

2014



Moderated by Capt. Roger White



#### Panel II Participants

- David Krieger, Managing Director, Representation
   & Analysis Air Line Pilots Association, Int'l
- Capt. Tim Robinson, IFALPA Director New Zealand Air Line Pilots' Association
- Capt. Gustaf Strengell, International Affairs
   Committee Member Sindicato de Pilotos LAN
- Capt. Rune Sundland, Vice President SAS Pilots Association Norway
- Moderator Assist Capt. Ron Abel

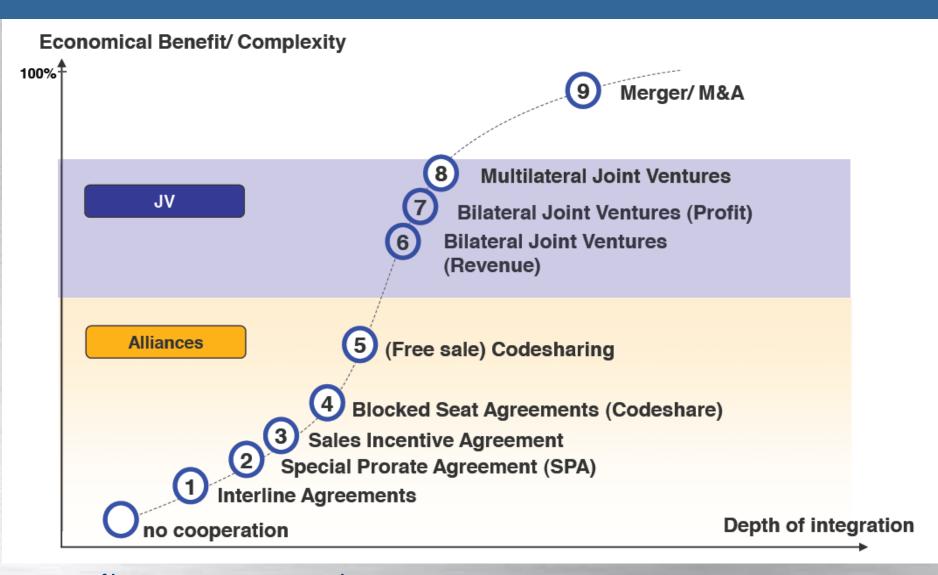


#### Airline Models

- Traditional Flag/Network Carriers
- Alliances
- Joint Ventures
- LCC/ULCC/LHLCC
- State-supported
- Transnational
- Flags of Convenience
- Future?

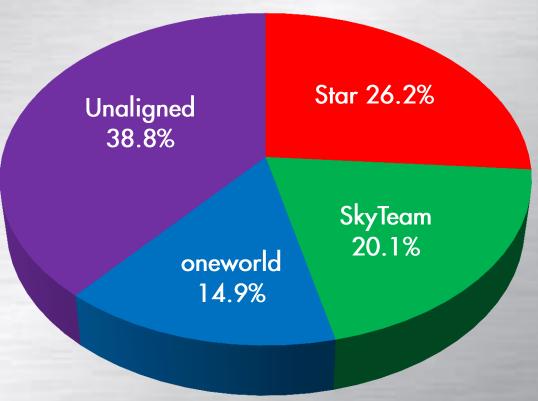


#### Levels of Airline Cooperation and Benefits



# Alliances Have 61.2% Share of the International Market

#### Percent Share of RPKs



Notes: Based on RPKs for 2012 Top 200 passenger rankings and alliance

members outside Top 200

Source: Airline Business (September 2013)



# Largest Unaligned Carriers (Ranked by 2012 Revenue)

	(Ranked by	2012	Revenue)	
Carrier	Revenue (\$m)	RPK (m)	Passengers (m)	Fleet
Emirates Group	21,110	188,618	39	204
Southwest	17,088	165,753	134	697
Ryanair	6,290	100,000	79	304
easyJet	6,102	65,227	58	212
JetBlue	4,982	54,003	29	186
Etihad Airways	4,800	48,000	10	81
Alaska Air Group	4,657	39,287	19	128
Hainan Airlines Group	4,582	26,500	15	114
Virgin Group	4,554	39,406	5	45
Gol	4,136	36,390	39	108
Virgin Australia	4,067	31,064	19	100

Thomson Airways 2,972 32,073 11 61

Air India 2,960 28,667 14 98

Note: Financial results are for group; traffic and fleet data is for mainline; excludes regional airlines and known future alliance members Source: Airline Business (September 2013)

29,385

29,502

41,004

17

17

10

103

82

92

3,431

3,194

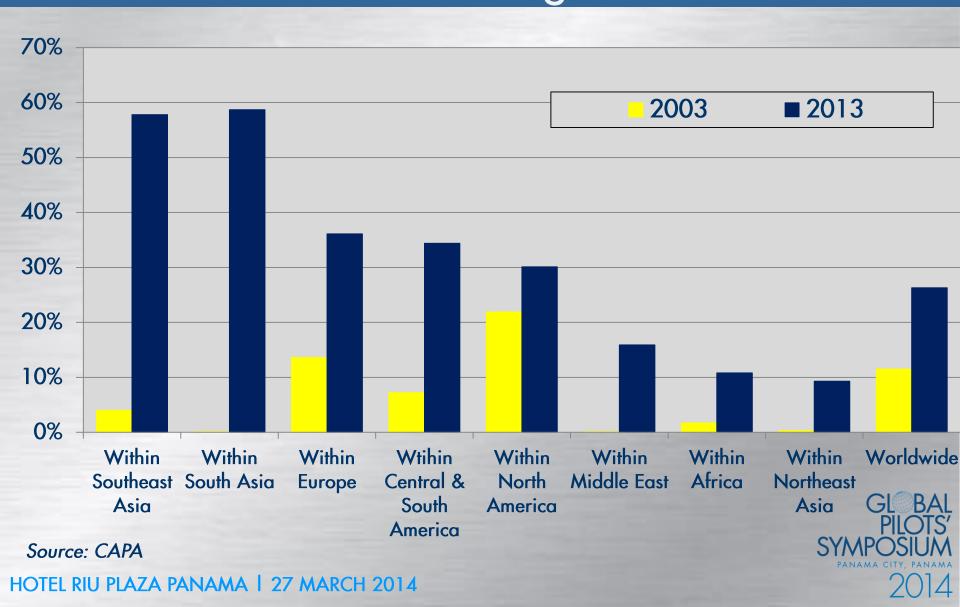
3,144

WestJet

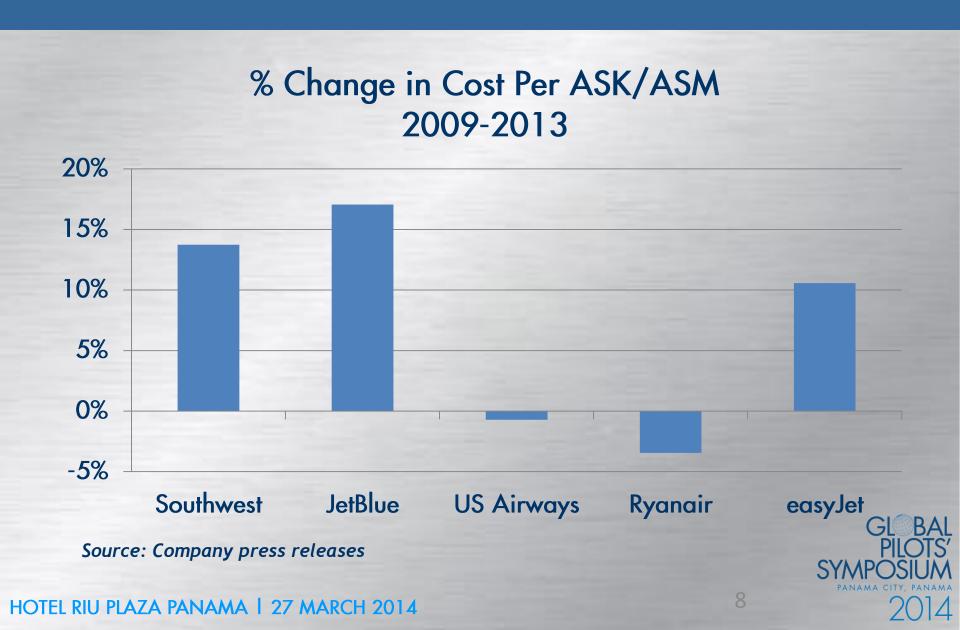
**Jet Airways** 

Transaero Airlines

# LCC Capacity Share of Total Seats in Each Region



#### Some LCCs Facing Rising Costs



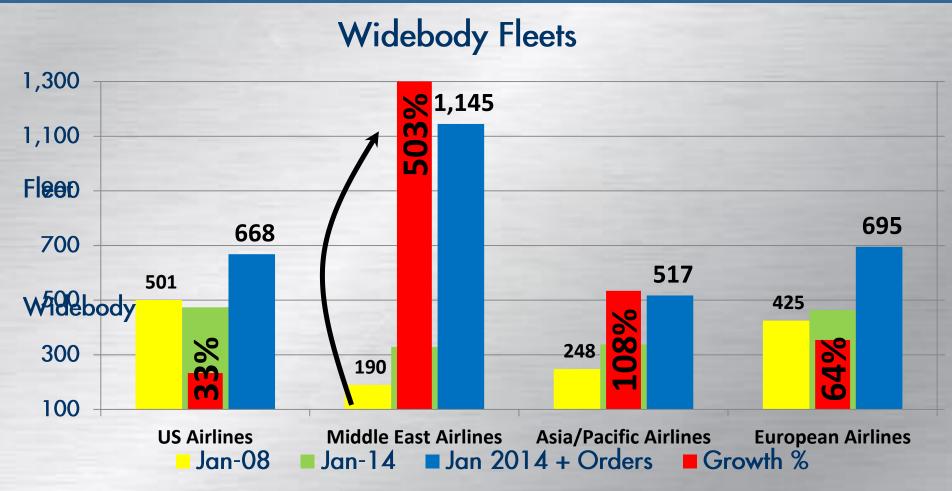
### Gulf Carriers Expanding Significantly

#### Number of Non-Stop Passenger Destinations

	Emirates		Etihad		Qatar	
Destination		2014	2005	2014	2005	2014
Asia-Pacific	43	44	5	36	33	45
Europe	22	35	7	23	21	33
Africa	15	21	2	8	13	18
Middle East	13	32	7	28	15	38
North America	1	11	1	6	0	8
Latin America	0	3	0	1	0	2
Total	94	146	22	88	82	132
Growth Percentage	55%		364%		76%	
Aircraft on Order	218		184		92	

Source: OAG Schedule Analyser, March 2014, CAPA

## Who is the Real Competition?



Note: U.S. includes American, Continental, Delta, Northwest, United and US Airways; Europe includes Air France, British Airways, Iberia, KLM, Lufthansa, SAS, and Virgin Atlantic; Asia/Pacific includes Cathay Pacific, China Eastern, China Southern, Air China, Air India, Jet Airways, Kingfisher; Middle East includes Emirates, Etihad, Gulf Air and Qatar

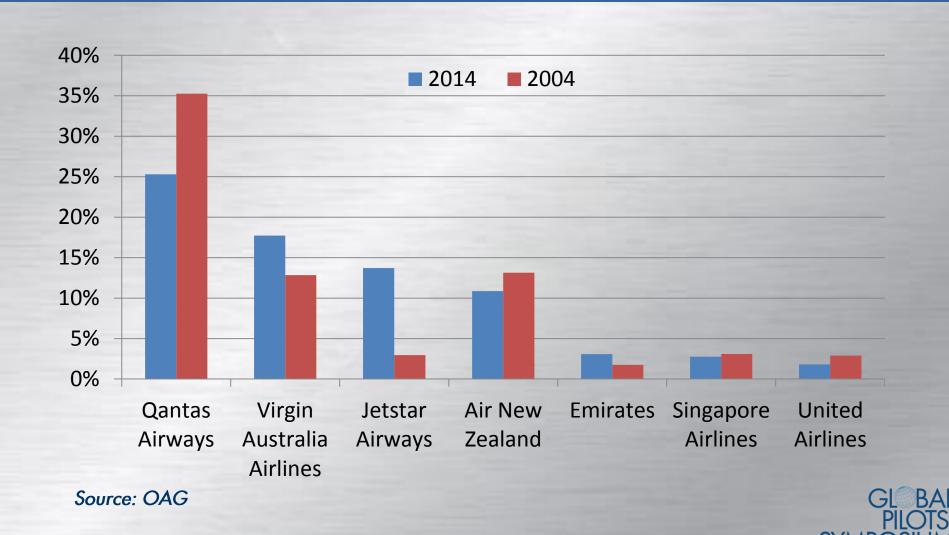
Source: Commercial Jet Fleet Books; excludes aircraft in storage, regional jets, freighters and combis. Includes latest orders from Dubai and Singapore Air Shows

#### Commercial Agreements with Differing Results





#### Percent of Seats to/from Southwest Pacific



2008

181

Source: SAS quarterly and annual reports

Turnover (SEKm)

Number of aircraft

(average for year)

Profits (EBT)

(at year end)

Number of

employees

(SEKm)

5

2009

**-188 -1,522 -33** 

172

2010

159

2011

543

147

16,286 14,438 13,723 13,479 13,591 12,884 12,290

47,536 39,696 36,524 36,735 33,148 38,889

2012

228

143

2013

433\*

139

2014

Nov-Jan

7,871

-146

139



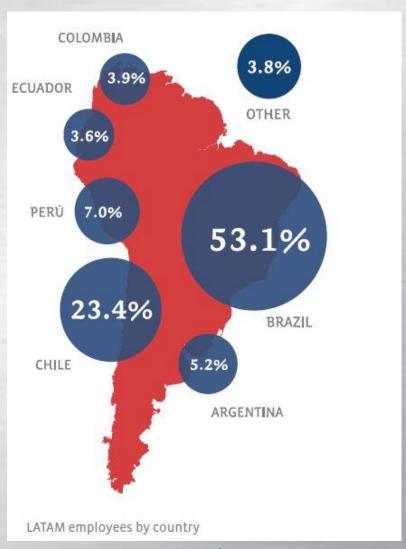


Source: SAS website

### LATAM by Geographic Area

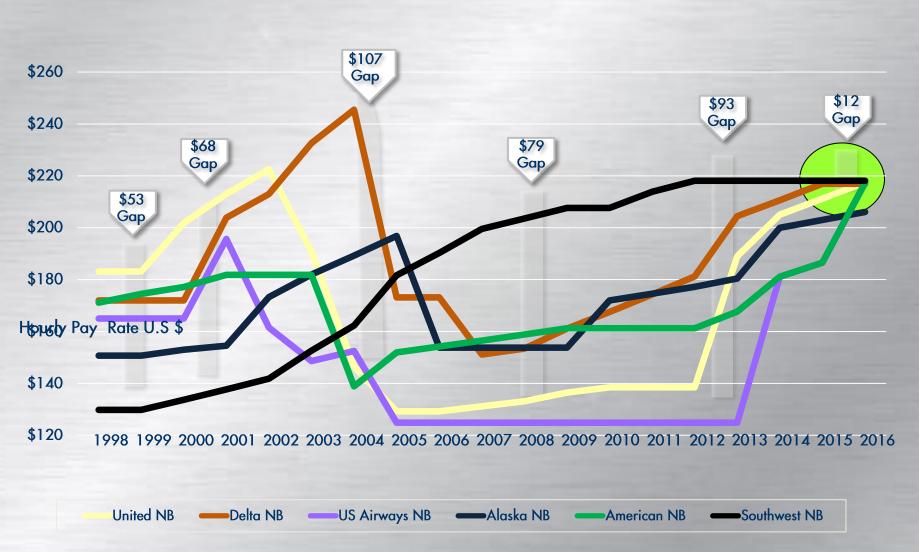


### LATAM Employees by Country



Source: LATAM 2012 Annual Report

#### Select U.S. Pilot Historical Pay Rates



Notes: Forward-looking pay rates are subject to change with new agreements—all rates based on currently negotiated agreements. Timing of some future raises are estimated. Rates are for year 12 CA on similar narrowbody equipment.

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