passenger who flew that year, with deep losses continuing in 2002 and 2003.

Operating profits and margins per passenger (USD): 2000 to 2008F



Source: Centre for Asia Pacific Aviation, IATA & ICAO

Perspective Continued Over Page ➔

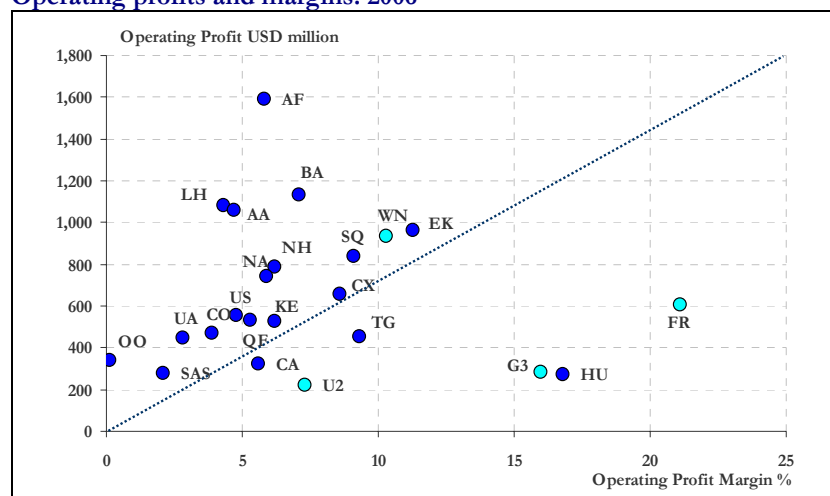
It's pretty sobering stuff for investors. Yet they don't seem too concerned at present.

Price-earnings ratios for many major airlines are at or near historical highs – and even so, as recently demonstrated in the case of Qantas, private equity groups are showing considerable interest.

Some carriers are doing better than others. The best-in-class last year, European LCC, Ryanair, earned an operating profit margin of 21.1%. But only 16 airlines globally managed double-digit operating margins in 2006, according to a recent IATA sample of 92 leading airlines that account for 88% of global passenger traffic.

Five of the top 16 most profitable carriers last year were LCCs, including Brazil's Gol (16% operating margin), Malaysia's AirAsia (12.8%), Canada's WestJet (11.2%) and the "grand-daddy" of the LCC sector, the Texas-based Southwest Airlines (10.3%).

Operating profits and margins: 2006*



Source: Centre for Asia Pacific Aviation, IATA & Company reports

*Notes: AA:American Airlines, AF:Air France-KLM (Year to Mar 07), BA:British Airways (Year to Mar 07), CA:Air China, CO:Continental Airlines, CX:Cathay Pacific, EK:Emirates (Year to Mar 07), **FR:Ryanair**, **G3:Gol Linhas Aereas**, HU:Hainan Airlines, KE:Korean Airlines, LA:Lan Airlines, LH:Lufthansa Group, OO:Skywest Airlines (US), QF:Qantas (Year to Jun 06), SAS:SAS, SQ:Singapore Airlines (Year to Mar-07), TG:Thai Airways (Year to Sep 06), NA:Northwest Airlines, NH:All Nippon Airlines (Year to Mar-07), **U2:easyJet (Year to Sep 06)**, UA:United Airlines, US:US Airways (incl. America West), **WN:Southwest Airlines**.

These five carriers are consistently towards the top of the pile in terms of profit margins, due to an acceptance, on their part, of their role as "commodity producers" – relying on the proposition that the lowest cost producer of a seat over the long term will win. Each operates in short-haul markets, with a focus on efficiency, in terms of aircraft utilisation and staff productivity.

Other full service airlines, like Air France/KLM, have higher absolute operating earnings, but in terms of converting revenue into profits, the short-haul group of carriers has led the way, at least in recent years.

But some full service carriers, such as Emirates, as well as some regional airlines, are also represented on the most-profitable list, while the diversity of geography is also notable. Each region has its own LCC and full service airline champions – carriers whose success others try to emulate.

In the main, airlines have been supported recently by a strong revenue environment, which more than offset the USD21 billion increase in costs last year, due largely to higher fuel prices.

According to ICAO, average jet fuel prices last year increased 12% over 2005, which were 49% higher than in 2004. The outlook for the remainder of 2007 is for further fuel price increases, with IATA recently raising its oil price forecast from USD61 per barrel to USD63. (Today, it is at USD71, with jet fuel prices some USD15 higher).

For the first time ever, fuel replaced labour as the largest single cost item for the global airline industry in 2006, at 25.5% of total operating costs, up from 22.5% in 2005. By contrast, labour (including pension) expenses fell from 24.2% in 2005 to 23.3% in 2006, according to IATA.

The Outlook

IATA expects the share of labour costs to rise, particularly in 2008, as more employees are needed to meet growth and as wage pressure increases, especially in areas where skilled labour is in short supply.

Furthermore, growth in average fares is predicted to slow this year. These have been supported over the past two years by increased fuel surcharges and exchange rate benefits, as well as strong economic conditions and (enforced) capacity constraints, due to A380 delivery delays.

So, the squeeze could be on again – and soon.

Thankfully for the airlines, passenger demand continues to grow above expectation, with another 5.7% increase forecast by IATA this year to 2.2 billion. This scenario could propel airline profits per passenger to USD7 this year, climbing further to USD9 in 2008, subject to no external events, or the effects of too much capacity entering the market ahead of demand.

Excess capacity is probably the biggest threat facing the airline industry for the remainder of the year and into 2008, as new equipment comes on line.

Even Ryanair is set to come back to the pack this year in terms of margins, as slower than expected growth this Northern Summer prompts it to slash fares to keep up with its own aggressive capacity growth plans. After growing net profits by a third last year, Ryanair expects just a 5% increase this year.

Southwest is trimming its growth in the US domestic market by 2% from the fourth quarter of 2007 and for the whole of 2008, in response to sluggish demand.

Meanwhile, Gol and WestJet are enjoying the benefits of consolidation in their respective markets, while AirAsia continues to enjoy very strong traffic growth rates at its Malaysian, Indonesian, and, to a lesser extent, Thai operations.

LCC long-haul – profitable?

Many believe that AirAsia's success in short-haul markets will not translate in the new long-haul model, AirAsiaX.

The Centre's view is that AirAsia, and others, will successfully challenge this assumption quite quickly and passengers will "crawl over hot coals" to access the type of fares the carrier is poised to inject into the market. Even Ryanair founder, Michael O'Leary, and Southwest Airlines are considering long-haul international markets as a future growth option.

Taking the "commodity" philosophy to long-haul markets is possibly long overdue. Given the inevitability of low cost-long-haul operations, the big question for AirAsia then is whether the project can achieve the kind of margins produced in the short-haul arena. In the short-term, probably not, and even double-digit margins could be hard to achieve.

Champagne for some?

But in an industry banking less than 3% of revenue, the bar is pretty low. Industry outperformance is therefore not a big hurdle, and AirAsia's long-haul operation will quickly attract investors, at least as long as the current wealth of equity funds continues.

This "confidence" from investors appears to result partly from an overflow from lower-risk – but now often over-priced – infrastructure and retail operations. So equity (private groups and individual investors) is more prepared to chase into higher risk areas, especially when, like the airline sector, it is performing near all-time highs.

There may be champagne profits for some of these speculators. But for the airlines themselves, coffee change will be as good as it gets – and easy on the milk and sugar!

The Americas

Southwest Airlines

It's official: Southwest slowing capacity growth

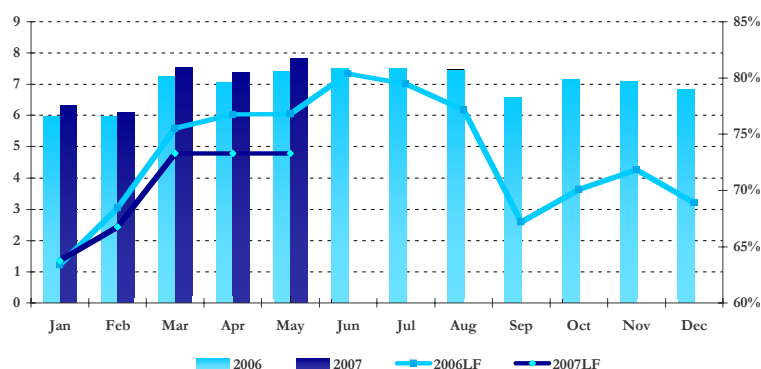
Southwest Airlines outlined (27-Jun-07) a range of plans to "set the stage for continued profitability", in response to a slowing US economy, which is weakening demand. As part of the process, the airline will slow its 4Q07 ASM growth, optimise its schedule by eliminating unprofitable routes, and increasingly pursue the business traveller market. The airline also announced an ancillary revenue target of more than USD1 billion by 2010, representing approximately 10% of total revenue forecasts.

In 2008, Southwest has revised its fleet growth plans to 19 B737s, 15 fewer than the 34 previously expected. Options for slowing growth include returning aircraft at lease-end, deferring Boeing deliveries and/or selling aircraft. The plan is to end 2008 with a total of 539 aircraft (as of 19-Apr-07, the airline was operating a fleet of 490 B737s).

To achieve the airline's long-standing goal of 15% average annual profit growth p/a, the airline will reduce 4Q07 and 2008 capacity growth to 6%, down from its previously-announced 8% growth target. This slowing will coincide with the implementation and evaluation of several revenue-enhancing initiatives from 4Q07, which could include assigned seating, in-flight entertainment and Internet systems, and selling accommodation through the airline's website.

Southwest, like other US domestic airlines, has struggled in 2007 due to slowing revenue growth, increasing costs and heightened price sensitivity of passengers. While demand has improved recently, yield has not, with Southwest CEO, Gary Kelly asserting, "June traffic is strong; July and August bookings look strong. Yields are down in June and may continue to be down." Additionally, load factors have struggled, falling below 2006 levels in every month this year except Jan-07. These factors, combined with increasing competition, have forced the airline to consider the unprecedented changes to its operations. JetBlue is also reviewing its growth plans, while several major carriers, including United Airlines, have recently trimmed their 2007 capacity growth plans.

Southwest Monthly Passenger Traffic (millions) and Load Factor (%): 2006 vs 2007



Source: Centre for Asia Pacific Aviation and Southwest Airlines

As part of the general overhaul, Southwest will eliminate 39 weekly services, including many longer routes, (for example, Los Angeles to Baltimore and Chicago to Oakland) and this capacity to add 46 new services in key growth areas, such as Denver and New Orleans, for a net gain of seven weekly frequencies.

Summary of Major Southwest Route Changes

Airline	Origin	Destination	Weekly Frequency		Effective	Equipment
			New	Total		
Southwest	Denver	Albuquerque	21	21	4-Nov-07	B737
Southwest	Denver	Amarillo	14	14	4-Nov-07	B737
Southwest	Denver	Austin	7	7	4-Nov-07	B737
Southwest	Denver	Nashville	7	14	4-Nov-07	B737
Southwest	Denver	Oklahoma City	14	14	4-Nov-07	B737
Southwest	Denver	Seattle	28	28	4-Nov-07	B737
Southwest	Denver	Salt Lake City	7	35	4-Nov-07	B737
Southwest	New Orleans	Birmingham	21	21	4-Nov-07	B737
Southwest	New Orleans	Dallas Love	7	42	4-Nov-07	B737
Southwest	New Orleans	Houston Hobby	14	77	4-Nov-07	B737
Southwest	New Orleans	Las Vegas	7	14	4-Nov-07	B737
Southwest	New Orleans	Orlando	7	28	4-Nov-07	B737
Southwest	Oakland	Tucson	7	7	4-Nov-07	B737
Southwest	Baltimore	Cleveland	-7	38	4-Nov-07	B737
Southwest	Baltimore	Los Angeles	-14		4-Dec-07	B737
Southwest	Baltimore	Oakland	-7		4-Dec-07	B737
Southwest	Baltimore	Long Island	-7	56	4-Nov-07	B737
Southwest	Baltimore	Long Island	-7	49	4-Dec-07	B737
Southwest	Baltimore	Orlando	-7	63	4-Nov-07	B737
Southwest	Baltimore	Phoenix	-7	28	4-Nov-07	B737
Southwest	Philadelphia	Nashville	7	21	4-Nov-07	B737
Southwest	Philadelphia	Oakland	-7	0	4-Oct-07	B737
Southwest	Philadelphia	Providence	-7	35	4-Oct-07	B737
Southwest	Philadelphia	Los Angeles	-14	0	4-Oct-07	B737

Source: Centre for Asia Pacific Aviation & various

Also problematic to Southwest is that many competitors, following severe financial losses, and in some cases, bankruptcy protection, have reorganised to reduce costs and eliminate inefficiencies, and have bounced back with leaner operations and reduced labour costs, leaving Southwest with one of the highest paid staff in the industry.

US majors stronger

Furthermore, the restructured majors are now embarking on long-awaited fleet renewal to address their cost bases further and improve inflight products. For example, American Airlines announced on 28-Jun-07 that it plans to accelerate the delivery of six additional B737-800 aircraft into 1H09. The announcement means nine of the 47 ordered B737-800s have been accelerated for delivery under the existing purchase commitment, following a previous announcement on 28-Mar-07 regarding plans to accelerate delivery of three B737-800s to early-09.

American intends to continue acceleration of its fleet renewal programme, with plans to pull forward the remaining 38 B737s from the current 2013-2016 delivery schedules to 2009-2012.

Conclusion: Tough outlook as listed Southwest turns 30

Southwest's announcement comes on the day the airline celebrated its 30th anniversary as a public company, on 27-Jun-07. The LCC, which listed on the New York Stock Exchange on 27-Jun-77, has posted 34 consecutive years of profitability (inclusive of year-end results for 2006) – an extraordinary achievement in the volatile US aviation sector.

Southwest Airlines: Then and now

Currency: USD	1977	2007
Aircraft	10	489
Cities served	9	63
Employees	892	33,195
Annual revenues (mill)	49	9100
Annual net income (mill)	7.5	499

Source: Centre for Asia Pacific & Southwest Airlines

Its success has spurred imitation in the US and abroad, helping launch the LCC phenomenon that has reshaped global aviation. But some of the carriers that Southwest's model inspired have successfully adapted to challenging circumstances that the "granddaddy" itself now faces, particularly in the development of ancillary revenues. It appears Southwest is embarking on a new era of slower growth and increasing complexity of its business model, as it strives to grow revenues in a difficult market place. The Southwest of 2037 will look significantly different from the carrier of today.

AirTran Airways

65% of Midwest shares voted for AirTran's nominees

Midwest Air Group confirmed (26-Jun-07) its shareholders elected three AirTran-nominated directors, John Albertine, Jeffrey Erickson and Charles Kalmbach, to the Midwest Board. Official results show 65% of votes, and 40% of outstanding shares, at the shareholder's meeting on 14-Jun-07 went to AirTran's nominees. The three new directors will replace three incumbents on the nine-member board.

The election of the AirTran-nominated directors could signal a vote for change among Midwest shareholders. According to Joe Leonard, AirTran Chairman and CEO, the results show Midwest shareholders are "not pleased with the status quo attitude of the company's 'go-it-alone' business plan", possibly bringing AirTran closer to the sought-after merger with Midwest Airlines.

While AirTran has its headquarters in Orlando, Florida, and its hub in Atlanta, Georgia, Midwest is based in Milwaukee, Wisconsin.

Brief history of proposed AirTran/Midwest merger

Date	Development
Dec-05	AirTran Holdings approaches Midwest Air Group Board of Directors (Midwest Airlines owners) asking that the Board negotiate the sale of the company with AirTran. The offer was rejected by Midwest's Board.
Late-06	AirTran Holdings approaches Midwest again – the offer is rejected again
Dec-06	AirTran publicly discloses the rejection of both offers in an attempt to create shareholder pressure on Midwest's Board to reconsider; Midwest board recommends shareholders reject the offer.
11-Jan-07	AirTran offers USD13.25/ Midwest share, from the previous offer of USD11.25. AirTran takes new bid directly to Midwest shareholders, bypassing Midwest's Board of Directors. The offer has an expiry of 11-Apr-07.
02-Apr-07	AirTran increases its offer from USD13.25/share to USD15.0/share, in what AirTran called its final offer. In response, Midwest publicly states that it can maximise shareholder value as a stand-alone company, and that AirTran's offer significantly undervalues the company. Midwest launches a public campaign against AirTran's offer, including a website: savethecookie.com
11-Jun-07	AirTran extends its USD15 Midwest tender offer until 10-Aug-07
14-Jun-07	Three AirTran-appointed board members, John Albertine, Jeffrey Erickson and Charles Kalmbach, are elected to the Midwest Board, replacing John Bergstrom, James Boris and Frederick Stratton.
26-Jun-07	Official results of the election from the shareholder's meeting on 14-Jun-07 show 65% of votes went to AirTran nominees, with the three nominees receiving votes from more than 40% of outstanding shares.
16-Jul-07	AirTran will present its takeover reasons at a Midwest Board Meeting.

Source: Centre for Asia Pacific & AirTran Airways reports

WestJet In expansion mode

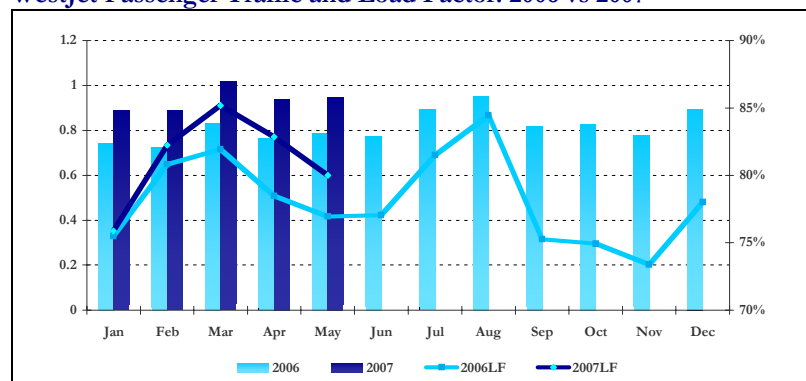
WestJet announced (27-Jun-07) plans to introduce services from Toronto to three Caribbean destinations, Montego Bay (Jamaica), Puerto Plata (Dominican Republic) and Punta Cana (Dominican Republic), as part of the airline's Winter schedule – see Route Changes Table for more information. The announcement comes less than a week after the airline was granted designation by the FAA to operate to several new Mexican destinations in the upcoming Winter schedule.

The airline also plans to launch an additional eight new routes from Nov-07, increase frequency to its Hawaiian destinations and expand domestic Canadian and cross-border US services, as part of the next step in WestJet's international expansion strategy – see Route Changes Table for more information. As part of this expansion strategy, which is supported by a predicted 92-aircraft fleet by 2010, WestJet aims to increasingly focus on the business traveller market (currently 45% of passengers are business travellers, despite tailoring its services to the leisure segment). With this in mind, the airline plans to increasingly expand its business markets, including cities such as Houston, Chicago and Dallas.

WestJet has been experiencing traffic growth and higher load factors in 2007, compared to corresponding periods in 2006. This is a promising sign for the airline, which experienced strong 2006 performances, after the failure of two competitors in the Canadian market. As a result, WestJet has made large market share gains and recorded a quarterly profit of USD49.9 million for 3Q06.

So far in 2007, WestJet has experienced five consecutive record monthly load factors, even as capacity has increased, with a load factor of 80.0% in May-07, a 3.1ppt year-on-year increase. In May-07, a 15% capacity increase in available seat miles (ASM) and a 20% increase in revenue passenger miles (RPM) were achieved, bringing total ASM growth of 18% in the first five months of 2007. Additionally, quarter-to-date revenue per available seat mile (RASM) was higher than 2006.

WestJet Passenger Traffic and Load Factor: 2006 vs 2007



Source: Centre for Asia Pacific Aviation and WestJet Airlines

Based on the airline's performance to-date and comparison to 2006, which in itself was a good year for the airline, it appears the expansion of WestJet's route structure is a sustainable move.

Launches paperless boarding pass

Meanwhile, WestJet announced (26-Jun-07) it has become the first North American airline to introduce paperless, e-format boarding passes to check-in and board passengers. Starting in Victoria (British Columbia) on 26-Jun-07, passengers will be able to pass through security and board WestJet services using paperless boarding passes displayed on personal mobile devices. In the coming weeks, more WestJet destinations in Canada will introduce the service, with plans to expand the Web check-in to transborder destinations in the near future.

Gol

To rebrand Varig as business carrier

Gol announced (26-Jun-07) plans to relaunch Varig on dedicated domestic business routes. The move is the first time an LCC has established a dedicated subsidiary for premium traffic and represents a reversal of the usual scenario in which full service carriers establish low-cost subsidiaries. According to Constantino de Oliveira, Gol's CEO, "there is no one offering premium services" in Brazil, creating the possibility for Varig to operate alongside GOL on ten domestic and one international route.

Gol plans to offer additional services for Varig, such as a frequent flyer programme, and will supplement its fleet by five B737-800s by the end of the year, with another four in 2008.

Varig currently operates a fleet of 19 aircraft including 16 B737-300s and three B767-300ERs. An additional 20 aircraft are on order, including 11 B767-300ERs, which are expected to be delivered progressively by Apr-08 and 20 B737-800s, with deliveries commencing in Sep-07. Gol is also expecting 12 additional B737-800s to be delivered in 2007, supplementing its existing fleet of 14 B737-300s, 30 B737-700s and 25 B737-800s. Combined, Gol and Varig will operate a fleet of 88 aircraft, covering 76 destinations.

Gol's fleet plan

	Seats	2006	2007	2008	2009	2010	2011	2012
B737-300	141	14	14	12	7	-	-	-
B737-700	144	30	30	28	32	20	10	10
B737-800	187	21	36	46	60	72	84	91
Total		65	80	86	88	92	94	101

Source: Centre for Asia Pacific & GOL Linhas Aereas Inteligentes

The fleet expansion comes as Gol cut its full-year earnings guidance in Jun-07, due to falling load factors and reduced margins.

Gol's old and new guidance for FY2007

Guidance	2007 FY Old	2007 FY New
ASK growth	80%	80%
Load Factor	72%	72%
Net revenues	USD3,162 million	USD3,110 million
CASK excluding fuel (US cents)	4.20	4.20
Operating Margin	20%	18%

Source: Centre for Asia Pacific & GOL Linhas Aereas Inteligentes

In Mar-07, Gol purchased Varig in an agreement worth approximately USD320 million. The key asset of the purchase was Varig's extensive international routes rights. Under Varig, Gol has continued to increase international services, commencing a second daily Rio de Janeiro-Frankfurt service on 16-Jun-07. The airline is also expected to commence additional international operations in late-2007 and throughout 2008.

Gol has also focused on expanding efforts in the US, recently entering ticketing agreements with Continental Airlines and Delta Air Lines in Jun-07.

Mexican LCCs

VivaAeroBus and Volaris expand fleets

Mexico's VivaAeroBus announced (29-Jul-07) plans to operate between 50 and 60 aircraft to support six or seven Mexican bases in Mexico and its US destinations by approximately 2012. The carrier's fleet currently comprises five B737-300s, three of which are owned, and two of which are leased.

The airline's fleet plan to 2009 is based on B737-300 equipment, although the airline is considering B737-400s under new expansion plans. The airline is also considering B737-800s or A320s to increase seating capacity, although the airline currently has no intention to acquire widebody or regional aircraft, stating, "the economics don't work so well when you've got smaller aircraft".

Meanwhile, Volaris announced (02-Jul-07) it has ordered an additional 14 A319s, bringing its total commitment to 30 A319s. The airline is based at Toluca International Airport, near Mexico, and placed its initial firm order for 16 A319s in Jan-06.

Volaris plans to use the aircraft for domestic services to destinations including Monterrey (VivaAeroBus' base) and Tijuana. Volaris has an average fleet age of 1.9 years, the youngest in Mexico.

VivaAeroBus plans to launch transborder Mexico-US services

VivaAeroBus plans to launch low-cost transborder services between Mexico and the US, seeing "enormous" the potential for "genuine" low-cost air travel growth between the two countries.

The airline plans to introduce services from five undisclosed Mexican destinations to Austin (Texas) in 4Q07, pending regulatory approval. The airline has targeted Texas due to its large Hispanic population, and its close location to the airline's base in Monterrey. Another significant factor in the decision is that Austin Aviation Department and GECAS are currently negotiating to construct a terminal at the South end of Austin-Bergstrom International Airport to accommodate "ultra-low-cost" airlines. Austin Aviation believes a low-cost terminal is the most suitable way to recruit more LCCs to the airport, as it directly meets their needs and requirements.

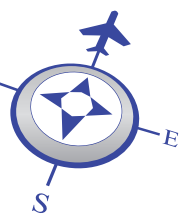
VivaAeroBus offers a no-frills model with highly-discounted fares, following the approach of LCCs, such as easyJet, Ryanair and AirAsia. Mike Szucs, VivaAeroBus CEO, was the former COO of easyJet, while the airline is co-owned by the Ryan family, founders of Ryanair, and the Mexican bus company, IAMSA. The Ryans joined with Maurice Mason of Kite Investments to establish RyanMex to facilitate Ryan's investment in the Mexican airline. RyanMex holds 49% of the airline, with IMSA holding the remaining 51%.

Currently, only 4% of the Mexican population has flown and the market is highly-price sensitive. Based on this, VivaAeroBus' approach is to "get prices down for the other 96%". VivaAeroBus, which commenced operation on 30-Nov-06, competes with other LCCs, including Avolar, Click, Mexicana, INTERjet and Volaris, as well as Mexicana. US LCCs, including Frontier Airlines, Skybus Airlines and USA 3000, recently announced plans to launch services to Mexico.

VivaAeroBus, to date, has experienced success domestically since its launch in Dec-06. VivaAeroBus currently operates to Acapulco, Cancun, Chihuahua, Ciudad Juarez, Culiacan, Leon/Bajio, Tampico, Tijuana and Veracruz. Load factors were 75% during the carrier's first six months of operations, with higher loads expected during the Summer. The airline hopes to carry over one million passengers in its first year of operation.

4th Annual *w* Asia Pacific & Middle East Aviation Outlook Summit

Singapore, 31 October - 1 November 2007



Asian
Leadership
Summit

The Centre's fourth annual Aviation Outlook Summit is the leading airline strategy event for the region. Attracting 30 Asia Pacific airline CEOs last year, with 50 carriers represented, the Summit is the largest gathering of senior airline management in this region. This year, we expect at least 30-40 airline CEOs, with up to 60 airlines represented. Key issues facing the region's aviation industry in 2008 include:

8 hot issues for 2008



Time	Flight	Gate
01:00	DEREGULATION	HOW FAST AND WHO
02:00	MIDDLE EAST	THE NEXT GENERATION
03:00	NORTH ASIA	GROWTH TRIANGLE
04:00	ENVIRONMENT	GREENING AVIATION
05:00	DESTINATION ASIA	US/EUROPEAN CARRIERS IN ASIA
06:00	LOW-COST LONG-HAUL	REDEFINING AVIATION
07:00	FUNDING GROWTH	PRIVATE EQUITY VS THE MARKET
08:00	LEGENDS INSIGHTS	LEARNING FROM HISTORY

Key Speakers:



Maurice Flanagan
Vice Chairman & Group President
Emirates



James Hogan
CEO
Ethihad Airways



Allan Joyce
CEO
Jetstar



Chew Choon Seng
CEO
Singapore Airlines
(invited)



Tony Fernandes
CEO
AirAsia



Stanley Hui
CEO
Airport Authority Hong Kong
(invited)



Adel Ali
CEO
Air Arabia

Who should attend?

- Low cost and full service airlines
- Aircraft/engine manufacturers
- Aircraft/engine lessors
- Travel technology companies
- Investment banks and private equity funds
- Insurance companies
- Airport operators and investors
- Government and regulatory authorities
- Maintenance, ground handling, catering and cargo ventures
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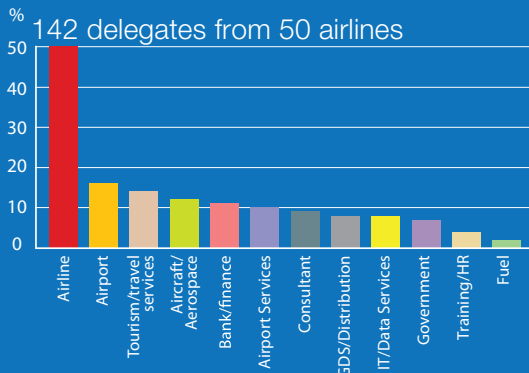
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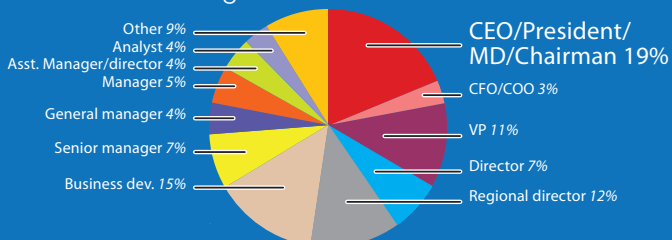
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Last year's Outlook Summit



One in five delegates are CEO-level



Key speakers:

- Air China: Li Jiayang, Chairman
- Cathay Pacific: Phillip Chen, CEO
- Qantas Airways: Geoff Dixon, CEO
- Malaysia Airlines: Idris Jala, Managing Director
- AirAsia: Tony Fernandes, CEO
- Tiger Airways: Tony Davis, CEO
- Jetstar Asia: Chong Phit Lian, CEO
- Viva Macau: Andrew Pyne, CEO
- Air Arabia: Adel Ali, CEO
- SilkAir: Mike Barclay, CEO
- AdamAir: Adam Suherman, President Director
- Airports Authority of India: VK Kalra, Executive Director
- Malaysia Airports: Dato' Seri Bashir Ahmad, Managing Director
- REX Regional Express: Lim Kim Hai, Executive Chairman
- Royal Brunei Airlines: Pg Mohd Yusof Bin Pg Hj Jeludin, (Acting) CEO
- Southeast Asian Airlines: Nikos Gitsis, Director
- Star Flyer Inc: Yasushi Muto, Executive Director
- and many more!



Europe

Ryanair

European Union condemned for blocking Aer Lingus takeover

The European Commission (EC) prohibited (27-Jun-07) the EUR1.58 billion merger of Ryanair and Aer Lingus saying it would reduce competition and create a "near-monopoly" in the Irish market. According to the EC, the merger would have created a monopoly on "22 out of 35 routes in or out of Ireland". The Commission believed the number of slots Ryanair offered to give up would not have permitted a viable competitor to emerge. The ruling, however, did not result in Ryanair selling its 25% shareholding in Aer Lingus, as some believed it would.

In response to this decision, Ryanair confirmed it would lodge an appeal to the European Court of First Instance, Europe's second-highest court, within two months, stating it is confident it could "overturn this bizarre, illogical, manifestly inaccurate and untenable prohibition". The Court of First Instance has previously overturned several Commission prohibitions, however, the EC revised its procedures in 2002 following a series of reversals in the Court of First Instance. Ryanair has also filed a formal complaint with the EU ombudsman over "persistent and repeated" leaks by the Commission of information regarding the case's processes and outcomes, a point rejected by the EC.

Ryanair condemned the prohibition on a number of grounds, including:

- The prohibition "reverses 20 years of EU airline consolidation" in which the Commission approved larger mergers, including Air France/KLM, Lufthansa/Swiss and Lufthansa/Austrian, with "minimal remedies";
- The prohibition is "unjustified", as combined, Ryanair and Aer Lingus account for less than 5% of the EU air travel market;
- The prohibition leaves Aer Lingus "exposed as a small, peripheral loss-making regional airline";
- The decision is "politically motivated, designed to appease the narrow interests of the Irish Government", which, along with Aer Lingus, was the sole objector to the merger;
- This decision is "bad for consumers", as increases in fares and fuel surcharges, which Ryanair would reduce or eliminate, would continue with Aer Lingus;

According to Ryanair, the decision ignored the airline's EUR100 million remedies package, which included:

- Reducing Aer Lingus's short-haul fares by 10% p/a (saving consumers over EUR70m p/a);
- Immediately eliminating Aer Lingus's fuel surcharges (saving consumers over EUR30m p/a);
- Transferring Heathrow slots to British Airways and Air France, who will each base aircraft in Dublin;
- Transferring Dublin slots to other competitors, as long as they based between six to ten new aircraft in Dublin (a total of over 2,800 weekly slots).

According to Ryanair, the prohibition will make European airline consolidation more difficult. In particular, Ryanair believes the decision could affect a possible takeover of Alitalia by Air One (following Aeroflot's withdrawal from the bidding process), and the rumoured acquisition of Iberia by a British Airways-led consortium. Ryanair believes that, in light of the EU-US "open skies" policy, which will see European carriers face renewed competition from US carriers, the decision could be "potentially disastrous".

Launching services from Belfast City Airport; resuming Clermont Ferrand-London link

Meanwhile, Ryanair plans to commence services from George Best Belfast City Airport, constructing a network of routes from the city to Liverpool, East Midlands and Bristol in the UK, and Paris, Barcelona, Riga, Brussels, Rome and Katowice or Warsaw, in mainland Europe.

This proposed network would compete with operations by existing carriers at the airport, including Air Berlin, Aer Arann, bmi, Euromanx, and FlyWhoosh, and will open up numerous routes to Northern Ireland. Ryanair, which currently operates from City of Derry Airport, is expected to phase the new routes in over a period of time. However, initial services could commence as early as Oct-07, with an official announcement expected early Jul-07. The airline hopes to carry 750,000 passengers p/a from Belfast by 2012. Currently, only one route to mainland Europe, a weekly Flybe service to Rennes, operates from the airport.

Meanwhile, Ryanair is considering resuming service between Clermont Ferrand in France and London. The airline reportedly plans to operate three-times weekly Clermont-London service from 01-Apr-08. However, a timetable has not been outlined by Ryanair, as it is waiting to "test the number of potential customers" the route could generate. The route would operate seasonally between April and October.

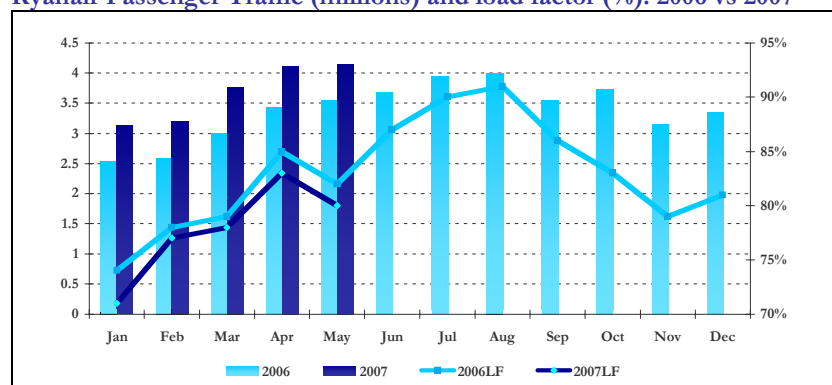
Ryanair previously operated a daily Clermont-London Stansted service between May-03 and Jan-04, accommodating 45,000 passengers p/a.

Fare sale extended due to soft market conditions

Ryanair extended (27-Jun-07) its Lowest Price Guarantee until 30-Sep-07 and, once again, called on easyJet to "stop running scared by introducing a real price guarantee," allowing comparisons to be made with Ryanair.

Ryanair CEO, Michael O'Leary has warned that market conditions could "nosedive" before the end of 2007, stating, "there's going to be blood on the walls," if current soft market conditions continue from Summer into Autumn. Load factors continue to be below levels achieved in 2006, although passenger numbers have increased.

Ryanair Passenger Traffic (millions) and load factor (%): 2006 vs 2007



Source: Centre for Asia Pacific Aviation and Ryanair

Due to these concerns, Ryanair has extended its 3 million seat, GBP10 (including charges and taxes) per sector sale into the Summer peak months of July, August and September, with an expected cost of between GBP25 and GBP45 million.

However, easyJet has rejected Ryanair's downturn predictions, instead believing economic indicators show continued growth for European LCCs, despite the recent softening in demand for air travel.

AirOne

Looking for new Alitalia bid partners; Aeroflot drops bid

Air One confirmed (26-Jun-07) it is looking to add new partners to its bid to purchase a minimum of 39% of Alitalia. Air One's owner, AP Holding, with financial support from Intesa Sanpaolo, and Matlin Patterson, are the only two candidates still in the privatisation, following Aeroflot's withdrawal from the process on 27-Jun-07.

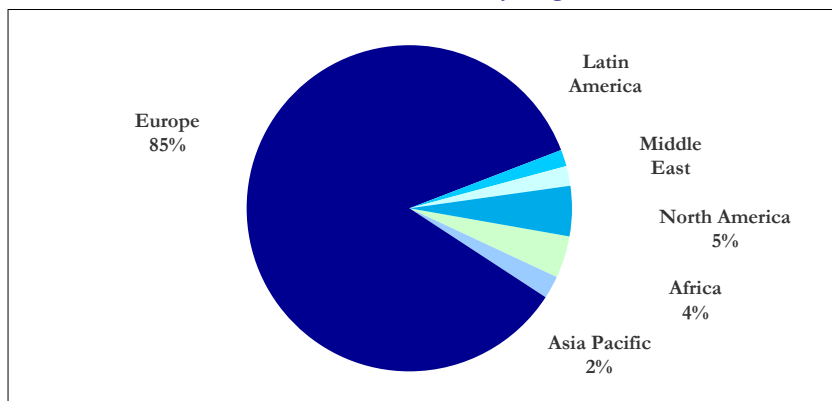
Aeroflot withdrew from the Alitalia privatisation process, stating "under the current conditions [it] would not be the right decision", confirming that Aeroflot and its advisors did not have access to "critical information with respect to the commercial and operational aspects of Alitalia's business to confidently formulate a well supported business proposal to successfully restructure Alitalia". Aeroflot added, "the conditions and requirements outlined for the privatisation process would significantly limit the ability of Aeroflot to implement what Aeroflot believes to be the necessary measures to re-launch Alitalia".

It has been reported that Air One's business plan for Alitalia foresees 2,350 job cuts between 2008 and 2012, including approximately 1,600 ground staff, 300 flight attendants, 450 pilots, and 550 workers due to reach retirement age by those dates, although this is likely to change once Air One receives up-to-date Alitalia staff data from the Government.

Air One is interested in growing Alitalia's long-haul activities, first by leasing aircraft, then by acquiring new A320 aircraft from 2012 onwards to replace its ageing MD80 fleet. On domestic and European routes, AirOne would increase frequencies on some routes, although this would not represent "a big expansion".

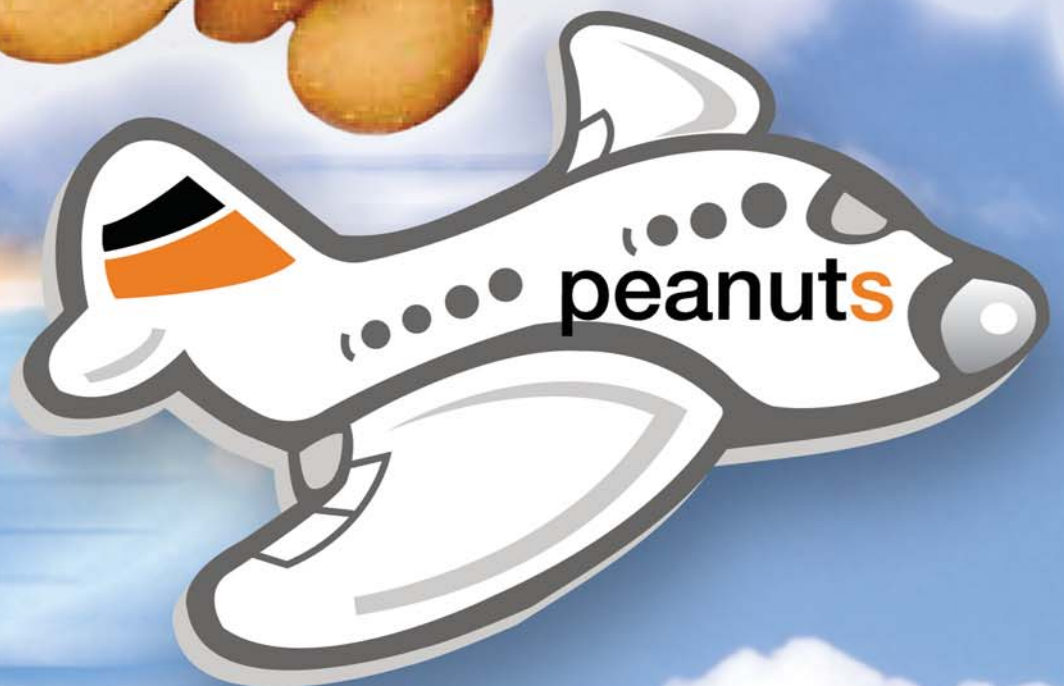
Air One also plans to seek an international alliance for Alitalia, but is reportedly yet to make contact with possible partners. Alitalia, a member of Skyteam alliance, while Air One has commercial links with Star Alliance's Lufthansa. In order to finance the Alitalia purchase, AP Holding will reportedly pledge 90% of Air One to a consortium of banks in return for finance. Air One does not plan to sell Alitalia's cargo activities.

Alitalia International Network distribution by Region



Source: Centre for Asia Pacific Aviation & Alitalia

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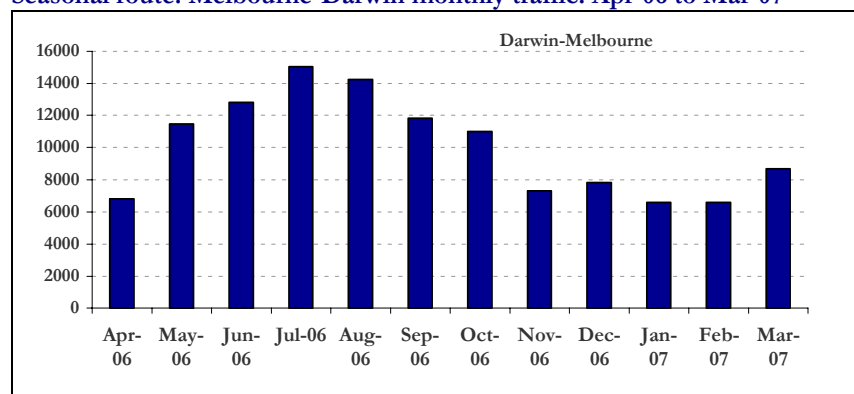
Tiger Airways

Unveils first Australian route and launch date

Tiger Airways announced (27-Jun-07) its first domestic Australian route – Melbourne-Darwin – will commence on 01-Dec-07, subject to government approval. The service links Tiger's base in Melbourne to its international gateway, with fares starting at AUD79.99 one-way, inclusive of taxes. According to Tiger Airways CEO, Tony Davis, the pricing is "less than half of the advertised fare of our competitors", supporting the airline's claim of being Australia's true low fare airline.

The route, Australia's 47th busiest, with just over 120,000 passengers in the 12 months to 31-Mar-07, is set to climb up the rankings, with a daily service (doubling available capacity on the route), linking to an expanded Singapore-Darwin operation, which will increase to daily frequency from 01-Dec-07 to tie in with domestic operations.

Seasonal route: Melbourne-Darwin monthly traffic: Apr-06 to Mar-07



Source: Centre for Asia Pacific Aviation and DoTRS

Jetstar moved quickly to undercut Tiger's AUD79.99 one-way Melbourne-Darwin fare by 99 cents. Prior to the announcement, Jetstar's cheapest one-way fare between Melbourne and Darwin had been AUD299, Virgin Blue's was AUD319 and Qantas's fares started from AUD346.

Services depart Melbourne at 20:00, to arrive at Darwin at 22:50, to allow connections to the Darwin-Singapore service with a revised timing, departing Darwin at 00:55 and arriving in Singapore at 03:50. Meanwhile, in the other direction, services from Singapore depart at 18:00, to arrive in Darwin at 00:15 (+1), meaning passengers wishing to travel on to Melbourne will be unable to connect to the 00:05 Darwin-Melbourne service.

This timetabling indicates that a major aim of the Melbourne-Darwin service is to feed to its Darwin-Singapore route, and to promote intra-Asian travel from Tiger's hub in Singapore. The move also signals Tiger intends to compete in the long-haul LCC segment against Jetstar, Viva Macau and AirAsiaX, even if it means passengers connecting the dots on its route map.

Tiger's onward service to Singapore (and beyond), with a Melbourne-Singapore return fare from AUD499, is 57% below the cheapest fares available (from Tiger parent, Singapore Airlines). Although this competition between parent and subsidiary could be seen as a step towards cannibalisation of the parent, the move could also potentially prove to be a positive one for Singapore Airlines, as it would allow the transfer of very low-yield traffic to the low-cost subsidiary, and leave Singapore Airlines to focus on the profitable, high-yield market.

Tiger intends to announce further routes in coming weeks, and the carrier is likely to focus on the Melbourne-Sydney-Brisbane triangle (accounting for 13.7 million passengers, or 35% of the Australian total. The airline will initially operate a fleet of five A320-200s in Australia, with a single-class high capacity configuration of 180 seats (according to Airbus, A320s are typically configured to accommodate 164 passengers in a single class configuration), for its Australian domestic services. The airline, which will be based at Terminal Four at Melbourne Tullamarine Airport, expects to fly more than 2 million passengers within the first year of operations.

Tiger Airways Australia has a variety of ancillary revenue services available, with the airline planning to increase revenues in this manner. All Tiger Airways Australia fares can be changed on-line up to 4 hours prior to departure for a AUD10 fee, plus any fare differences. Other ancillary services available include advanced seat selection online for AUD4.60, an additional AUD23 for exit row seats, luggage upsize options, and hotel and car-hire bookings available on the airline's website.

The planned launch of Australian domestic services on 01-Dec-07 comes less than 12 months after Tiger Airways announced its intention on 09-Feb-07 to enter the Australian domestic market, competing directly with Virgin Blue and Qantas/Jetstar, and less than nine months after it received approval from Australian authorities to establish its subsidiary, Tiger Airways Australian Pty Ltd, on 16-Mar-07. The airline already has an international presence with services from Singapore to Darwin and Perth.

Cebu Pacific Commences new China services; establishing Clark Hub

Cebu Pacific announced (27-Jun-07) plans to launch services from Manila to Shanghai, Guangzhou, Xiamen and Macau in Sep/Oct-07 – see Route Changes Table for more information. Cebu Pacific's daily services to Shanghai and Xiamen will commence on 12-Sep-07 and 26-Sep-07, respectively. The four times weekly Manila-Guangzhou service will commence on 10-Oct-07, while the three times weekly Manila-Macau will commence on 11-Oct-07. With the development, the airline now offers more routes between China and Philippines than any other carrier.

Cebu Pacific recent drive to expand its network and destination portfolio has been supported by fleet expansion plans, with the airline announcing plans on 04-Jun-07 to further expand its fleet by 14 ATR72-500 aircraft. The order, comprising of six firm orders and an additional eight options, will give Cebu Pacific a total of 46 aircraft by 2013, 32 of which will be A320s and A319s (the airline recently purchased up to 20 additional A320s). The first two ATR72 aircraft are expected to arrive in early-08 and the complete delivery by 2013.

With the acquisition of additional aircraft, the airline plans to continually add new routes, increase capacity and build its Asia Pacific network. Domestically, Cebu Pacific is planning to add capacity to Iloilo, Bacolod, Cagayan de Oro, Tacloban, Tagbilaran and Kalibo in 2008. To support these fleet and route expansion plans, the airline plans to sell up to 205.47 million shares in an IPO later this year to raise up to USD332 million. The airline also plans to invest USD250 million to renovate its infrastructure through a five-year programme.

In the 12 months ended 31-May-07, Cebu Pacific registered an 89% increase in passenger traffic, rising from 2.4 million to 4.5 million passengers p/a. Domestic traffic grew 68% from 2.3 million to 3.8 million, while international operations grew 534% from 106,000 to 674,000, making it "one of the fastest growing airlines in the world", according to Cebu Pacific. The airline carried close to 520,000 passengers in May-07, the highest monthly figure experienced to date. The airline expects to carry more than 5 million passengers in 2007 and 10 million by 2013.

Third hub planned

Cebu Pacific recently announced plans on 19-Jun-07 to establish a third hub at Diosdado Macapagal International Airport (DMIA), also called Clark International Airport, North of Manila. The airline plans to launch services to Hong Kong (daily), Singapore and Macau (both four times weekly), Bangkok and Taipei (both three times weekly), subject to government approval. The airline expects to carry more than 300,000 passengers through the airport p/a initially, but is "confident" of increasing this volume.

DMIA is set to become the Philippines' pre-eminent international gateway within five years. The airport, which commenced commercial operations in 1995, has become popular with foreign low cost carriers (LCCs) in recent years, offering a cheaper alternative to Manila's Ninoy Aquino International Airport. These include Tiger Airways and AirAsia, while Hong Kong Airlines, fresh from a big order at the Paris Air Show, is also active at DMIA.

In addition to Cebu Pacific's plans to make DMIA its third hub for international services to Asia, Philippine Airlines (PAL) also recently announced plans to invest up to USD50 million to develop catering, ground handling and aircraft maintenance facilities ahead of the planned launch of services to China, Japan and South Korea from the airport. The investment will involve the lease of up to 50 ha of property, over a 25-year period. According to PAL President, Jaime Bautista, DMIA will likely become a premier airport in the next five to seven years and "we must be part of this development".

Jetstar B787s to operate Gold Coast-Japan services

Jetstar announced (27-Jun-07) plans to introduce B787s on Gold Coast-Japan services from late 2008, as part of plans to boost Japanese sales. The announcement comes as Gold Coast Airport and Qantas entered a new agreement to facilitate a USD85 million redevelopment of airport's terminal facilities, over a two-year period.

The Gold Coast has become a point of focus, with Jetstar, Virgin Blue and yet-to-launch Tiger Airways expected to add capacity to the destination. Growing interest is also being shown by other Asian carriers following the recent AUD25 million upgrade of the airport's runway.

Jetstar's Gold Coast-Japan announcement comes less than a week after the airline announced plans on 22-Jun-07 to base two additional A320s at the airport from 22-Dec-07. The additional A320s will increase capacity on Melbourne and Sydney routes by 3,700 seats per week. By Christmas, Jetstar aims to operate up to ten times daily Sydney-Gold Coast service and increase Melbourne-Gold Coast frequency to eight times daily.

The airline also announced plans to launch double daily Sydney-Brisbane services on 04-Dec-07, at non-peak times. It is a significant step for Jetstar, entering a key market head-to-head with parent, Qantas, for the first time.

Jetstar focuses internationally

While Jetstar places increased focus on the domestic market in preparation for Tiger Airways' commencement of Australian domestic operations on 01-Dec-07, the airline sees strong growth potential in international markets. The airline is planning considerable capacity expansion and international growth within the next three years, aiming to become ten times its initial size, with the majority of growth to occur internationally. The airline aims to have 70% of operations dedicated to international markets by 2011.

The airline plans to expand into Europe within two years, with new services to Athens and Rome, via Bangkok, possibly commencing as early as 2009. This is part of Qantas' two-brand strategy, in which Qantas will increasingly focus on premium, high-yield traffic and routes, and leave Jetstar to operate on lower-yielding routes where Qantas has been unsuccessful in generating profits. Other new routes being contemplated include additional destinations in Southern Europe, and Malaysia, Taiwan, South Korea, India and China. Jetstar also mentioned the possibility of commencing services to the US West Coast within five years.

LCCs can succeed in long-haul market – WTO

World Tourism Organisation's Secretary-General, Francesco Frangialli, warned (29-Jun-07) incumbent airlines not to rule out the viability of LCCs in relatively long-haul and intercontinental markets in the Asia Pacific region. Mr Frangialli mentioned how, only a few years ago, the industry consensus was that the low-cost model would be limited to North America and Europe, as other markets "weren't big enough or rich enough, or they required too long a haul".

However, in those few years, "a few risk-taking and visionary entrepreneurs have proved them wrong". In fact, LCCs have found an "important niche in both domestic and international markets in Asia", with Asia Pacific becoming a growth area for LCCs. Their impact has been so significant that it has had a transformational effect on the aviation and tourism industries in the region, and has begun to threaten the traditional view of airlines and airports in the area. For example, as has occurred with the Kuala Lumpur and Singapore low cost terminals, LCCs are beginning to force the industry to change to meet their specific needs.

Indian Subcontinent

Air Deccan

Eyes top end of the market

Air Deccan aims (26-Jun-07) to increase the market share from the premium business market. According to Samyukth Sridharan, Chief Revenue Officer, "The INR1 (USD0.02) and INR99 (USD2.40) tickets will be used more for penetrating the virgin routes and to build up demand. But we want to see how much more we can get from the top end of the market... But whatever we do, we will see that our basic business model remains the same. For example, we will not offer hot meals to the corporates. The entire play will be a mix of value and product services".

Air Deccan reports that currently 10-12% of total passengers are comprised of top and middle level executives, and it seeks to double that percentage soon. The carrier plans to launch mobile check-ins for corporate passengers, and introduce additional services during peak business travel times.

Kingfisher Airlines' parent, UB Group, recently acquired a 26% shareholding in Deccan Aviation for approximately USD130 million. Vijay Mallya, CEO of Kingfisher has pushed for the change in pricing strategy, recently stating, "gone are the days when they (LCCs) sold low-cost tickets to gain market share".

GR Gopinath, Chairman of Air Deccan confirmed that the carrier will soon raise air fares by about INR600-1,000 (USD14.70-24.60), and expects its inaugural international flight to be to the Middle East, followed by Singapore and Bangkok. Air Deccan hopes to begin international operations by 2008, subject to government approval.

Gopinath additionally confirmed this week that none of the carrier's promoters would sell their shareholding in Air Deccan to UB Holdings, should it fail to acquire the required 20% stake from the open market. This has ended speculation that the 11.38% shareholding held by SL Ladhani and his family may be sold to UB Holdings.

Meanwhile, Air Deccan added the 20th Airbus A320 to its fleet taking the airline's total fleet to 44. The new aircraft will be used to increase frequency from Kolkata to Vishakapatnam, Hyderabad, Bangalore and Bhubaneshwar.

Air Deccan is additionally considering partnering with post offices to offer e-tickets, to enhance its reach in the rural Indian market.

Indigo

Fleet continues to grow

Indigo confirmed (27-Jun-07) plans to operate all 100 A320s that it ordered in Jun-05, despite strong competition in India's domestic market. Rahul Bhatia, Managing Director of InterGlobe Enterprises, confirms, "We're bringing in airplanes bang on target. In fact we'd like to accelerate them and bring them in even faster... We've made a conscious decision to bear the short-term pain for long-term gain".

Indigo launched domestic services in Aug-06 and currently operates ten of the 100 A320s it ordered. The carrier is scheduled to take delivery of a new aircraft every five weeks and expects to operate 18 A320s by Mar-08. Indigo forecast it will be profitable in the financial year 2008/2009.

More news at peanuts.aero

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03-Jul-07

Malaysia's Fly Asian Xpress fair value seen at USD300-400 million

Finnair wraps up FlyNordic sale to Norwegian Air Shuttle ASA

Flybe to launch Paris and Amsterdam services from Inverness

AirTran to expand Portland-Orlando services

02-Jul-07

easyJet signs exclusive OnPoint Engine Service Agreement with GE

Ryanair plans to reopen Clermont Ferrand-London route

01-Jun-07

Air Deccan to build low cost airports

29-Jun-07

JetBlue announces Syracuse-Fort Lauderdale daily service

Air Deccan takes delivery of 20th A320

AirAsia to expand Indonesia AirAsias fleet

Growing pains - LCC subsidiaries getting too big for their booties?

Air Arabia CEO highlights growth prospects for regional LCC industry

28-Jun-07

Tiger Airways to launch Melbourne-Darwin as first Australia route on 1 December 2007

Allegiant Air announces new Greenville Spartanburg-Las Vegas service

Southwest adds three additional services from Columbus

Air One says adviser working on new partners to join Alitalia

Ryanair to challenge EU decision on Aer Lingus Bid

Cebu Pacific to commence services to Shanghai, Guangzhou, Xiamen, Macau; fares start at USD20

27-Jun-07

Air Deccan will not sell more stake to UB Holdings

Route Changes

Asia Pacific, SAARC & Middle East

Airline	Origin	Destination	Weekly		Effective	Equipment
			New	Total		
Asia Pacific, SAARC & Middle East						
Cebu Pacific	Manila	Shanghai	7	7	12-Sep-07	
Cebu Pacific	Manila	Xiamen	7	7	26-Sep-07	
Cebu Pacific	Manila	Guangzhou	4	4	10-Oct-07	
Cebu Pacific	Manila	Macau	3	3	11-Oct-07	
Tiger Airways	Melbourne	Darwin	7	7	1-Dec-07	A320
Tiger Airways	Singapore	Darwin	2	7	1-Dec-07	A320

Source: Centre for Asia Pacific Aviation & various

Europe

Airline	Origin	Destination	Weekly Frequency		Effective	Equipment
			New	Total		
Europe						
Jet2	Leeds Bradford	Geneva	3	11	Winter-07	B757
Vueling	Athens	Madrid	3	3	29-Jun-07	A320-200
Vueling	Athens	Barcelona	3	3	29-Jun-07	A320-200
Vueling	Athens	Barcelona	3	6	10-Jul-07	A320-200

Source: Centre for Asia Pacific Aviation & various

North & South America

Airline	Origin	Destination	Weekly Frequency		Effective	Equipment
			New	Total		
North/South America						
Allegiant Air	Greenville-Spartanburg	Las Vegas McCarran	2	2	23-Aug-07	MD-80
JetBlue	Fort Lauderdale	Syracuse	7	7	1-Nov-07	E190
JetBlue	Boston Logan	San Diego	7	7	28-Jun-07	A320
JetBlue	Boston Logan	Aruba	1	1	30-Jun-07	A320
JetBlue	Boston Logan	Aruba	2	3	5-Nov-07	A320
JetBlue	Fort Lauderdale	Buffalo	7	7	1-Nov-07	E190
Southwest	Denver	Albuquerque	21	21	4-Nov-07	B737
Southwest	Denver	Amarillo	14	14	4-Nov-07	B737
Southwest	Denver	Austin	7	7	4-Nov-07	B737
Southwest	Denver	Nashville	7	14	4-Nov-07	B737
Southwest	Denver	Oklahoma City	14	14	4-Nov-07	B737
Southwest	Denver	Seattle	28	28	4-Nov-07	B737
Southwest	Denver	Salt Lake City	7	35	4-Nov-07	B737
Southwest	New Orleans	Birmingham	21	21	4-Nov-07	B737
Southwest	New Orleans	Dallas Love	7	42	4-Nov-07	B737
Southwest	New Orleans	Houston Hobby	14	77	4-Nov-07	B737
Southwest	New Orleans	Las Vegas	7	14	4-Nov-07	B737
Southwest	New Orleans	Orlando	7	28	4-Nov-07	B737
Southwest	Oakland	Tuscon	7	7	4-Nov-07	B737
Southwest	Baltimore	Cleveland	-7	38	4-Nov-07	B737
Southwest	Baltimore	Los Angeles	-14		4-Dec-07	B737
Southwest	Baltimore	Oakland	-7		4-Dec-07	B737
Southwest	Baltimore	Long Island	-7	56	4-Nov-07	B737
Southwest	Baltimore	Long Island	-7	49	4-Dec-07	B737
Southwest	Baltimore	Orlando	-7	63	4-Nov-07	B737
Southwest	Baltimore	Phoenix	-7	28	4-Nov-07	B737
Southwest	Philadelphia	Nashville	7	21	4-Nov-07	B737
Southwest	Philadelphia	Oakland	-7	0	4-Oct-07	B737
Southwest	Philadelphia	Providence	-7	35	4-Oct-07	B737
Southwest	Philadelphia	Los Angeles	-14	0	4-Oct-07	B737
Westjet	Toronto	Montego Bay	3	3	10-Dec-07	B737
Westjet	Toronto	Puerto Plata	2	2	11-Dec-07	B737
Westjet	Toronto	Punta Plata	2	2	13-Dec-07	B737
Westjet	Calgary	Halifax	7	7	4-Nov-07	B737
Westjet	Calgary	Kitchener-Waterloo-Cambridge	7	7	4-Nov-07	B737
Westjet	Calgary	Nassau	2	2	5-Nov-07	B737
Westjet	Halifax	Fort Lauderdale	2	2	16-Feb-08	B737
Westjet	Halifax	Nassau	7	7	15-Feb-08	B737
Westjet	Ottawa	Vancouver	7	7	4-Nov-07	B737
Westjet	Toronto	Los Angeles	7	7	15-Dec-07	B737
Westjet	Toronto	Saint John	3	3	5-Nov-07	B737
Westjet	Calgary	Toronto		49	4-Nov-07	B737
Westjet	Calgary	Palm Springs		7	4-Nov-07	B737
Westjet	Calgary	London		14	4-Nov-07	B737
Westjet	Edmonton	Phoenix		4	5-Nov-07	B737
Westjet	Edmonton	Palm Springs		3	4-Nov-07	B737
Westjet	Edmonton	Abbotsford		14	4-Nov-07	B737
Westjet	Edmonton	Toronto		28	4-Nov-07	B737
Westjet	Edmonton	Comox		7	4-Nov-07	B737
Westjet	Halifax	Orlando		2	17-Feb-08	B737
Westjet	Halifax	Tampa		2	18-Feb-08	B737
Westjet	Ottawa	Orlando		5	5-Nov-07	B737
Westjet	Montreal	Fort Lauderdale		10	4-Nov-07	B737
Westjet	Toronto	Halifax		28	4-Nov-07	B737
Westjet	Toronto	Fort Lauderdale		7	4-Nov-07	B737
Westjet	Toronto	Las Vegas		14	11-Oct-07	B737
Westjet	Toronto	Nassau		7	4-Nov-07	B737
Westjet	Toronto	West Palm Beach		4	5-Nov-07	B737
Westjet	Toronto	Charlottetown		4	4-Nov-07	B737
Westjet	Vancouver	Honolulu		7	4-Nov-07	B737
Westjet	Vancouver	Mau		7	4-Nov-07	B737
Westjet	Vancouver	Las Vegas		7	4-Nov-07	B737
Westjet	Vancouver	Palm Springs		7	4-Nov-07	B737

Source: Centre for Asia Pacific Aviation & various

Share Prices – 03-Jul-07

	Currency	Close 03-Jul-07	52 week range	1 week change
North & South America				
ATA	USD	2.69	1.89 - 13.31	11.16%
AirTran	USD	10.92	9.06-15.10	-2.67%
Frontier Airlines	USD	5.60	5.51-9.08	-2.10%
GOL	USD	32.99	25.48-37.55	-1.02%
JetBlue	USD	11.75	9.15-17.02	3.34%
Southwest	USD	14.91	14.03-18.20	-0.93%
US Airways	USD	30.27	26.78-63.27	3.17%
WestJet	CAD	15.88	9.18-17.23	0.51%
Europe				
Air Berlin	EUR	15.76	9.35-21.45	1.55%
easyJet	GBP	5.25	40.0-74.15	-89.98%
Ryanair	EUR	4.94	4.35-12.60	-1.79%
SkyEurope	EUR	3.62	1.42-6.40	stable
Asia Pacific				
AirAsia	MYR	1.90	1.27-2.15	-3.06%
SpiceJet	INR	56.45	n/a	0.89%
Air Deccan	INR	137.50	64.1-162.9	2.19%
Virgin Blue	AUD	2.46	1.5-2.85	-0.40%

Source: Yahoo Finance

Traffic

Passenger Traffic 2006/07

US LCCs		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Southwest Airlines	RPMs (billion)	5.506	5.179	4.846	6.084	5.922	6.268
	% Change	10.3%	8.8%	3.3%	4.3%	3.3%	5.2%
America West*	RPMs (billion)	1.911					
	% Change	-2.6%					
JetBlue	RPMs (billion)	2.000	1.939	1.740	2.264	2.265	2.218
	% Change	8.1%	8.3%	3.2%	9.9%	11.6%	16.9%
AirTran	RPMs (billion)	1.221	1.093	1.109	1.476	1.427	1.467
	% Change	20.2%	18.5%	19.2%	22.2%	18.5%	22.0%
WestJet	RPMs (billion)	0.896	0.890	0.889	1.018	0.937	0.946
	% Change	21.5%	20.0%	22.2%	22.5%	22.6%	20.1%
ATA	RPMs (billion)	0.366	0.286	0.265	0.367	0.354	0.351
	% Change	-15.4%	-10.4%	-0.5%	12.8%	6.8%	9.6%
Frontier	RPMs (billion)	0.607	0.637	0.631	0.821	0.789	0.866
	% Change	-2.2%	10.8%	10.6%	11.5%	11.4%	13.4%
Allegiant Air	RPMs (billion)	0.198	0.179	0.195	0.268	0.232	0.213
	% Change	44.2%	20.7%	25.9%	38.6%	36.9%	40.8%
Jazz	RPMs (billion)	0.320	0.309	0.314	0.355	0.350	0.369
	% Change	25.5%	19.3%	18.5%	16.8%	24.6%	19.8%
US Full Service (Domestic traffic only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
American Airlines	RPMs (billion)	7.404	7.004	6.470	7.855	7.554	7.824
	% Change	-1.9%	-2.7%	-2.6%	-2.5%	-3.7%	-2.5%
Delta Air Lines	RPMs (billion)	6.591	6.093	5.651	7.287	6.816	6.798
	% Change	-4.0%	-5.2%	-5.0%	-3.2%	-0.6%	2.9%
United Airlines	RPMs (billion)	5.566	5.422	4.989	6.267	6.062	6.151
	% Change	-2.4%	2.2%	-1.8%	1.4%	1.2%	-0.5%
Continental Airlines	RPMs (billion)	3.693	3.358	3.194	3.836	3.821	3.949
	% Change	5.4%	78.1%	80.7%	84.2%	85.5%	84.4%
US Airways*	RPMs (billion)	2.269	4.130	3.868	4.712	4.546	4.525
	% Change	16.2%	5.3%	3.2%	0.5%	0.1%	-1.6%
Northwest Airlines	RPMs (billion)	3.454	3.142	3.113	3.887	3.608	3.594
	% Change	1.4%	2.7%	3.7%	3.1%	0.8%	1.1%
Air Canada	RPMs (billion)	0.978	0.920	0.871	1.006	1.007	1.114
	% Change	7.8%	5.3%	5.1%	5.0%	6.8%	1.4%
US Domestic Total		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Air Transport Association	RPMs (billion)	39.617					
	% Change	1.1%					
Brazil LCCs (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
GOL	RPKs (billion)	1.370	1.619	1.337	1.249	1.465	1.503
	% Change	42.1%	61.2%	55.3%	33.2%	41.8%	36.9%
GOL (International)	RPKs (billion)	0.156	0.225	0.229	0.235	0.201	0.176
	% Change	142.7%	174.0%	186.7%	132.8%	138.4%	144.0%
Brazil Full Service (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
TAM Linhas Aereas	RPKs (billion)	1.813	1.991	1.572	1.765	1.897	1.829
	% Change	21.2%	18.8%	31.2%	26.5%	37.1%	23.8%
Varig	RPKs (billion)	0.075					
	% Change	-89.3%					
Departamento de Aviacao Civil		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Brazil Domestic Total	RPKs (billion)	3.691	4.217	3.320	3.413	3.743	3.681
	% Change	13.8%	12.5%	16.1%	8.2%	20.3%	12.7%

Europe LCCs		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Ryanair	Pax ('000)	3361.169	3134.531	3206.143	3767.748	4108.300	4145.574
	% Change	18.6%	23.5%	23.7%	25.6%	19.5%	16.6%
easyJet	Pax ('000)	2638.279	2573.451	2646.775	3094.588	3133.725	3345.465
	% Change	11.2%	11.1%	11.5%	12.3%	10.0%	13.8%
Norwegian	Pax ('000)	386.033	420.779	402.840			
	% Change	36.5%	29.8%	27.9%			
SkyEurope	Pax ('000)	192.255	184.041	202.851	264.621	293.688	303.547
	% Change	39.6%	38.1%	39.5%	48.5%	44.7%	40.4%
Blue1	Pax ('000)	135.000	129.000	138.000	166.000	153.000	159.000
	% Change	21.6%	12.2%	22.1%	13.7%	-3.8%	-7.6%
FlyMe	Pax ('000)	64.200	61.400				
	% Change	30.3%	0.9%				
Europe Full Service (Intra-Europe only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Air France/KLM	Pax ('000)	3,916	3,726	3,565	4,346	4,436	4,480
	% Change	3.0%	7.0%	7.0%	8.0%	7.0%	8.0%
Lufthansa	Pax ('000)	3,058	2,905	2,979	3,655	3,602	3,898
	% Change	7.1%	6.2%	7.0%	11.2%	4.4%	2.9%
British Airways	Pax ('000)	1,647	1,510	1,491	1,695	1,741	1,783
	% Change	-2.0%	-5.6%	-7.6%	3.7%	1.8%	-0.5%
Finnair	Pax ('000)	318	327	330	405	408	476
	% Change	1.6%	4.5%	4.2%	7.4%	7.3%	14.4%
Association of European Airlines		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Europe Total	Pax ('000)	19,632	18,899	18,717	22,741	23,330	
	% Change	7.8%	5.1%	4.4%	6.3%	2.4%	
Asia Pacific LCCs		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Virgin Blue	Pax ('000)	1,329	1,340	1,183	1,301	1,264	1,188
	% Change	10.0%	8.4%	12.5%	12.0%	10.1%	4.2%
Jetstar	Pax ('000)	635	692	570	645	671	
	% Change	27.3%	23.5%	27.9%	31.4%	20.6%	
AirAsia	Pax ('000)	877	1,174	1,070	1,216	1,201	1,260
	% Change	70.6%	46.6%	37.8%	31.1%	27.9%	36.9%
Thai AirAsia	Pax ('000)	314	304	261	296	303	283
	% Change	56.4%	43.4%	30.3%	20.1%	16.7%	15.2%
Indonesia Air Asia	Pax ('000)	173	157	124	157	162	189
	% Change	77.8%	50.6%	15.2%	26.8%	5.5%	42.7%
Spring Airlines	Pax ('000)	120	118	159	166		
	% Change	114.7%	90.0%	93.8%	73.4%		
South Pacific Full Service		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Qantas (Domestic)	Pax ('000)	1,380	1,314	1,201	1,411	1,388	
	% Change	4.1%	4.2%	3.7%	4.9%	4.8%	
Air New Zealand (Shorthaul)	Pax ('000)	1,041	786	871	1,105	881	770
	% Change	6.0%	2.8%	5.6%	5.8%	4.7%	5.1%
Association of Asia Pacific Airlines		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
International Total	Pax ('000)	11,836	11,859	11,225	11,913	11,583	
	% Change	7.6%	3.9%	6.5%	4.2%	2.9%	

Source: Centre for Asia Pacific Aviation & company reports * US Airways report Combined traffic result from Jan-2007 (US Airways and America West Airlines)

Capacity

North America		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Southwest Airlines	ASMs (billion)	7.992	8.120	7.257	8.300	8.189	8.474
	% Change	8.3%	8.2%	6.0%	7.5%	9.6%	9.2%
America West*	ASMs (billion)	2.478					
	% Change	-3.4%					
JetBlue	ASMs (billion)	2.600	2.547	2.176	2.647	2.674	2.704
	% Change	16.5%	17.1%	7.6%	11.3%	12.8%	12.7%
AirTran	ASMs (billion)	1.733	1.710	1.597	1.901	1.858	1.920
	% Change	19.4%	18.2%	20.2%	22.9%	21.5%	21.0%
WestJet	ASMs (billion)	1.148	1.173	1.081	1.196	1.130	1.182
	% Change	21.9%	19.4%	20.1%	17.8%	16.1%	15.5%
ATA	ASMs (billion)	0.462	0.405	0.350	0.433	0.407	0.397
	% Change	-19.0%	-11.8%	-6.6%	3.0%	-1.1%	-5.7%
Frontier	ASMs (billion)	0.889	0.977	0.891	1.069	1.022	1.088
	% Change	1.7%	12.3%	13.8%	17.9%	16.4%	13.7%
Allegiant Air	ASMs (billion)	0.253	0.230	0.240	0.307	0.283	0.254
	% Change	41.6%	20.1%	24.9%	37.1%	36.2%	34.8%
Jazz	ASMs (billion)	0.442	0.446	0.415	0.467	0.473	0.495
	% Change	20.8%	14.1%	13.4%	12.0%	20.1%	16.7%
North America Full Service (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
American Airlines	ASMs (billion)	9.223	9.272	8.182	9.329	8.942	9.286
	% Change	-2.1%	-2.3%	-3.8%	-3.4%	-4.3%	-4.0%
Delta Air Lines	ASMs (billion)	8.464	8.319	7.455	8.716	8.232	8.299
	% Change	-7.3%	-5.1%	-5.0%	-6.0%	-7.3%	-4.8%
United Airlines	ASMs (billion)	7.044	7.083	6.321	7.398	7.019	7.152
	% Change	-1.5%	2.2%	-2.8%	0.3%	-1.6%	-3.4%
Continental Airlines	ASMs (billion)	4.514	4.299	3.959	4.557	4.470	4.679
	% Change	2.8%	5.1%	6.2%	1.5%	5.8%	8.2%
US Airways	ASMs (billion)	3.009	5.575	4.917	5.676	5.492	5.485
	% Change	8.8%	-2.2%	1.6%	-1.5%	-0.4%	-3.8%
Northwest Airlines	ASMs (billion)	4.338	4.121	3.890	4.576	4.279	4.265
	% Change	-1.0%	3.3%	3.6%	2.6%	0.7%	1.4%
Air Canada	ASMs (billion)	1.204	1.166	1.041	1.192	1.189	1.362
	% Change	2.5%	1.3%	0.0%	2.0%	0.2%	-0.9%
Air Transport Association		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
US Domestic Total	ASMs (billion)	51.112					
	% Change	-0.2%					

South America LCCs (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
GOL	ASKs (billion)	1.988	2.115	1.837	2.001	1.986	2.137
	% Change	55.0%	54.4%	50.5%	46.8%	50.7%	34.6%
GOL (International)	ASKs (billion)	0.275	0.329	0.328	0.400	0.366	0.373
	% Change	221.4%	173.0%	171.5%	175.0%	201.3%	220.3%
South America Full Service (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
TAM Linhas Aereas	ASKs (billion)	2.508	2.686	2.319	2.557	2.489	2.635
	% Change	21.8%	23.1%	28.3%	26.3%	31.7%	29.8%
Varig	ASKs (billion)	0.112					
	% Change	-88.7%					
Departamento de Aviacao Civil		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Brazil Domestic Total	ASKs (billion)	5.265	5.703	4.897	5.334	5.128	5.364
	% Change	18.1%	13.2%	13.7%	13.2%	19.2%	16.9%
Europe		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Norwegian	ASKs (billion)	0.422	0.450	0.411			
	% Change	51.3%	43.8%	45.7%			
Blue1	ASKs (billion)	0.166	0.176	0.175	0.198	0.187	0.184
	% Change	53.7%	49.2%	53.5%	18.6%	-1.6%	-11.5%
FlyMe	ASKs (billion)	0.094	0.091				
	% Change	160.6%	76.8%				
Europe Full Service (Intra-Europe only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Air France/KLM	ASKs (billion)	4.508	4.523	4.224	4.816	4.849	5.069
	% Change	4.2%	3.3%	5.6%	5.9%	3.9%	3.8%
Lufthansa	ASKs (billion)	3.569	3.517	3.571	4.055	3.919	4.193
	% Change	11.0%	9.8%	11.6%	10.6%	5.5%	4.0%
British Airways	ASKs (billion)	2.342	2.526	2.309	1.996	1.963	2.021
	% Change	-2.5%	-0.2%	-0.8%	-8.6%	-2.7%	-2.7%
Finnair	ASKs (billion)	0.576	0.636	0.623	0.717	0.769	0.866
	% Change	0.4%	4.5%	5.3%	8.0%	19.9%	24.7%
Association of European Airlines		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Europe Total	ASKs (billion)	25.585	26.272	24.681	28.119	28.690	
	% Change	7.4%	5.3%	4.7%	4.5%	5.5%	
Asia Pacific LCCs		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Virgin Blue	ASKs (billion)	1.868	1.863	1.667	1.841	1.769	1.765
	% Change	4.2%	3.5%	5.8%	3.5%	2.4%	-2.3%
Jetstar	ASKs (billion)	1.213	1.321	1.175	1.361	1.429	
	% Change	60.4%	70.6%	71.2%	71.1%	74.4%	
Asia Pacific Full Service		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Qantas (Domestic)	ASKs (billion)	2.509	2.456	2.189	2.502	2.482	
	% Change	6.2%	6.7%	3.3%	4.6%	5.4%	
Air New Zealand (Shorthaul)	ASKs (billion)	1.437	1.114	1.105	1.367	1.111	1.031
	% Change	0.2%	-1.1%	-3.9%	-4.4%	-2.1%	-4.9%
Association of Asia Pacific Airlines		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
International Total	ASKs (billion)	63.008	65.965	60.249	64.029	62.818	
	% Change	1.8%	1.8%	3.4%	-0.5%	-0.7%	

Source: Centre for Asia Pacific Aviation & company reports

Load Factors

North America		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Southwest Airlines	PLF	68.9%	63.8%	66.8%	73.3%	73.3%	73.3%
	<i>ppts Change</i>	1.2	0.4	-1.7	-2.2	-3.4	-3.5
America West*	PLF	77.1%					
	<i>ppts Change</i>	-2.1					
JetBlue	PLF	76.9%	76.1%	80.0%	85.5%	84.7%	82.0%
	<i>ppts Change</i>	-5.9	-6.2	-3.4	-1.0	-0.9	3.0
AirTran	PLF	70.4%	63.9%	69.5%	77.7%	76.8%	76.4%
	<i>ppts Change</i>	0.5	0.6	0.7	0.8	0.8	0.8
WestJet	PLF	78.0%	75.9%	82.2%	85.2%	82.8%	80.0%
	<i>ppts Change</i>	-0.2	0.4	1.4	3.2	4.4	3.1
ATA	PLF	79.1%	70.7%	75.5%	84.8%	87.1%	88.2%
	<i>ppts Change</i>	3.3	1.2	4.7	7.4	6.4	12.3
Frontier	PLF	68.2%	65.2%	70.8%	76.8%	77.2%	79.6%
	<i>ppts Change</i>	-2.7	-0.9	-2.0	-4.5	-3.4	-0.3
Allegiant Air	PLF	78.4%	77.9%	81.0%	87.3%	82.1%	84.1%
	<i>ppts Change</i>	1.5	0.4	0.7	0.9	0.5	3.6
Jazz	PLF	72.4%	69.3%	75.7%	76.0%	74.0%	74.5%
	<i>ppts Change</i>	2.7	3.0	3.3	3.1	2.7	1.9
North America Full Service (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
American Airlines	PLF	80.3%	75.5%	79.0%	84.2%	84.4%	84.2%
	<i>ppts Change</i>	0.2	-0.3	1.0	0.9	0.5	1.2
Delta Air Lines	PLF	77.9%	73.2%	75.8%	83.6%	82.8%	81.9%
	<i>ppts Change</i>	2.6	-0.1	0.0	2.5	5.6	6.1
United Airlines	PLF	79.0%	76.6%	78.9%	84.7%	86.4%	86.0%
	<i>ppts Change</i>	-0.7	0.0	0.7	1.0	2.4	2.5
Continental Airlines	PLF	81.8%	78.1%	80.7%	84.2%	85.5%	84.4%
	<i>ppts Change</i>	2.1	-0.2	-0.3	0.8	-0.4	0.5
US Airways	PLF	82.1%	74.1%	78.7%	83.0%	82.8%	82.5%
	<i>ppts Change</i>	11.4	2.7	1.2	1.6	0.4	1.9
Northwest Airlines	PLF	79.6%	76.2%	80.0%	84.9%	84.3%	84.3%
	<i>ppts Change</i>	1.9	-0.5	0.0	0.4	0.0	-0.2
Air Canada	PLF	81.2%	78.9%	83.7%	84.4%	84.7%	81.8%
	<i>ppts Change</i>	4.0	3.0	4.1	2.4	5.3	1.9
Air Transport Association		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
US Domestic Total	PLF	77.5%	79.7%				
	<i>ppts Change</i>	1.0	1.9				
South America LCCs (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
GOL	PLF	68.9%	76.6%	72.8%	62.4%	73.8%	70.3%
	<i>ppts Change</i>	-6.3	3.2	2.2	-6.3	-4.6	1.2
GOL (International)	PLF	56.6%	68.4%	69.7%	58.8%	54.8%	47.2%
	<i>ppts Change</i>	-18.4	0.2	3.7	-10.7	-14.5	-14.7
South America Full Service (Domestic data only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
TAM Linhas Aereas	PLF	72.3%	74.1%	67.8%	69.0%	76.2%	69.4%
	<i>ppts Change</i>	-0.4	-2.7	1.5	0.1	3.0	-3.4
Varig	PLF	67.1%					
	<i>ppts Change</i>	-4.1					
Departamento de Aviacao Civil		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Brazil Domestic Total	PLF	70.1%	73.9%	67.8%	64.0%	73.0%	68.6%
	<i>ppts Change</i>	-2.6	-0.5	1.4	-3.0	0.7	-2.6

Europe		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Ryanair	PLF	81.0%	71.0%	77.0%	78.0%	83.0%	80.0%
	<i>ppts Change</i>	-1.0	-3.0	-1.0	-1.0	-2.0	-2.0
easyJet	PLF	81.2%	74.9%	82.8%	84.4%	83.1%	83.6%
	<i>ppts Change</i>	0.7	0.7	-0.9	-1.9	-3.3	-0.3
Norwegian	PLF	70.4%	70.4%	76.2%			
	<i>ppts Change</i>	-1.7	-1.8	-4.3			
SkyEurope	PLF	76.9%	73.7%	86.2%	88.4%	82.1%	79.4%
	<i>ppts Change</i>	11.8	10.4	11.1	14.0	7.7	8.9
Blue1	PLF	65.7%	56.3%	58.9%	63.5%	63.5%	63.5%
	<i>ppts Change</i>	0.8	-3.9	0.1	4.2	-2.8	0.0
FlyMe	PLF	56.2%	52.8%				
	<i>ppts Change</i>	-11.3	-4.7				
Europe Full Service (Intra-Europe only)		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Air France/KLM	PLF	66.4%	62.5%	63.6%	68.9%	72.5%	70.8%
	<i>ppts Change</i>	-0.2	-0.4	-0.7	1.9	-0.9	-1.6
Lufthansa	PLF	60.5%	59.7%	58.9%	64.5%	67.7%	68.2%
	<i>ppts Change</i>	1.0	0.6	0.0	2.5	1.2	1.7
British Airways	PLF	65.7%	55.0%	59.1%	68.0%	70.2%	69.7%
	<i>ppts Change</i>	3.1	-1.3	-2.0	2.1	-1.9	-2.2
Finnair	PLF	64.6%	58.9%	63.1%	67.5%	69.4%	68.9%
	<i>ppts Change</i>	3.1	0.9	2.5	3.3	0.2	1.1
Association of European Airlines		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Europe Total	PLF	63.8%	59.3%	61.7%	66.9%	70.5%	
	<i>ppts Change</i>	1.3	0.4	0.9	2.4	-1.1	
Asia Pacific LCCs		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Virgin Blue	PLF	81.6%	83.3%	80.4%	80.6%	82.1%	75.8%
	<i>ppts Change</i>	2.7	2.1	4.3	5.5	5.6	3.5
Jetstar	PLF	72.8%	79.2%	72.0%	71.1%	73.1%	
	<i>ppts Change</i>	0.2	-1.4	0.6	2.1	-3.1	
Asia Pacific Full Service		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
Qantas (Domestic)	PLF	80.5%	80.7%	76.8%	80.2%	82.2%	
	<i>ppts Change</i>	0.0	0.1	2.4	2.8	0.8	
Air New Zealand (Shorthaul)	PLF	76.0%	81.0%	77.7%	78.3%	81.0%	74.1%
	<i>ppts Change</i>	2.8	3.8	6.8	7.4	5.5	7.5
Association of Asia Pacific Airlines		Dec	Jan-07	Feb-07	Mar-07	Apr-07	May-07
International Total	PLF	77.0%	77.5%	75.5%	77.3%	75.8%	
	<i>ppts Change</i>	3.1	1.6	0.9	3.3	1.9	

Source: Centre for Asia Pacific Aviation & company reports