Thriving in an uncertain world - a Revenue Management solution for African airlines
Current African Outlook
Demand for air travel follows GDP Growth

<table>
<thead>
<tr>
<th>Economy</th>
<th>GDP growth, selected countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>% change on a yr ago</td>
<td>2015</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>3.4</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2.7</td>
</tr>
<tr>
<td>South Africa</td>
<td>1.3</td>
</tr>
<tr>
<td>UAE</td>
<td>3.9†</td>
</tr>
<tr>
<td>Kenya</td>
<td>5.6†</td>
</tr>
<tr>
<td>Jordan</td>
<td>2.7</td>
</tr>
<tr>
<td>MENA</td>
<td>2.3</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>3.4</td>
</tr>
<tr>
<td>World*</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: Datastream  * Market exchange rate basis  † Estimate
TRAFFIC IN/OUT OF AFRICA

- African carriers: 18%
- Other: 82%

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Profitability

Per passenger profit shows wide regional variation

Net post-tax profit per departing passenger

- **N America**: 2015: $25, 2016: $25
- **Middle East**: 2015: $5, 2016: $5
- **Europe**: 2015: $10, 2016: $10
- **Asia Pacific**: 2015: $0, 2016: $0
- **L America**: 2015: $-10, 2016: $-10
- **Africa**: 2015: $-15, 2016: $-15

www.iata.org/economics
# Traffic and Yield

## Capacity growth and load factors

<table>
<thead>
<tr>
<th>Passenger</th>
<th>ASK %ch on a yr ago, LF: % of ASK/AFTK</th>
<th>2015</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
<td>ASK</td>
<td>12.6</td>
<td>12.9</td>
<td>16.9</td>
<td>13.4</td>
</tr>
<tr>
<td></td>
<td>PLF</td>
<td>76.7</td>
<td>77.7</td>
<td>73.0</td>
<td>76.7</td>
</tr>
<tr>
<td>Africa</td>
<td>ASK</td>
<td>1.4</td>
<td>7.1</td>
<td>11.9</td>
<td>8.2</td>
</tr>
<tr>
<td></td>
<td>PLF</td>
<td>69.3</td>
<td>70.6</td>
<td>65.7</td>
<td>68.2</td>
</tr>
<tr>
<td>World</td>
<td>ASK</td>
<td>5.6</td>
<td>5.6</td>
<td>9.8</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>PLF</td>
<td>80.2</td>
<td>78.9</td>
<td>77.6</td>
<td>79.6</td>
</tr>
</tbody>
</table>

## Passenger yields, excl. surcharges & ancillaries

<table>
<thead>
<tr>
<th>Region</th>
<th>% change on a yr ago</th>
<th>2015</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East - Asia</td>
<td>-7.6</td>
<td>-6.5</td>
<td>-8.7</td>
<td>-9.9</td>
<td></td>
</tr>
<tr>
<td>Middle East - Europe</td>
<td>-10.9</td>
<td>-9.3</td>
<td>-9.9</td>
<td>-11.7</td>
<td></td>
</tr>
<tr>
<td>Africa - Europe</td>
<td>-17.0</td>
<td>-11.2</td>
<td>-9.5</td>
<td>-9.9</td>
<td></td>
</tr>
<tr>
<td>Middle East - Nth America</td>
<td>-10.7</td>
<td>-6.2</td>
<td>-1.7</td>
<td>-2.5</td>
<td></td>
</tr>
<tr>
<td>Middle East - Sth America</td>
<td>-17.5</td>
<td>-14.5</td>
<td>-9.3</td>
<td>-6.9</td>
<td></td>
</tr>
<tr>
<td>Africa - Middle East</td>
<td>-10.0</td>
<td>-15.4</td>
<td>-15.5</td>
<td>-13.0</td>
<td></td>
</tr>
<tr>
<td>Africa - Nth America</td>
<td>-20.6</td>
<td>-11.2</td>
<td>-13.0</td>
<td>-11.3</td>
<td></td>
</tr>
<tr>
<td>Within Middle East</td>
<td>-5.6</td>
<td>-5.1</td>
<td>-2.3</td>
<td>-4.4</td>
<td></td>
</tr>
<tr>
<td>Within Africa</td>
<td>-15.2</td>
<td>-14.9</td>
<td>-17.8</td>
<td>-16.3</td>
<td></td>
</tr>
</tbody>
</table>
The Challenges

- Grow Market-share
- Increase Revenues
- Become Profitable
Airline profitability does not happen by accident

Plan for Profitability
Airline Profitability

3 Gears of Airline Profitability

Costs

Yield

SF%

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Revenue Management solution
1. Choose the correct RM system

- Satisfy YOUR needs
- Flexible software
- Excellent Support in your time zones
- Track record in maximising revenues
Revenue Management

2. Create effective RM Team

- Focussed
- Pro-active
- Independent and taking responsibility
Revenue Management

3. Create proper inventory setup in PSS

- Amount of Booking classes
- Nestings
Revenue Management

4. Spend time with your Forecast

- Daily
- Unconstrained
- Pro-actively manage demand fluctuations
Revenue Management

5. Daily Optimisation of Inventory

• Focussed and Disciplined
• Firm and Fearless
Revenue Management

6. Measure and Manage Performance

- KPI’s
- Revenue Plan
- Involve the entire company
We can help you!
Aviator by Maxamation

100% Revenue Management Specialists

Creators of Aviator Revenue Management Software
Aviator by Maxamation

We’re in Africa

...and we understand your unique challenges
Clients and Offices around the world
Aviator by Maxamation

Just ask some of our clients....

First ever LCC in China  
West Air  
4% increase

Biggest LCC in Korea  
Jeju Air  
Competing on world’s busiest route with 6 major airlines

Record profits for long haul carrier  
Fiji Airways  
Competing with LCC’s on major routes

Long-haul to Europe competing with major carriers  
Air Namibia  
18% increase

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Rule 1: Law of Leadership

*It’s better to be First than it is to be Better*
Please speak to me regarding an Aviator demo

Thank You