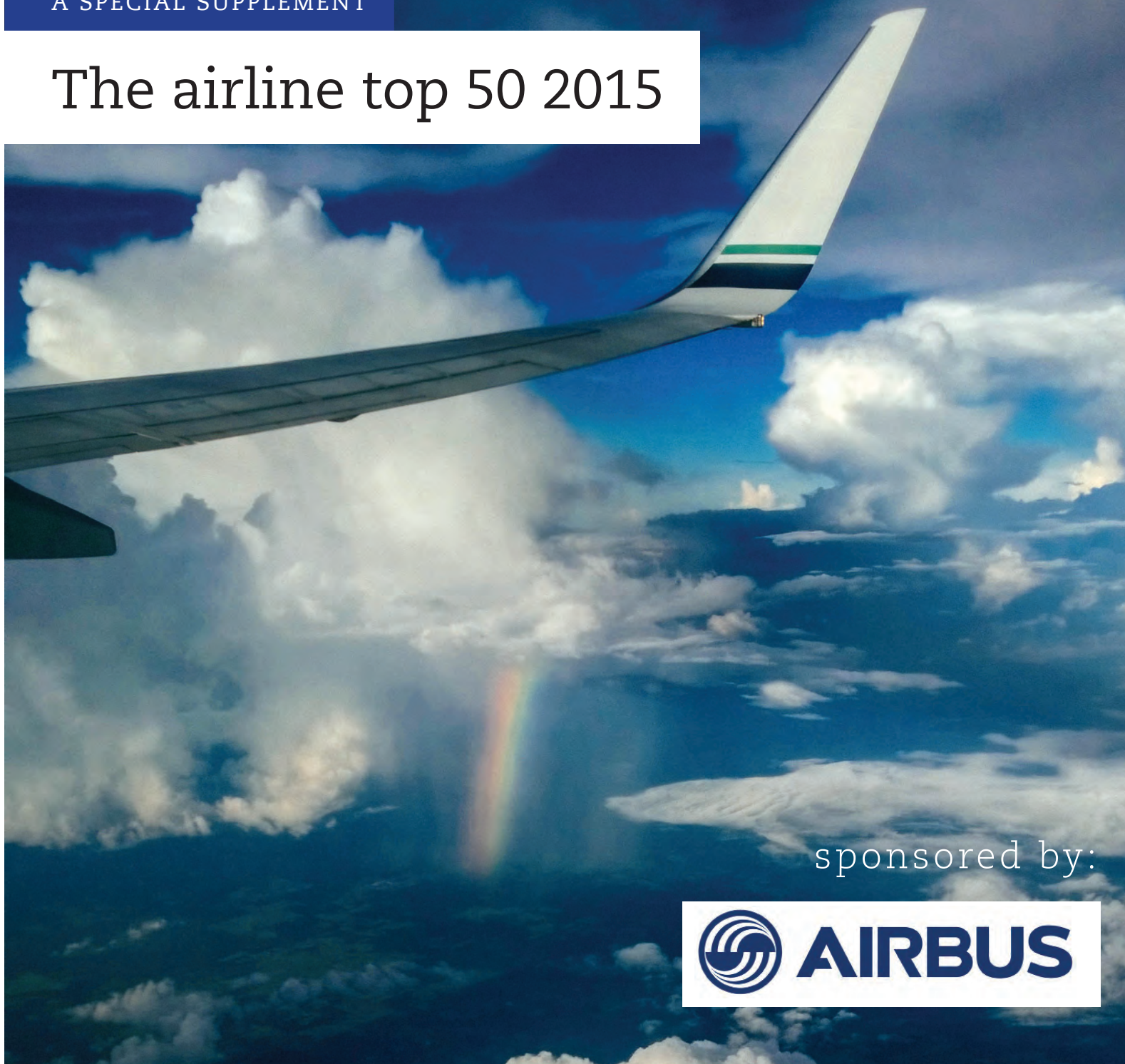




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The airline top 50 2015



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THE AIRLINE TOP 50

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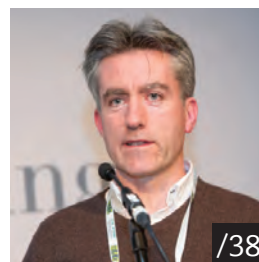
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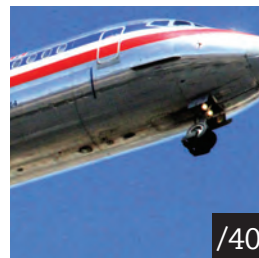
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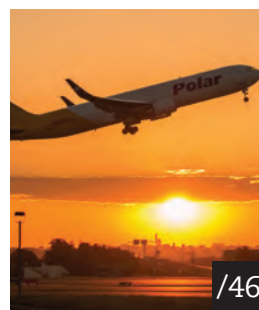
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EDITORIAL

US carriers lead way for airline profits

Dickon Harris, editor of *Airfinance Journal*, and Mike Duff, managing director of *The Airline Analyst*, examine the uneven playing field of airline financials.



Dickon Harris
EDITOR



Michael Duff
MANAGING DIRECTOR,
THE AIRLINE ANALYST

This is our fourth annual Airline Top 50 supplement from *Airfinance Journal*. The data is provided by *The Airline Analyst* and examines the financials for 140 airlines representing 117 parent airline groups.

Looking at the results, it is startling to see the widening gulf between the best group of airlines and the rest.

Airlines as a whole performed better in 2014/2015. The net profitability analysis of airlines included in our research shows that aggregate net profit increased by 72% to \$11.2 billion (excluding Delta's \$8.3 billion tax credit in 2013/14). But this profitability is highly focused across a group of airlines, and also across certain geographies. North America alone accounted for 73% of global industry net profit in 2014/15.

Further analysis shows that Japan and China have been major and relatively stable contributors to industry profitability, Europe (largely driven by the low-cost carriers and IAG) showed significant improvement in 2014/15 and the Middle East is on a steadily improving trend.

Loss-making airlines

These are offset by red ink in most of the other regions, particularly in other Asian areas, though the large loss booked by Qantas in its 2013/14 year (captured in our 2014/15 data) will not be repeated.

The total number of loss-making airlines increased from 34 last year to 44. These carriers drastically drag down the industry average profitability. The \$11.2 billion aggregate figure is comprised of a combined \$19.2 billion net profit made by the profitable airlines in the sample and an aggregate loss of \$8 billion by the loss makers.

Looking at some of the key financials, revenue increased by 10% and earnings before interest, tax, depreciation and rents

(Ebitdar) improved by 18.9% as Ebitdar margin improved to 16.4%. Reflecting the high level of capital expenditure and negative free cash flow, adjusted net debt increased by 13.7% to \$392.3 billion. However, leverage, measured by adjusted net debt/Ebitdar fell slightly to 4.1 times. Fixed-charge coverage, measured by Ebitdar/net fixed charges also improved. Liquidity as a percentage of revenues fell, reflecting some airlines consciously reducing excess liquidity through debt reduction, stock purchases and special dividends.

Speaking to *Airfinance Journal*, many of the North American airlines, including American Airlines, Delta and United, have hinted that they would also likely use at least part of their cash to fund aircraft deliveries.

The International Air Transport Association (Iata) predicts airlines will achieve a \$29.3 billion net profit this year, a measly 4% net profit margin but a significant improvement from the \$16.4 billion net profit airlines made in 2014. The main drivers for this, according to Iata, have been record load factors, lower fuel prices and an improved global economy. The association expects North American carriers to generate a profit of \$15.7 billion (up from \$11.2 billion in 2014) for a net margin of 7.5%.

A handful of large carriers are driving profitability, but the industry still has big questions over future performance. Will US carriers continue to maintain capacity discipline and avoid the temptation to grab market share? Will the global economy continue to improve? And, most importantly, will fuel prices remain low? ▲

Dickon Harris
Editor,
Airfinance Journal

Michael Duff
Managing Director,
The Airline Analyst



THE TOP 50 AIRLINES

Top 50 By Airline Financial Rating ^{1,2}

Rank	Airline	Country	Latest 12 month (LTM) period	LTM Revenues [USDm]	Airline Financial Rating ³
1	Ryanair	Ireland	31-Mar-15	\$6,156	AA-
2	Allegiant Travel Company	USA	31-Mar-15	\$1,164	A+
3	Spirit Airlines	USA	31-Mar-15	\$1,987	A+
4	Air Arabia	UAE-Sharjah	31-Mar-15	\$1,062	A
5	Alaska Air Group	USA	31-Mar-15	\$5,415	A
6	WestJet	Canada	31-Mar-15	\$3,298	A
7	Japan Airlines	Japan	31-Mar-15	\$11,105	A
8	Pegasus Airlines	Turkey	31-Mar-15	\$1,224	A-
9	Air New Zealand	New Zealand	31-Dec-14	\$3,491	A-
10	Wizz Air	UK	31-Mar-15	\$1,384	A-
11	Copa Holdings	Panama	31-Mar-15	\$2,623	A-
12	easyJet	UK	31-Mar-15	\$7,223	A-
13	Singapore Airlines	Singapore	31-Mar-15	\$11,746	A-
14	Icelandair	Iceland	31-Mar-15	\$1,108	BBB+
15	Southwest Airlines	USA	31-Mar-15	\$18,853	BBB+
16	Aer Lingus	Ireland	31-Dec-14	\$1,783	BBB+
17	International Airlines Group	Spain	31-Dec-14	\$22,463	BBB+
18	American Airlines Group	USA	31-Mar-15	\$42,482	BBB
19	jetBlue	USA	31-Mar-15	\$5,991	BBB-
20	Air Astana	Kazakhstan	31-Mar-15	\$925	BBB-
21	Hainan Airlines	China	31-Dec-14	\$5,663	BBB-
22	Hawaiian Airlines	USA	31-Mar-15	\$2,330	BBB-
23	Aegean Airlines	Greece	31-Mar-15	\$1,042	BB+
24	Bangkok Airways	Thailand	31-Mar-15	\$674	BB+
25	Cathay Pacific	Hong Kong	31-Dec-14	\$13,673	BB+
26	Frontier Airlines	USA	31-Dec-14	\$1,575	BB+
27	Spring Airlines	China	31-Dec-14	\$1,199	BB+
28	Delta Air Lines	USA	31-Mar-15	\$40,834	BB+
29	Air Canada	Canada	31-Mar-15	\$11,203	BB+
30	Cebu Pacific	Philippines	31-Mar-15	\$1,219	BB+
31	EVA Airways	Taiwan	31-Mar-15	\$4,476	BB
32	Republic Airways	USA	31-Mar-15	\$1,379	BB
33	Virgin America	USA	31-Mar-15	\$1,503	BB
34	ANA Holdings	Japan	31-Mar-15	\$14,275	BB
35	Comair Limited	South Africa	30-Jun-14	\$521	BB
36	Lufthansa Group	Germany	31-Mar-15	\$35,920	BB
37	Qatar Airways	Qatar	31-Mar-14	\$8,426	BB
38	United Continental Holdings	USA	31-Mar-15	\$38,813	BB
39	Volaris	Mexico	31-Mar-15	\$990	BB
40	China Airlines	Taiwan	31-Dec-14	\$4,897	BB-
41	Emirates	UAE-Dubai	31-Mar-15	\$23,835	BB-
42	Qantas Airways	Australia	31-Dec-14	\$12,481	BB-
43	Air China	China	31-Dec-14	\$17,240	BB-
44	AirAsia	Malaysia	31-Mar-15	\$1,462	BB-
45	China Southern Airlines	China	31-Dec-14	\$17,873	B+
46	SkyWest, Inc.	USA	31-Mar-15	\$3,226	B+
47	Turkish Airlines	Turkey	31-Dec-14	\$9,303	B+
48	China Eastern Airlines	China	31-Dec-14	\$15,442	B+
49	LATAM Airlines Group	Chile	31-Mar-15	\$12,085	B+
50	Air France-KLM	France	31-Mar-15	\$28,659	B

¹ This excludes airlines with less than \$500m of revenues and includes two lower rated airlines with more than 250 aircraft

² As of 16th June, 2015

³ This is a rating of intrinsic financial strength based on historical values and ratios only; it is not forward looking and is not a credit rating



AIRLINE PROFILES

Americas



AIR CANADA

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	9,576.6
Cargo Revenue	407.3
Other Revenue	783.7
Total Revenue	10,767.6
EBITDAR	1,355.7
Net Income	81.1
EBITDAR Margin	12.6%
Summary Operating Drivers	
RPKs (m)	99,161
ASKs (m)	118,913
Passenger Load Factor	83.4%
Number of passengers (000)	38,526
Average Trip Length (kms)	2,574
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.66
Total Revenue per ASK ('RASK') (US cents)	9.06
Total Operating Cost/ASK 'CASK' (US cents)	8.50
RASK-CASK Margin (US cents)	0.56
Employee Costs as % of Revenue	17.2%
Debt & Liquidity	
Adjusted Net Debt	4,417.3
Total Net Fixed Charges	459.2
Unrestricted Cash/Total Revenues	17.1%
EBITDAR/Net Fixed Charges (x)	3.0
Capitalisation & Leverage	
Book Equity	-919.2
Equity Market Capitalisation (as of 12th June, 2015)	3,227.6
Adjusted Net Debt/EBITDAR (x)	3.3
Adjusted Net Debt/Book Equity (x)	0.0
Cash Flow	
Free Cash Flow	-454.3

Air Canada

Air Canada is the 19th-largest commercial airline in the world by revenue passenger kilometres. It has a capacity purchase agreement with Chorus Aviation and commercial agreements with some regional airlines (operating as Air Canada Express). Subsidiary Air Canada rouge, which offers substantially lower seat costs, started services in 2013.

According to ATDB.aero, as of June, Air Canada mainline operated a fleet of 173 aircraft, with an average age of 13.9 years. Chorus and other regional airlines operated 164 aircraft and Air Canada rouge intends to operate 12 767s and 30 A319s by the end of 2015. Air Canada has orders for 29 787s, for delivery between 2015 and 2019, and, on March 31 2014, ordered 61 737 Max aircraft for delivery between 2017 and 2021.

In September 2014, the Moody's rating was improved to B2 (stable) and, in February 2015, Standard & Poor's raised its rating to B+ (stable) from B.

Air Canada has been very active in the capital markets with enhanced equipment trust certificate issues and other secured and unsecured financings.

Alaska Air Group

Alaska Air Group is a holding company for Alaska Airlines, which accounts for about 93% of the group's revenues, providing scheduled air service to almost 71 cities across the US, Canada and Mexico, and Horizon Air, a regional airline operating only turboprop aircraft.

The group had a fleet of 197 aircraft (148 owned and 49 leased) as of March 31, with an average age of about nine years. Alaska Airlines flies only Boeing 737-family aircraft and Horizon only Bombardier Q400s. As of March 31, Horizon had 52 Q400s. The group had a total of 81 aircraft on order that will be delivered between 2015 and 2022.

Alaska Air Group is among the better performing airlines in the US. In June 2014, Fitch Ratings initiated coverage on Alaska Air Group with a rating of BBB-, making Alaska only the second US airline (after Southwest) to have an investment-grade rating. In November 2014, Standard & Poor's also raised the corporate credit rating to BBB- with a stable outlook.



ALASKA AIR GROUP

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	4,579.0
Cargo Revenue	114.0
Other Revenue	675.0
Total Revenue	5,368.0
EBITDAR	1,313.0
Net Income	605.0
EBITDAR Margin	24.5%
Summary Operating Drivers	
RPKs (m)	49,436
ASKs (m)	58,062
Passenger Load Factor	85.1%
Number of passengers (000)	29,278
Average Trip Length (kms)	1,689
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.26
Total Revenue per ASK ('RASK') (US cents)	9.25
Total Operating Cost/ASK 'CASK' (US cents)	7.68
RASK-CASK Margin (US cents)	1.57
Employee Costs as % of Revenue	23.3%
Debt & Liquidity	
Adjusted Net Debt	466.0
Total Net Fixed Charges	117.0
Unrestricted Cash/Total Revenues	22.7%
EBITDAR/Net Fixed Charges (x)	11.2
Capitalisation & Leverage	
Book Equity	2,127.0
Equity Market Capitalisation (as of 12th June, 2015)	8,232.1
Adjusted Net Debt/EBITDAR (x)	0.4
Adjusted Net Debt/Book Equity (x)	0.2
Cash Flow	
Free Cash Flow	336.0



AIRLINE PROFILES

Americas



ALLEGIANT TRAVEL COMPANY

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	732.0
Cargo Revenue	0.0
Other Revenue	405.0
Total Revenue	1,137.0
EBITDAR	292.2
Net Income	86.7
EBITDAR Margin	25.7%
Summary Operating Drivers	
RPKs (m)	12,595
ASKs (m)	14,397
Passenger Load Factor	87.5%
Number of passengers (000)	8,154
Average Trip Length (kms)	1,545
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	5.81
Total Revenue per ASK ('RASK') (US cents)	7.90
Total Operating Cost/ASK 'CASK' (US cents)	6.45
RASK-CASK Margin (US cents)	1.44
Employee Costs as % of Revenue	17.0%
Debt & Liquidity	
Adjusted Net Debt	241.7
Total Net Fixed Charges	21.4
Unrestricted Cash/Total Revenues	31.6%
EBITDAR/Net Fixed Charges (x)	13.7
Capitalisation & Leverage	
Book Equity	294.1
Equity Market Capitalisation (as of 12th June, 2015)	2,834.0
Adjusted Net Debt/EBITDAR (x)	0.8
Adjusted Net Debt/Book Equity (x)	0.8
Cash Flow	
Free Cash Flow	-152.8

Allegiant Travel Company

Allegiant Travel Company is the owner of Allegiant Air, an American low-cost airline focused on providing service from small cities in the US to major leisure destinations such as Las Vegas.

The airline operated a fleet of 53 MD-80s, six 757-200s, five A319-100s and nine A320-200s with an average age of 22.7 years as of March 31. All aircraft were owned. By the end of June 2014, the company had modified all MD-80s to 166-seat configuration, which allowed it to grow capacity without adding to its operating fleet. As of March 31, Allegiant had firm commitments for 12 used A319s (six to be acquired from Cebu Pacific) and seven used A320s, scheduled to be delivered by the end of 2017.

In June 2014, the company completed an offering of \$300 million five-year senior unsecured notes at a coupon of 5.5% supported by ratings from Standard & Poor's and Moody's of BB- and Ba3. In addition, the company borrowed \$45.3 million from Wells Fargo Bank, secured by all its MD-80 aircraft.

American Airlines Group

Formerly AMR Corporation, AAG is the holding company for American Airlines and US Airways, which completed their merger on December 9 2013. A single operating certificate was obtained in April 2015. The group also includes Envoy Aviation Group (formerly AMR Eagle Holding Corporation) and US Airways Express. Its headquarters is at Dallas Fort Worth and the airline is one of the founding members of the oneworld alliance.

At closing of the merger, 28% of AAG was held by US Airways shareholders and 72% by AMR Corporation shareholders, creditors, labour unions and employees. The merger is expected to generate annual net synergies of more than \$1 billion in 2015 and 2016.

In November 2014, Standard & Poor's raised its rating from B to B+ (positive) and, in December 2014, Fitch assigned a B+ rating (stable).

As of December 31 2014, the group operated a fleet of 983 aircraft with an average age of 12 years – 510 owned, 436 on operating lease and 37 on finance lease. As of March 31, the group had 480 aircraft on order.

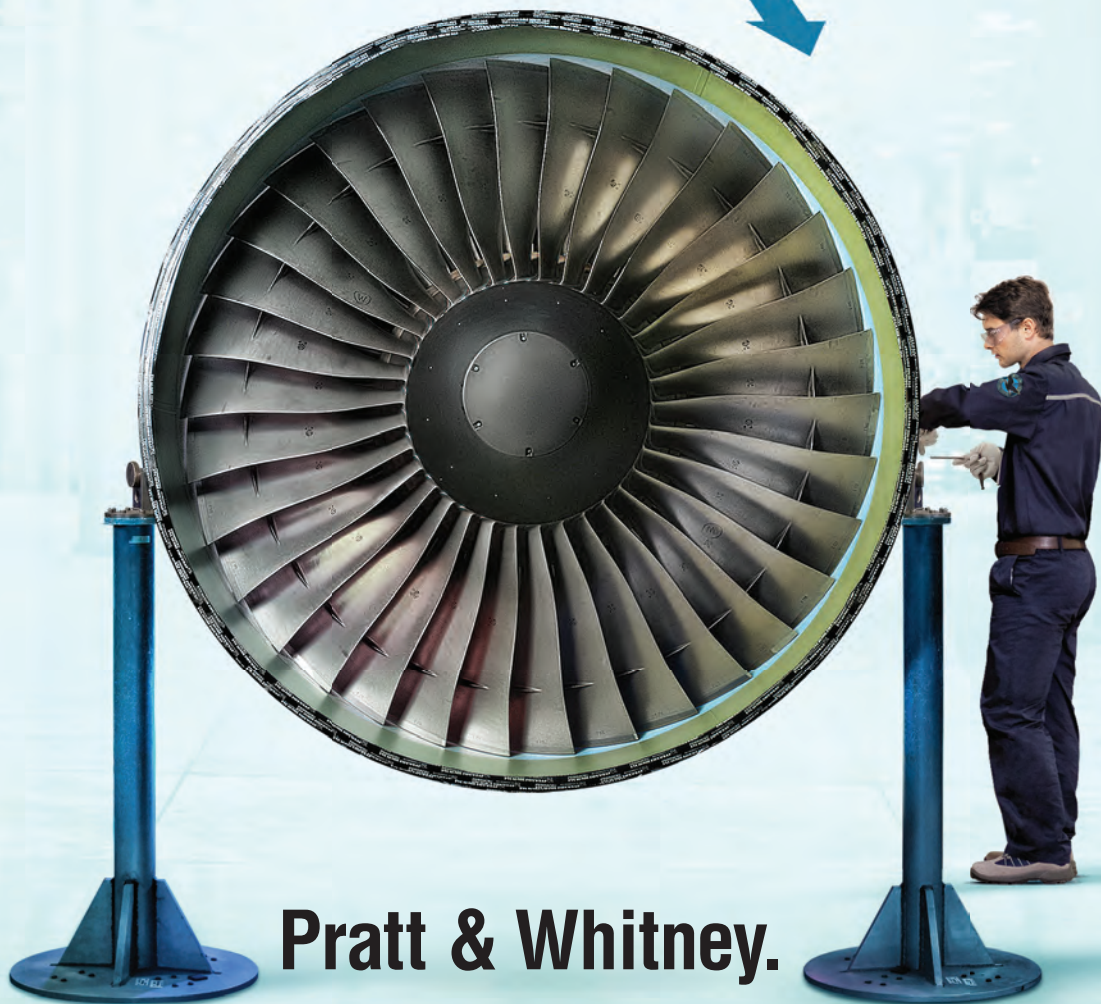


AMERICAN AIRLINES GROUP

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	37,124.0
Cargo Revenue	875.0
Other Revenue	4,651.0
Total Revenue	42,650.0
EBITDAR	7,858.0
Net Income	2,882.0
EBITDAR Margin	18.4%
Summary Operating Drivers	
RPKs (m)	350,628
ASKs (m)	427,533
Passenger Load Factor	82.0%
Number of passengers (000)	197,340
Average Trip Length (kms)	1,777
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	10.59
Total Revenue per ASK ('RASK') (US cents)	9.98
Total Operating Cost/ASK 'CASK' (US cents)	8.79
RASK-CASK Margin (US cents)	1.18
Employee Costs as % of Revenue	22.5%
Debt & Liquidity	
Adjusted Net Debt	20,881.0
Total Net Fixed Charges	2,141.0
Unrestricted Cash/Total Revenues	17.1%
EBITDAR/Net Fixed Charges (x)	3.7
Capitalisation & Leverage	
Book Equity	2,021.0
Equity Market Capitalisation (as of 12th June, 2015)	28,200.1
Adjusted Net Debt/EBITDAR (x)	2.7
Adjusted Net Debt/Book Equity (x)	10.3
Cash Flow	
Free Cash Flow	-2,978.0

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AIRLINE PROFILES

Americas



COPA HOLDINGS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	2,619.9
Cargo Revenue	N/A
Other Revenue	N/A
Total Revenue	2,705.1
EBITDAR	748.3
Net Income	361.7
EBITDAR Margin	27.7%

Summary Operating Drivers

RPKs (m)	25,609
ASKs (m)	33,405
Passenger Load Factor	76.7%
Number of passengers (000)	7,794
Average Trip Length (kms)	3,286

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	10.23
Total Revenue per ASK ('RASK') (US cents)	8.10
Total Operating Cost/ASK 'CASK' (US cents)	6.54
RASK-CASK Margin (US cents)	1.56
Employee Costs as % of Revenue	11.1%

Debt & Liquidity

Adjusted Net Debt	1,435.0
Total Net Fixed Charges	123.5
Unrestricted Cash/Total Revenues	21.4%
EBITDAR/Net Fixed Charges (x)	6.1

Capitalisation & Leverage

Book Equity	2,075.1
Equity Market Capitalisation (as of 12th June, 2015)	3,820.0
Adjusted Net Debt/EBITDAR (x)	1.9
Adjusted Net Debt/Book Equity (x)	0.7

Cash Flow

Free Cash Flow	143.4
----------------	-------

Copa Holdings

Copa Holdings owns 99.9% of Copa Airlines of Panama and 99.9% of Copa Colombia (previously called AeroRepública). In addition, it owns 100% of Oval Financial Leasing, which controls a majority of the aircraft that are leased to Copa Airlines or Copa Colombia.

The class-A shares are listed on the NYSE, while the class-B shares are held by Corporación de Inversiones Aéreas, which is controlled by a group of Panamanian investors.

Copa Airlines and Copa Colombia offer about 355 daily flights serving 73 destinations in 30 countries. Copa left SkyTeam and joined Star Alliance in 2012 to align with its alliance with United Airlines.

As of March 31, the group operated 98 aircraft (54 737-800s, 18 737-700s and 26 Embraer 190s), of which 64 were owned and 34 on operating lease. The average age was about six years. In December 2014, the company ordered 21 737s (plus eight options) for delivery between 2015 and 2019 and, in April, ordered 61 737 Maxs for delivery between 2018 and 2024.

Delta Air Lines

Delta was the second-largest airline in the world by revenue in 2014. It operates with six contract carriers and subsidiary, Endeavor Air (formerly Pinnacle), (the Delta Connection) for its domestic operation.

Delta invested \$100 million in Brazilian carrier Gol (equivalent to a 3% stake) in 2011 and, in June 2012, purchased a 4.2% stake in Mexico's Grupo Aeromexico for \$65 million.

In June 2013, Delta purchased 49% of Virgin Atlantic from Singapore Airlines for \$360 million and entered into a transatlantic joint-venture agreement with Virgin. Delta also has a transatlantic joint-venture agreement with fellow SkyTeam members, Air France, KLM and Alitalia.

As of March 31, Delta and subsidiaries operated 786 aircraft – 599 owned, 85 on capital lease and 102 on operating lease – with an average age of 17 years. The contract carriers operated 484 aircraft on behalf of Delta.

After the improved performance and debt reduction, Fitch, Moody's and Standard & Poor's upgraded their ratings for Delta in 2014 to BB (positive), Ba3 (positive) and BB (positive) respectively.



DELTA AIR LINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	34,954.0
Cargo Revenue	934.0
Other Revenue	4,474.0
Total Revenue	40,362.0
EBITDAR	7,272.0
Net Income	659.0
EBITDAR Margin	18.0%

Summary Operating Drivers

RPKs (m)	326,576
ASKs (m)	385,721
Passenger Load Factor	84.7%
Number of passengers (000)	171,350
Average Trip Length (kms)	1,906

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	10.70
Total Revenue per ASK ('RASK') (US cents)	10.46
Total Operating Cost/ASK 'CASK' (US cents)	9.10
RASK-CASK Margin (US cents)	1.37
Employee Costs as % of Revenue	22.8%

Debt & Liquidity

Adjusted Net Debt	8,336.0
Total Net Fixed Charges	883.0
Unrestricted Cash/Total Revenues	8.2%
EBITDAR/Net Fixed Charges (x)	8.2

Capitalisation & Leverage

Book Equity	8,813.0
Equity Market Capitalisation (as of 12th June, 2015)	33,582.6
Adjusted Net Debt/EBITDAR (x)	1.1
Adjusted Net Debt/Book Equity (x)	0.9

Cash Flow

Free Cash Flow	2,670.0
----------------	---------



AIRLINE PROFILES

Americas



FRONTIER AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	1,368.7
Cargo Revenue	0.0
Other Revenue	206.2
Total Revenue	1,574.9
EBITDAR	383.9
Net Income	129.0
EBITDAR Margin	24.4%
Summary Operating Drivers	
RPKs (m)	17,950
ASKs (m)	20,180
Passenger Load Factor	89.0%
Number of passengers (000)	12,170
Average Trip Length (kms)	1,475
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	7.63
Total Revenue per ASK ('RASK') (US cents)	7.80
Total Operating Cost/ASK 'CASK' (US cents)	6.76
RASK-CASK Margin (US cents)	1.04
Employee Costs as % of Revenue	17.8%
Debt & Liquidity	
Adjusted Net Debt	1,062.6
Total Net Fixed Charges	150.0
Unrestricted Cash/Total Revenues	16.7%
EBITDAR/Net Fixed Charges (x)	2.6
Capitalisation & Leverage	
Book Equity	193.9
Equity Market Capitalisation (as of 12th June, 2015)	N/A
Adjusted Net Debt/EBITDAR (x)	2.8
Adjusted Net Debt/Book Equity (x)	5.5
Cash Flow	
Free Cash Flow	0.0

Frontier Airlines

Frontier has its headquarters in Denver, Colorado. It was a wholly owned subsidiary of Republic Airways and the result of a merger between Frontier and Midwest Airlines in 2010. In December 2013, Republic sold Frontier to an affiliate of Indigo Partners in a transaction valued at about \$145 million, of which \$36 million was paid in cash and the balance is debt retained by Frontier. Indigo has positioned the airline as an ultra-low-cost carrier.

The airline has more than 4,000 employees and operates from hubs at Denver, Milwaukee and Kansas City to more than 60 destinations in the US, Mexico, Jamaica, Costa Rica and the Dominican Republic.

According to ATDB.aero, as of May 22, the airline operated a fleet of 56 aircraft – 34 A319-100s and 22 A320-200s – with an average age of 8.9 years. Frontier is expected to start taking delivery of 80 A319/A320neos in Q3 2016. In November 2014, Frontier placed a firm order for nine A321-200s, scheduled for delivery in 2015 and 2016.

Hawaiian Airlines

Hawaiian Airlines serves 25 destinations across the Hawaiian Islands, mainland US and the Pacific. It is wholly owned by Hawaiian Holdings, which is listed on Nasdaq.

On May 1, Fitch affirmed a B credit rating for Hawaiian and revised the outlook from stable to positive. Its Moody's and Standard & Poor's ratings are B2 and B+ respectively.

Hawaiian grew significantly from 2011 to 2013. The airline had modest growth of 2% in 2014 and expects the same in 2015. As of March 31, the airline operated 51 aircraft (average age about nine years) consisting of 18 717-200s, 10 767-300s, 20 A330-200s and three ATR 42s – 34 were owned and 17 were on lease.

The airline has two A330-200s to be delivered in 2015 and six A330-800neos to arrive from 2019 onwards, to replace 767s. It also has purchase rights for three A330-200s and six A330-800neos, and has a contract to acquire 16 A321neos for delivery between 2017 and 2020, with options for an additional nine.



HAWAIIAN AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	2,045.1
Cargo Revenue	0.0
Other Revenue	269.8
Total Revenue	2,314.9
EBITDAR	425.2
Net Income	68.9
EBITDAR Margin	18.4%
Summary Operating Drivers	
RPKs (m)	22,404
ASKs (m)	27,477
Passenger Load Factor	81.5%
Number of passengers (000)	10,195
Average Trip Length (kms)	2,198
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.13
Total Revenue per ASK ('RASK') (US cents)	8.42
Total Operating Cost/ASK 'CASK' (US cents)	7.62
RASK-CASK Margin (US cents)	0.81
Employee Costs as % of Revenue	19.3%
Debt & Liquidity	
Adjusted Net Debt	1,376.6
Total Net Fixed Charges	160.9
Unrestricted Cash/Total Revenues	22.6%
EBITDAR/Net Fixed Charges (x)	2.6
Capitalisation & Leverage	
Book Equity	367.2
Equity Market Capitalisation (as of 12th June, 2015)	1,263.5
Adjusted Net Debt/EBITDAR (x)	3.2
Adjusted Net Debt/Book Equity (x)	3.7
Cash Flow	
Free Cash Flow	-141.8





AIRLINE PROFILES

Americas



JETBLUE

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	5,343.0
Cargo Revenue	0.0
Other Revenue	474.0
Total Revenue	5,817.0
EBITDAR	952.0
Net Income	401.0
EBITDAR Margin	16.4%

Summary Operating Drivers

RPKs (m)	60,854
ASKs (m)	72,411
Passenger Load Factor	84.0%
Number of passengers (000)	32,078
Average Trip Length (kms)	1,897

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	8.78
Total Revenue per ASK ('RASK') (US cents)	8.03
Total Operating Cost/ASK 'CASK' (US cents)	7.33
RASK-CASK Margin (US cents)	0.70
Employee Costs as % of Revenue	22.3%

Debt & Liquidity

Adjusted Net Debt	3,004.0
Total Net Fixed Charges	255.0
Unrestricted Cash/Total Revenues	12.2%
EBITDAR/Net Fixed Charges (x)	3.7

Capitalisation & Leverage

Book Equity	2,529.0
Equity Market Capitalisation (as of 12th June, 2015)	6,116.4
Adjusted Net Debt/EBITDAR (x)	3.2
Adjusted Net Debt/Book Equity (x)	1.2

Cash Flow

Free Cash Flow	104.0
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jetBlue

Nasdaq-listed jetBlue is the fifth-largest US passenger carrier based on revenue passenger kilometres. It serves 87 destinations, in the US, Latin America and Caribbean. Lufthansa had a 19% stake dating from 2008, which it sold in March.

On June 10 2014, jetBlue completed the sale of its wholly owned subsidiary, LiveTV, to Thales Group for \$393 million.

As of March 31, the airline operated 205 aircraft comprising 15 A321s, 130 A320s and 60 Embraer 190s, with an average age of eight years – 139 owned, 60 on operating lease and six on finance lease. The airline had 31 A321s, 25 A320neos, 45 A321neos and 24 Embraer 190s on order to be delivered until 2023.

In April 2014, Moody's upgraded jetBlue to B2 from B3, outlook remaining positive. In May 2014, Standard & Poor's affirmed a B rating, revised outlook of positive. On April 23, Fitch affirmed a B+ (stable) credit rating for jetBlue.

Latam Airlines

Latam, created by the 2012 merger of LAN Airlines of Chile and TAM of Brazil, is the 16th-largest airline group by revenue passenger kilometres. Its headquarters is in Santiago, Chile, and, in 2013, the carrier chose oneworld as its global alliance.

As of March 31, the group operated 328 aircraft with an average age of about seven years – 107 were on operating lease. Latam had commitments for 97 A320-family aircraft (deliveries 2015 through 2018), 27 A350-family aircraft (deliveries from 2015) and two 777s and 16 787s (for delivery 2015 through 2017).

On October 8 2014, Standard & Poor's revised the outlook for Latam's rating of BB to stable from positive. In April, Fitch downgraded it from BB to BB- (stable) and Moody's assigned a Ba2 (stable) rating.

In May, Latam priced its first enhanced equipment trust certificate. The class-A and class-B certificates had coupons of 4.20% and 4.50% respectively. On June 5, the group priced a five-year offering of \$500 million of 7.25% senior unsecured notes.



LATAM AIRLINES GROUP

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	10,380.1
Cargo Revenue	1,713.4
Other Revenue	377.6
Total Revenue	12,471.1
EBITDAR	2,020.5
Net Income	-260.0
EBITDAR Margin	16.2%

Summary Operating Drivers

RPKs (m)	108,534
ASKs (m)	130,201
Passenger Load Factor	83.4%
Number of passengers (000)	67,833
Average Trip Length (kms)	1,600

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	9.56
Total Revenue per ASK ('RASK') (US cents)	9.58
Total Operating Cost/ASK 'CASK' (US cents)	9.19
RASK-CASK Margin (US cents)	0.39
Employee Costs as % of Revenue	18.8%

Debt & Liquidity

Adjusted Net Debt	11,999.0
Total Net Fixed Charges	860.9
Unrestricted Cash/Total Revenues	7.9%
EBITDAR/Net Fixed Charges (x)	2.3

Capitalisation & Leverage

Book Equity	4,503.7
Equity Market Capitalisation (as of 12th June, 2015)	4,149.9
Adjusted Net Debt/EBITDAR (x)	5.9
Adjusted Net Debt/Book Equity (x)	2.7

Cash Flow

Free Cash Flow	-383.2
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AIRLINE PROFILES

Americas



REPUBLIC AIRWAYS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	N/A
Cargo Revenue	N/A
Other Revenue	1,375.4
Total Revenue	1,375.4
EBITDAR	537.9
Net Income	64.3
EBITDAR Margin	39.1%
Summary Operating Drivers	
RPKs (m)	18,498
ASKs (m)	23,578
Passenger Load Factor	78.5%
Number of passengers (000)	22,577
Average Trip Length (kms)	819
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	N/A
Total Revenue per ASK ('RASK') (US cents)	5.83
Total Operating Cost/ASK 'CASK' (US cents)	4.82
RASK-CASK Margin (US cents)	1.01
Employee Costs as % of Revenue	26.8%
Debt & Liquidity	
Adjusted Net Debt	3,123.3
Total Net Fixed Charges	244.7
Unrestricted Cash/Total Revenues	16.3%
EBITDAR/Net Fixed Charges (x)	2.2
Capitalisation & Leverage	
Book Equity	620.5
Equity Market Capitalisation (as of 12th June, 2015)	514.9
Adjusted Net Debt/EBITDAR (x)	5.8
Adjusted Net Debt/Book Equity (x)	5.0
Cash Flow	
Free Cash Flow	-276.2

Republic Airways

Republic Airways Holdings was founded in 1973 and has its headquarters in Indianapolis. It owns US regional airlines Chautauqua Airlines, Republic Airlines and Shuttle America. In December 2013, Republic Airways sold its subsidiary, Frontier Airlines, to an affiliate of Indigo Partners. It operates principally through fixed-fee code-share agreements with American Airlines, Delta Air Lines, United Airlines and US Airways.

As of March 31, Republic Airways operated a fleet of 242 aircraft comprising 173 E170/175LRs, 41 E145s, five E190LRs and 23 Q400s with an average age of about seven years. In September 2014, the company placed an order for 50 more E175s, scheduled for delivery between July 2015 and August 2017. In January, the company increased this order by five aircraft. These aircraft will be operated by Shuttle America for United Airlines under the United Express brand.

In 2014, Republic Airways announced plans to retire E145 aircraft by Q2 2016, which will mark the closure of Chautauqua Airlines' operations.

SkyWest

SkyWest, based in Utah, is the holding company for SkyWest Airlines and ExpressJet Airlines (an entity resulting from the merger of Atlantic Southeast and ExpressJet Airlines).

SkyWest Airlines provides regional jet and turboprop service in the mid-western and western US. The airline operates for United Express, Delta Connection, Alaska and US Airways Express from hubs in Chicago, Denver, Los Angeles, Milwaukee, San Francisco and Salt Lake City.

ExpressJet Airlines operates as a Delta Connection carrier in Atlanta and Cincinnati and a United Express carrier in Chicago, Washington, DC, Cleveland, Newark and Houston.

As of March 31, the Bombardier and Embraer fleet comprised 754 aircraft, 390 assigned to United, 242 to Delta, 52 to American, nine to Alaska, two subleased to an unaffiliated entity and 59 unassigned. Some 92% of the company's available seat miles in Q1 2015 represented flying for United and Delta.

Skywest has a commitment to purchase 100 Mitsubishi Regional Jets, with options for an additional 100.



SKYWEST, INC.

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	2,960.8
Cargo Revenue	0.0
Other Revenue	276.6
Total Revenue	3,237.4
EBITDAR	664.6
Net Income	-24.2
EBITDAR Margin	20.5%
Summary Operating Drivers	
RPKs (m)	50,693
ASKs (m)	61,509
Passenger Load Factor	82.4%
Number of passengers (000)	58,962
Average Trip Length (kms)	860
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	5.84
Total Revenue per ASK ('RASK') (US cents)	5.26
Total Operating Cost/ASK 'CASK' (US cents)	5.10
RASK-CASK Margin (US cents)	0.16
Employee Costs as % of Revenue	38.9%
Debt & Liquidity	
Adjusted Net Debt	3,640.6
Total Net Fixed Charges	367.2
Unrestricted Cash/Total Revenues	16.9%
EBITDAR/Net Fixed Charges (x)	1.8
Capitalisation & Leverage	
Book Equity	1,400.3
Equity Market Capitalisation (as of 12th June, 2015)	762.8
Adjusted Net Debt/EBITDAR (x)	5.5
Adjusted Net Debt/Book Equity (x)	2.6
Cash Flow	
Free Cash Flow	-390.5





AIRLINE PROFILES

Americas



SOUTHWEST AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	17,658.0
Cargo Revenue	175.0
Other Revenue	772.0
Total Revenue	18,605.0
EBITDAR	3,526.0
Net Income	1,136.0
EBITDAR Margin	19.0%
Summary Operating Drivers	
RPKs (m)	173,866
ASKs (m)	210,830
Passenger Load Factor	82.5%
Number of passengers (000)	110,497
Average Trip Length (kms)	1,573
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	10.16
Total Revenue per ASK ('RASK') (US cents)	8.82
Total Operating Cost/ASK 'CASK' (US cents)	7.74
RASK-CASK Margin (US cents)	1.09
Employee Costs as % of Revenue	29.2%
Debt & Liquidity	
Adjusted Net Debt	2,064.0
Total Net Fixed Charges	395.0
Unrestricted Cash/Total Revenues	16.1%
EBITDAR/Net Fixed Charges (x)	8.9
Capitalisation & Leverage	
Book Equity	6,775.0
Equity Market Capitalisation (as of 12th June, 2015)	23,390.5
Adjusted Net Debt/EBITDAR (x)	0.6
Adjusted Net Debt/Book Equity (x)	0.3
Cash Flow	
Free Cash Flow	1,307.0

Southwest Airlines

Southwest was the pioneer of the low-cost carrier model adopted by others such as Ryanair and AirAsia, focusing on point-to-point service with a single aircraft model and on a large scale. With its headquarters at Love Field in Dallas, Texas, Southwest provides domestic passenger service in the US and, since the acquisition of AirTran, Central America. The airline recorded its 42nd consecutive year of profitability in 2014.

As of March 31, Southwest operated 679 aircraft (all of them Boeing) – 563 owned and the remaining 116 leased. The average age was 12 years. AirTran's acquisition added 140 aircraft (88 717-200s and 52 737-700s) to Southwest's fleet. As of March 31, the company had delivered 61 of the 717-200s to Delta under an agreement reached in 2012 covering all 88 aircraft. In November 2014, Standard & Poor's upgraded Southwest's rating to BBB (stable) from BBB-. In August 2014, Moody's issued an upgrade from Baa3 to Baa2 (stable). Fitch affirmed its rating of BBB and revised the outlook to positive from stable in April.

Spirit Airlines

Spirit is an ultra-low-cost carrier, with its headquarters in Fort Lauderdale, Florida, flying within the US and to the Caribbean and Latin America. Spirit operates to more than 55 destinations with an all-Airbus fleet. In 2011, Spirit raised \$187.2 million from an initial public offering.

Indigo Partners and Oaktree Capital Management were the two principal shareholders until recently. Oaktree had taken control of Spirit after making investments in 2004 and 2005 and, in 2006, Indigo gained a majority stake. On July 31 2012, Spirit announced a public offering of all the shares held by existing stockholders affiliated with Oaktree. The airline did not receive any proceeds of this offering.

As of March 31, Spirit had a fleet of 70 A320-family aircraft (average age about five years). Nine of the aircraft were debt financed and 61 were on operating lease. The airline has firm orders with Airbus and a third-party lessor consisting of 101 A320-family aircraft, scheduled for delivery from 2015 to 2021.



SPIRIT AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	1,145.0
Cargo Revenue	0.0
Other Revenue	786.6
Total Revenue	1,931.6
EBITDAR	605.0
Net Income	225.5
EBITDAR Margin	31.3%
Summary Operating Drivers	
RPKs (m)	22,788
ASKs (m)	26,297
Passenger Load Factor	86.7%
Number of passengers (000)	14,294
Average Trip Length (kms)	1,594
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	5.02
Total Revenue per ASK ('RASK') (US cents)	7.35
Total Operating Cost/ASK 'CASK' (US cents)	5.97
RASK-CASK Margin (US cents)	1.38
Employee Costs as % of Revenue	16.3%
Debt & Liquidity	
Adjusted Net Debt	1,079.8
Total Net Fixed Charges	195.5
Unrestricted Cash/Total Revenues	32.8%
EBITDAR/Net Fixed Charges (x)	3.1
Capitalisation & Leverage	
Book Equity	1,003.1
Equity Market Capitalisation (as of 12th June, 2015)	4,660.4
Adjusted Net Debt/EBITDAR (x)	1.8
Adjusted Net Debt/Book Equity (x)	1.1
Cash Flow	
Free Cash Flow	-41.9



AIRLINE PROFILES

Americas



UNITED CONTINENTAL HOLDINGS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	33,762.0
Cargo Revenue	938.0
Other Revenue	4,201.0
Total Revenue	38,901.0
EBITDAR	5,682.0
Net Income	1,132.0
EBITDAR Margin	14.6%
Summary Operating Drivers	
RPKs (m)	330,815
ASKs (m)	395,932
Passenger Load Factor	83.6%
Number of passengers (000)	138,029
Average Trip Length (kms)	2,397
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	10.21
Total Revenue per ASK ('RASK') (US cents)	9.83
Total Operating Cost/ASK 'CASK' (US cents)	9.15
RASK-CASK Margin (US cents)	0.68
Employee Costs as % of Revenue	23.0%
Debt & Liquidity	
Adjusted Net Debt	18,331.0
Total Net Fixed Charges	1986.0
Unrestricted Cash/Total Revenues	11.3%
EBITDAR/Net Fixed Charges (x)	2.9
Capitalisation & Leverage	
Book Equity	2,396.0
Equity Market Capitalisation (as of 12th June, 2015)	20,196.3
Adjusted Net Debt/EBITDAR (x)	3.2
Adjusted Net Debt/Book Equity (x)	7.7
Cash Flow	
Free Cash Flow	92.0

United Continental Holdings

UAL Corporation, the holding company for United Air Lines, acquired Continental Airlines in 2010, and was renamed United Continental Holdings, but continues to be referred to as UAL.

UAL has its headquarters in Chicago, Illinois, and has hubs in Los Angeles, San Francisco, Denver, Chicago, Washington, DC, Houston, Newark and Guam, and key global air rights in the Asia-Pacific, Europe and Latin America.

UAL is a founding member of the Star Alliance. It has two reporting segments – mainline and regional affiliates (independent airlines operating under the United Express brand, mostly via capacity purchase agreements).

As of December 31 2014, UAL had a total operating fleet of 1,257 aircraft, including mainline and regional. Of the total, 481 were owned, 493 on lease and 283 were under capacity purchase agreements. As of March 31, UAL had commitments to purchase 217 aircraft scheduled for delivery by 2025.

In April, Fitch Ratings upgraded the company's rating to B+ from B, outlook being positive.

Virgin America

Virgin America commenced operations in August 2007. It has its headquarters in and operates from its hub in San Francisco. The airline operates many coast-to-coast services and has an average trip length of 1,600 miles, helping it achieve low unit costs.

On November 13 2014, the company raised net proceeds of \$278 million through an initial public offering (IPO). The IPO also involved a complex recapitalization involving its two major shareholders. After the IPO, as of March 31, Virgin Group and Cyrus Capital owned about 19% (which does not include the Virgin Group's non-voting common stock) and 28.9% respectively.

As a result of the recapitalization, the total balance sheet debt of the company was substantially reduced to \$130 million from \$747 million at the end of 2013 and total equity turned positive at \$459 million as of December 31 2014.

As of December 31, the airline had an active fleet of 53 aircraft with an average age of 6.1 years, consisting of 10 A319s and 43 A320s. All aircraft were on operating lease.



VIRGIN AMERICA

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	1,329.2
Cargo Revenue	0.0
Other Revenue	160.8
Total Revenue	1,490.0
EBITDAR	298.7
Net Income	60.1
EBITDAR Margin	20.1%
Summary Operating Drivers	
RPKs (m)	16,213
ASKs (m)	19,698
Passenger Load Factor	82.3%
Number of passengers (000)	6,507
Average Trip Length (kms)	2,492
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.20
Total Revenue per ASK ('RASK') (US cents)	7.56
Total Operating Cost/ASK 'CASK' (US cents)	7.06
RASK-CASK Margin (US cents)	0.51
Employee Costs as % of Revenue	17.3%
Debt & Liquidity	
Adjusted Net Debt	1,210.7
Total Net Fixed Charges	219.6
Unrestricted Cash/Total Revenues	26.5%
EBITDAR/Net Fixed Charges (x)	1.4
Capitalisation & Leverage	
Book Equity	459.3
Equity Market Capitalisation (as of 12th June, 2015)	1,211.7
Adjusted Net Debt/EBITDAR (x)	4.1
Adjusted Net Debt/Book Equity (x)	2.6
Cash Flow	
Free Cash Flow	75.0



AIRLINE PROFILES

Americas



VOLARIS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	732.9
Cargo Revenue	0.0
Other Revenue	177.3
Total Revenue	910.2
EBITDAR	198.4
Net Income	39.2
EBITDAR Margin	21.8%
Summary Operating Drivers	
RPKs (m)	15,648
ASKs (m)	19,039
Passenger Load Factor	82.2%
Number of passengers (000)	9,809
Average Trip Length (kms)	1,595
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	4.68
Total Revenue per ASK ('RASK') (US cents)	4.78
Total Operating Cost/ASK 'CASK' (US cents)	4.72
RASK-CASK Margin (US cents)	0.06
Employee Costs as % of Revenue	11.2%
Debt & Liquidity	
Adjusted Net Debt	1,248.9
Total Net Fixed Charges	165.0
Unrestricted Cash/Total Revenues	16.1%
EBITDAR/Net Fixed Charges (x)	1.2
Capitalisation & Leverage	
Book Equity	289.8
Equity Market Capitalisation (as of 12th June, 2015)	1,243.2
Adjusted Net Debt/EBITDAR (x)	6.3
Adjusted Net Debt/Book Equity (x)	4.3
Cash Flow	
Free Cash Flow	-83.8

Volaris

Volaris is an ultra-low-cost carrier with its headquarters in Mexico City. Its main hubs are located at Cancún, Guadalajara, Mexico City, Monterrey and Tijuana. The company is focused on offering cost-effective point-to-point operations and leisure travel in Mexico and to selected destinations in the US.

On September 18 2013, the company completed its dual listing initial public offering on the New York and Mexican stock exchanges, and raised proceeds of Ps2,684 million (\$208 million). The proceeds were used for general corporate purposes and to repay debt.

As of March 31, Volaris operated a fleet of 51 aircraft, with an average age of 4.5 years, consisting of 33 A320s and 18 A319s. All were on operating lease. The company plans to phase out all A319s and replace them with A320s by the end of 2019. The company has firm purchase commitments for 42 A320s – 12 A320neos and 30 A320neos – of which four are scheduled for delivery in 2015 and the remaining are to be delivered between 2016 and 2020.

WestJet

WestJet flies to 93 destinations throughout North America, Central America, the Caribbean and Europe. WestJet launched a low-cost, short-haul regional airline, WestJet Encore, in June 2013.

As of March 31, it had a fleet of 19 Q400s with an average age of about one year. The airline had a fleet of 107 Boeing 737 NG aircraft with an average age of about 6.5 years. Of the total, 63 were owned and 44 were on operating lease. WestJet is committed to purchasing five 737-700s, 10 737-800s, 40 737 Max 8s and 25 737 Max 7s with deliveries between 2015 and 2027.

WestJet has agreed to lease four 767-300ERs from Boeing with an option to purchase before lease commencement, with the first scheduled deliveries expected in 2015. WestJet expects to deploy the aircraft on routes between Alberta and Hawaii, replacing the service operated by Thomas Cook.

In February 2014, Standard & Poor's assigned a BBB- credit rating to the airline, with a stable outlook.



WESTJET

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	2,920.0
Cargo Revenue	N/A
Other Revenue	N/A
Total Revenue	3,226.2
EBITDAR	717.7
Net Income	230.4
EBITDAR Margin	22.3%
Summary Operating Drivers	
RPKs (m)	33,521
ASKs (m)	41,174
Passenger Load Factor	81.4%
Number of passengers (000)	19,652
Average Trip Length (kms)	1,706
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.71
Total Revenue per ASK ('RASK') (US cents)	7.84
Total Operating Cost/ASK 'CASK' (US cents)	6.90
RASK-CASK Margin (US cents)	0.94
Employee Costs as % of Revenue	20.0%
Debt & Liquidity	
Adjusted Net Debt	1,046.6
Total Net Fixed Charges	176.3
Unrestricted Cash/Total Revenues	34.2%
EBITDAR/Net Fixed Charges (x)	4.1
Capitalisation & Leverage	
Book Equity	1,442.1
Equity Market Capitalisation (as of 12th June, 2015)	2,767.8
Adjusted Net Debt/EBITDAR (x)	1.5
Adjusted Net Debt/Book Equity (x)	0.7
Cash Flow	
Free Cash Flow	-169.3





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AIRLINE PROFILES

Asia & Australasia



AIR ASTANA

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	710.2
Cargo Revenue	26.4
Other Revenue	197.5
Total Revenue	934.2
EBITDAR	209.6
Net Income	19.5
EBITDAR Margin	22.4%
Summary Operating Drivers	
RPKs (m)	N/A
ASKs (m)	N/A
Passenger Load Factor	N/A
Number of passengers (000)	N/A
Average Trip Length (kms)	N/A
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	N/A
Total Revenue per ASK ('RASK') (US cents)	N/A
Total Operating Cost/ASK 'CASK' (US cents)	N/A
RASK-CASK Margin (US cents)	N/A
Employee Costs as % of Revenue	11.1%
Debt & Liquidity	
Adjusted Net Debt	807.3
Total Net Fixed Charges	80.1
Unrestricted Cash/Total Revenues	19.8%
EBITDAR/Net Fixed Charges (x)	2.6
Capitalisation & Leverage	
Book Equity	269.6
Equity Market Capitalisation (as of 12th June, 2015)	N/A
Adjusted Net Debt/EBITDAR (x)	3.9
Adjusted Net Debt/Book Equity (x)	3.0
Cash Flow	
Free Cash Flow	45.8

Air Astana

Air Astana, the national carrier of Kazakhstan, is 51% owned by the government and 49% by BAE Systems. It was established in 2001 and operates within Kazakhstan and to the CIS, Europe and Asia.

According to ATDB.aero, as of June 22, the airline operated 30 aircraft, with an average age of 6.1 years – 19 were on operating lease and 11 were finance leased.

On June 17, the airline agreed with Air Lease Corporation to acquire seven A320/A321neos on operating lease, for delivery in 2018 and 2019. In addition, the carrier has 10 aircraft on order (four A320-200s, two ERJ-190s, one 767-300ER and three 787-8s).

Last year was the carrier's 12th consecutive year of profitability. The first half of 2014 was challenging, driven by the devaluation of the local currency. Consequently, Air Astana postponed capacity expansion to 2015, which allowed it to push up load factors partially to offset lower yields.



An initial public offering has been mooted several times in recent years but no official announcement has been made.

AirAsia

AirAsia is a low-cost carrier, based in Kuala Lumpur, serving primarily the Asean region. AirAsia went public in 2004 and at present Tune Air Sdn Bhd (controlled by Tony Fernandes) owns a 19.09% stake in the airline.

AirAsia has associate airlines in Thailand, Indonesia and Japan and a long-haul budget carrier AirAsia X. AirAsia leases 62 aircraft to the joint ventures. The carrier expects the associate airlines to access local capital markets and become self-sustaining financially.

AirAsia made headlines in 2007 with a huge order for 175 A320 aircraft from Airbus. As of December 31 2014, AirAsia had a fleet 172 A320-200s with an average age of about 4.5 years. The majority of the fleet was owned. The airline raised the stakes even further with an order of 200 A320neo aircraft announced at the Paris Air Show in June 2011. Deliveries are scheduled from 2016 to 2026. Further, on December 13 2012, the airline placed a



new order for 100 aircraft – 36 A320neos and 64 A320neos – making AirAsia Airbus's largest customer for narrowbody aircraft. >>>



AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380

AIRASIA

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	796.0
Cargo Revenue	0.0
Other Revenue	646.2
Total Revenue	1,442.2
EBITDAR	427.8
Net Income	22.1
EBITDAR Margin	29.7%

Summary Operating Drivers

RPKs (m)	27,273
ASKs (m)	34,590
Passenger Load Factor	78.9%
Number of passengers (000)	22,139
Average Trip Length (kms)	1,232

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	2.92
Total Revenue per ASK ('RASK') (US cents)	4.17
Total Operating Cost/ASK 'CASK' (US cents)	3.64
RASK-CASK Margin (US cents)	0.53
Employee Costs as % of Revenue	12.3%

Debt & Liquidity

Adjusted Net Debt	3,607.3
Total Net Fixed Charges	164.4
Unrestricted Cash/Total Revenues	14.2%
EBITDAR/Net Fixed Charges (x)	2.6

Capitalisation & Leverage

Book Equity	1,213.0
Equity Market Capitalisation (as of 12th June, 2015)	1,348.8
Adjusted Net Debt/EBITDAR (x)	8.4
Adjusted Net Debt/Book Equity (x)	3.0

Cash Flow

Free Cash Flow	-436.9
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HEAD OFFICE, BALAKA, KURMITOLA, DHAKA-1229, BANGLADESH, PHONE: 8901600-14, 8901680-94, FAX: 88-02-8901558, www.biman-airlines.com

Ref: DACAW/Delivery Financing/737-800/Commercial/2015/254

Date: 16 June 2015

NOTICE:

Request for Proposal (RFP)

Commercial Loan for Delivery Financing of 2 (two) Boeing 737-800 aircraft

- Biman Bangladesh Airlines (Biman) entered into an agreement with The Boeing Company ("Boeing") for the purchase of 2 (two) 737-800 aircraft ("the Aircraft") which are scheduled to be delivered in November 2015 and December 2015. Biman has already made the advance payments (i.e. Pre-Delivery Payment) required under the Boeing Purchase Agreement for the Aircraft. Delivery financing for Senior Loan of the Aircraft net price, on which first charge will be created, will be arranged as provided under the separate RFP (Ref: DACAW/Delivery Financing/737-800/Senior/2015/253 Date: 16 June 2015) titled as "Request for Proposal (RFP) Senior Loan for Delivery Financing of 2(two) Boeing 737-800 aircraft". The remaining amount of the net aircraft price will be financed either in the form of a subordinated loan with a second charge or purely commercial loan. Such a loan will be supported by a guarantee to be provided by the Government of Bangladesh.
- Offer may be made only for the commercial loan referred under this RFP, or jointly for the commercial loan and the senior loan referred under a separate RFP: DACAW/Delivery Financing/737-800/Senior/2015/253 Date: 16 June 2015 titled as "Request for Proposal (RFP) Senior Loan for Delivery Financing of 2(two) Boeing 737-800 aircraft".
- Basic requirements are mentioned below:

Purpose of Financing:	Term loan to finance part of the net aircraft delivery price.
Estimated Amount of Financing:	Aggregate amount of financing will be a maximum of USD 20.45 Million.
Term of Guaranteed Loan:	Up to 12 years from respective aircraft delivery dates.
Currency of Financing:	US Dollars.

- Detailed information is available in the RFP Schedule, which may be viewed at Biman's website: www.biman-airlines.com. For further information or query, Controller of Accounts, Biman Bangladesh Airlines Ltd, may be contacted at **Telephone: +8802-890-1590, Cell: +88-011-9042-0627, e-mail: controller@bdbiman.com** during the office hours.
- The Proposal / Offer should be submitted at the latest by 1000 hours BST (0400 hours UTC) on 30 July 2015 addressed to Controller of Accounts, Biman Bangladesh Airlines Ltd., Head Office, Balaka, Dhaka, Bangladesh through Courier Service or E-mail at finance-737-800-cl@bdbiman.com. The proposal(s)/offer(s) will be opened on the same day immediately after the closing time. No proposal/offer would be accepted after the closing time and date. Biman Bangladesh Airlines Ltd. would not be responsible for late receipt of any proposal/offer due to any reason whatsoever.
- Biman Bangladesh Airlines Ltd. reserves the right to accept or reject any or all proposal(s)/offer(s) partly or wholly at any time and/or stage without assigning any reason whatsoever and no claim shall be entertained in this regard.

Controller of Accounts



AIRLINE PROFILES

Asia & Australasia



AIR CHINA

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	15,186.3
Cargo Revenue	1,440.9
Other Revenue	549.5
Total Revenue	17,176.6
EBITDAR	3,606.2
Net Income	626.1
EBITDAR Margin	21.0%
Summary Operating Drivers	
RPKs (m)	154,684
ASKs (m)	193,631
Passenger Load Factor	79.9%
Number of passengers (000)	83,010
Average Trip Length (kms)	1,863
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.82
Total Revenue per ASK ('RASK') (US cents)	8.87
Total Operating Cost/ASK 'CASK' (US cents)	8.36
RASK-CASK Margin (US cents)	0.51
Employee Costs as % of Revenue	14.8%
Debt & Liquidity	
Adjusted Net Debt	23,114.2
Total Net Fixed Charges	1,190.2
Unrestricted Cash/Total Revenues	9.2%
EBITDAR/Net Fixed Charges (x)	3.0
Capitalisation & Leverage	
Book Equity	9,694.0
Equity Market Capitalisation (as of 12th June, 2015)	23,202.7
Adjusted Net Debt/EBITDAR (x)	6.4
Adjusted Net Debt/Book Equity (x)	2.4
Cash Flow	
Free Cash Flow	-1,665.3

Air China

Air China is the national carrier of the People's Republic of China. The airline is based in Beijing, with Shanghai and Chengdu as two increasingly important hubs. It is a member of the Star Alliance.

Air China was established in 1988 when the Civil Aviation Administration of China was split into regional operating companies. In further consolidation, Air China merged with China Southwest Airlines. Air China also owns controlling stakes in several other Chinese airlines.

The airline is 53.37% owned by China National Aviation Holding Company, a state-owned enterprise. Cathay Pacific owned 57.72% of Air China's H shares (20.13% of total issued shares) as of December 31 2014.

The group had a fleet of 540 aircraft as of December 31, with an average age of 6.1 years – 155 were on finance lease, 148 on operating lease and 237 were owned. In



December, Air China agreed to purchase 60 737s, which are scheduled to be delivered from 2016 to 2020.

Air New Zealand

Air New Zealand was privatized in 1989, but returned to government ownership in 2001 after the failure of its subsidiary Ansett Australia. The government owns a 52% stake in the company, which is listed on the New Zealand and Australian stock exchanges. The airline is rated Baa3 (stable) by Moody's based partially on the government's ownership.

As of October 31 2014, Air New Zealand had a fleet of 105 aircraft with an average age of 9.1 years. In June 2014, it agreed to purchase 13 A320neos and one A320, to be delivered between 2017 and 2019. In addition, the company had 26 aircraft on order comprising 11 787-9s, six A320-200s and nine ATR-600s, scheduled for delivery between 2015 and 2019.

The group owns 25.99% of Virgin Australia, the maximum allowed by Australia's foreign investor regulator. As of December



31 2014, Air New Zealand was the largest shareholder in Virgin Australia, followed by Etihad with 22.9% and SIA with 22.7%.





AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380

AIR NEW ZEALAND

FYE 30-Jun-2014

Summary Operating Performance US\$m

Passenger Revenue 2,690.3

Cargo Revenue 200.5

Other Revenue 366.8

Total Revenue 3,257.6

EBITDAR 655.3

Net Income 183.0

EBITDAR Margin 20.1%

Summary Operating Drivers

RPKs (m) 28,078

ASKs (m) 33,396

Passenger Load Factor 84.1%

Number of passengers (000) 13,719

Average Trip Length (kms) 2,047

Unit Costs & Revenues

Passenger Yield per RPK (US cents) 9.58

Total Revenue per ASK ('RASK') (US cents) 9.75

Total Operating Cost/ASK 'CASK' (US cents) 8.97

RASK-CASK Margin (US cents) 0.79

Employee Costs as % of Revenue 24.7%

Debt & Liquidity

Adjusted Net Debt 1,052.5

Total Net Fixed Charges 120.2

Unrestricted Cash/Total Revenues 26.5%

EBITDAR/Net Fixed Charges (x) 5.5

Capitalisation & Leverage

Book Equity 1,307.8

Equity Market Capitalisation (as of 12th June, 2015) 2,029.1

Adjusted Net Debt/EBITDAR (x) 1.6

Adjusted Net Debt/Book Equity (x) 0.8

Cash Flow

Free Cash Flow 60.1



HEAD OFFICE, BALAKA, KURMITOLA, DHAKA-1229, BANGLADESH, PHONE: 8901600-14, 8901680-94, FAX: 88-02-8901558, www.biman-airlines.com

Ref: DACAW/Delivery Financing/737-800/Senior/2015/253

Date: 16 June 2015

NOTICE:

Request for Proposal (RFP)

Senior Loan for Delivery Financing of 2(two) Boeing 737-800 aircraft

- Biman Bangladesh Airlines Ltd. (Biman) has entered into an agreement with the Boeing Company ("Boeing") for the purchase of 2 (two) Boeing 737-800 aircraft ("the Aircraft") which are scheduled to be delivered on November 2015 and December 2015. Biman seeks offer from reputed financial institutions for Delivery Financing for the Aircraft in either of the following form:

(a) Invitation – Senior Commercial Loan ("the Senior Loan") Financing

The financing shall be in US Dollars for a 12 years term for up to USD 89.20 Million. The loan will be supported by a guarantee from the Government of Bangladesh. The form and structure of the loan and the guarantee will be as agreed with Biman and the Government of Bangladesh;

(b) Invitation – Ex-Im Bank Guaranteed Loan Financing

Biman has submitted application to the U.S. Export-Import Bank ("Ex-Im Bank") for Guarantee support and Biman expects to receive the Final Commitment from the Ex-Im Bank by middle of July 2015. Basic requirements under this financing are mentioned below:

Purpose of Financing	Term loan to finance the senior portion of the net delivery price of aircraft plus 100% of Ex-Im Bank Exposure Fee.
Estimated Amount of Financing	Aggregate amount of Ex-Im Bank guaranteed financing including the exposure fee will be up to USD 89.20 Million.
Term of Guaranteed Loan	12 years from respective aircraft delivery dates.
Currency of Financing	US Dollars.

- Offer may be made only for the Senior Loan referred under this RFP, or jointly for the Senior Loan and the Commercial Loan referred under a separate RFP ref: DACAW/Delivery Financing/737-800/Commercial/2015/254 Date:16 June 2015.
- Detailed information is available in the RFP Schedule, which may be viewed at Biman's website: www.biman-airlines.com. For further information or query, Controller of Accounts, Biman Bangladesh Airlines Ltd., may be contacted at **Telephone: +8802-890-1590, Cell: +88-011-9042-0627, e-mail: controller@bdbiman.com** during the office hours.
- The Proposal / Offer should be submitted at the latest by 1000 hours BST (0400 hours UTC) on 30 July 2015 addressed to Controller of Accounts, Biman Bangladesh Airlines Ltd., Head Office, Balaka, Dhaka, Bangladesh through Courier Service or E-mail at finance-737-800-sl@bdbiman.com. The proposal(s)/offer(s) will be opened on the same day immediately after the closing time. No proposal/offer would be accepted after the closing time on the date specified above. Biman Bangladesh Airlines Ltd. would not be responsible for late receipt of any proposal/offer due to any reason whatsoever.
- Biman Bangladesh Airlines Ltd. reserves the right to accept or reject any or all proposal(s)/offer(s) partly or wholly at any time and/or stage without assigning any reason whatsoever and no claim shall be entertained in this regard.

Controller of Accounts





AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



ANA HOLDINGS

FYE 31-Mar-2015

Summary Operating Performance	US\$m
Passenger Revenue	9,329.8
Cargo Revenue	1,352.8
Other Revenue	3,198.1
Total Revenue	13,880.7
EBITDAR	2,554.1
Net Income	317.9
EBITDAR Margin	18.4%

Summary Operating Drivers

RPKs (m)	74,221
ASKs (m)	109,701
Passenger Load Factor	67.7%
Number of passengers (000)	50,411
Average Trip Length (kms)	1,472

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	12.57
Total Revenue per ASK ('RASK') (US cents)	12.65
Total Operating Cost/ASK 'CASK' (US cents)	11.98
RASK-CASK Margin (US cents)	0.68
Employee Costs as % of Revenue	N/A

Debt & Liquidity

Adjusted Net Debt	9,957.7
Total Net Fixed Charges	838.4
Unrestricted Cash/Total Revenues	18.8%
EBITDAR/Net Fixed Charges (x)	3.0

Capitalisation & Leverage

Book Equity	6,509.6
Equity Market Capitalisation (as of 12th June, 2015)	9,120.5
Adjusted Net Debt/EBITDAR (x)	3.9
Adjusted Net Debt/Book Equity (x)	1.5

Cash Flow

Free Cash Flow	-549.4
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ANA Holdings

All Nippon Airways became a wholly owned subsidiary of new holding company ANA Holdings from April 1 2013. ANA has its headquarters in Tokyo, and is a member of the Star Alliance.

As of March 31, the group operated a fleet of 242 aircraft – 185 owned and 57 on lease – with an average age of 10 years. ANA has 133 aircraft on order.

ANA owns 38.7% of low-cost carrier Peach Aviation (based at Kansai International Airport). According to ATDB.aero, as of May 22, it operated a fleet of 14 A320neos (average age 2.2 years), all on operating lease.

Its former joint venture with AirAsia, AirAsia Japan, became wholly owned and was renamed Vanilla Air on November 1 2013. According to ATDB.aero, as of May 22, it had a fleet of eight A320neos (average age 0.8 years).

In April, ANA Holdings and Integral Corporation, a private equity firm, agreed to support Skymark Airlines, which is undergoing rehabilitation proceedings.

Bangkok Airways

The airline owns and operates three airports and also provides airport-related services, including cargo terminal services, ground and passenger services and in-flight catering services to other airlines through its subsidiaries and associates.

According to ATDB.aero, as of May 19, Bangkok Airways operated 28 aircraft – eight A320s, 11 A319s, seven ATR 72-500s and two ATR 72-600s with an average age of 8.9 years. Of the total, two were owned, four were on finance lease and 22 were on operating lease. In February 2014, Bangkok Airways entered into a purchase agreement for nine ATR 72-600s scheduled for delivery between Q4 2014 and Q1 2017.

In October 2014, Bangkok Airways listed its shares on the Stock Exchange of Thailand through an initial public offering and raised proceeds of about \$400 million, representing about 25% of the enlarged share capital. The Prasartong-Osoth family owned a 61.6% stake in the company as of March 13.



BANGKOK AIRWAYS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	520.3
Cargo Revenue	9.9
Other Revenue	119.8
Total Revenue	649.9
EBITDAR	111.3
Net Income	10.4
EBITDAR Margin	17.1%

Summary Operating Drivers

RPKs (m)	3,691
ASKs (m)	5,655
Passenger Load Factor	65.3%
Number of passengers (000)	4,790
Average Trip Length (kms)	771

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	14.10
Total Revenue per ASK ('RASK') (US cents)	11.49
Total Operating Cost/ASK 'CASK' (US cents)	10.79
RASK-CASK Margin (US cents)	0.71
Employee Costs as % of Revenue	19.0%

Debt & Liquidity

Adjusted Net Debt	408.4
Total Net Fixed Charges	100.8
Unrestricted Cash/Total Revenues	62.6%
EBITDAR/Net Fixed Charges (x)	1.1

Capitalisation & Leverage

Book Equity	755.6
Equity Market Capitalisation (as of 12th June, 2015)	1,392.3
Adjusted Net Debt/EBITDAR (x)	3.7
Adjusted Net Debt/Book Equity (x)	0.5

Cash Flow

Free Cash Flow	-29.4
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AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



CATHAY PACIFIC

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	9,769.7
Cargo Revenue	3,276.6
Other Revenue	626.6
Total Revenue	13,672.8
EBITDAR	2,105.2
Net Income	406.4
EBITDAR Margin	15.4%

Summary Operating Drivers

RPKs (m)	112,257
ASKs (m)	134,711
Passenger Load Factor	83.3%
Number of passengers (000)	31,570
Average Trip Length (kms)	3,556

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	8.70
Total Revenue per ASK ('RASK') (US cents)	10.15
Total Operating Cost/ASK 'CASK' (US cents)	9.69
RASK-CASK Margin (US cents)	0.46
Employee Costs as % of Revenue	17.1%

Debt & Liquidity

Adjusted Net Debt	9,163.9
Total Net Fixed Charges	519.8
Unrestricted Cash/Total Revenues	18.3%
EBITDAR/Net Fixed Charges (x)	4.1

Capitalisation & Leverage

Book Equity	6,689.0
Equity Market Capitalisation (as of 12th June, 2015)	9,377.3
Adjusted Net Debt/EBITDAR (x)	4.4
Adjusted Net Debt/Book Equity (x)	1.4

Cash Flow

Free Cash Flow	-584.8
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Cathay Pacific

Cathay Pacific flies from Hong Kong to 203 destinations in 50 countries. It is a member of the oneworld alliance.

Cathay Pacific is listed on the Hong Kong Stock Exchange, as are its substantial shareholders Swire Pacific (45%) and Air China (29.99%). Cathay Pacific has a 20% shareholding in Air China. Cargo revenues were 24% of total revenues in 2014. Air China and Cathay Pacific also launched Air China Cargo, a jointly owned cargo airline based in Shanghai, in May 2011.

As of December 31 2014, the group had a fleet size of 200 aircraft, of which 85 were owned, 56 were on finance lease and 59 were on operating lease. The average age of the passenger fleet was about nine years. As of December 31 2014, the group had a total of 79 aircraft on order for delivery up to 2024.

Despite growing competition in the passenger business and pressure on yields, the group maintains an overall positive outlook for 2015.

Cebu Pacific

Cebu Pacific is the largest airline in the Philippines, having overtaken Philippine Airlines. The airline was granted a 40-year franchise in 1991 and has its headquarters in Cebu City. In 2005, the airline adopted a low-cost carrier business model.

In October 2010, Cebu Pacific raised \$88 million in a primary offer and parent company JG Summit Holdings raised \$453m from a secondary offering. The initial public offering was the largest in the history of the Philippines.

As of March 31, the airline operated 55 aircraft (average age 4.4 years) consisting of 10 A319s, 31 A320s, eight ATR 72-500s and six A330s – 42 aircraft were owned and 13 on operating lease. With new A330 aircraft, the airline launched its first long-haul service to Dubai in October 2013 and started services to Kuwait, Australia and Saudi Arabia in 2014.

In January 2014, Cebu Pacific acquired a 40% stake in Tigerair Philippines from Tigerair and now owns 100% of the carrier (operating as Cebgo from May 2015).



CEBU PACIFIC

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	889.8
Cargo Revenue	69.7
Other Revenue	191.9
Total Revenue	1,151.3
EBITDAR	266.9
Net Income	18.9
EBITDAR Margin	23.2%

Summary Operating Drivers

RPKs (m)	16,213
ASKs (m)	20,496
Passenger Load Factor	79.1%
Number of passengers (000)	16,870
Average Trip Length (kms)	961

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	5.49
Total Revenue per ASK ('RASK') (US cents)	5.62
Total Operating Cost/ASK 'CASK' (US cents)	5.16
RASK-CASK Margin (US cents)	0.46
Employee Costs as % of Revenue	N/A

Debt & Liquidity

Adjusted Net Debt	1,282.4
Total Net Fixed Charges	98.2
Unrestricted Cash/Total Revenues	7.6%
EBITDAR/Net Fixed Charges (x)	2.7

Capitalisation & Leverage

Book Equity	476.9
Equity Market Capitalisation (as of 12th June, 2015)	1,147.5
Adjusted Net Debt/EBITDAR (x)	4.8
Adjusted Net Debt/Book Equity (x)	2.7

Cash Flow

Free Cash Flow	-127.1
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AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



CHINA AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	3,146.3
Cargo Revenue	1,413.2
Other Revenue	317.9
Total Revenue	4,877.3
EBITDAR	798.1
Net Income	-24.3
EBITDAR Margin	16.4%
Summary Operating Drivers	
RPKs (m)	35,886
ASKs (m)	46,200
Passenger Load Factor	77.7%
Number of passengers (000)	14,154
Average Trip Length (kms)	2,535
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.77
Total Revenue per ASK ('RASK') (US cents)	10.56
Total Operating Cost/ASK 'CASK' (US cents)	10.38
RASK-CASK Margin (US cents)	0.18
Employee Costs as % of Revenue	12.9%
Debt & Liquidity	
Adjusted Net Debt	4,762.5
Total Net Fixed Charges	200.4
Unrestricted Cash/Total Revenues	13.6%
EBITDAR/Net Fixed Charges (x)	4.0
Capitalisation & Leverage	
Book Equity	1,651.8
Equity Market Capitalisation (as of 12th June, 2015)	2,099.8
Adjusted Net Debt/EBITDAR (x)	6.0
Adjusted Net Debt/Book Equity (x)	2.9
Cash Flow	
Free Cash Flow	-173.3

China Airlines

China Airlines, founded in 1959, is the national carrier of Taiwan, the Republic of China. In 2011, it joined SkyTeam. Its main local competitor is Eva Airways. It has significant cargo operations, comprising 29% of revenues in 2014.

The major shareholders are China Aviation Development Foundation (CADF) and National Development Fund (NDF), Executive Yuan (the executive branch of the government). In total, CADF and NDF held 45.5% of the airline as of December 31 2014.

According to ATDB.aero, as of May 22, China Airlines operated 78 aircraft, with an average age of 10 years (24 A330-300s, 11 747-400s, 16 737-800s, five A340-300s, four 777-300ERs and 18 747-400Fs). The majority were owned. The airline has purchase commitments for 14 A350-900s, to be delivered between 2016 and 2019.

China Airlines' major subsidiary is Mandarin Airlines (94%), which operated eight ERJ-190s as of May 22, according to ATDB.aero. Mandarin Airlines operates domestic flights and flights to second-tier cities in mainland China.

China Eastern Airlines

China Eastern, based in Shanghai, is the third-largest airline in China, after China Southern and Air China. The airline was established from the CAAC Eastern Division in 1988. It acquired Shanghai Airlines in 2010.

Its controlling shareholder is China Eastern Air Holding Company (CEA Holding), a state-owned enterprise under the supervision of China's central government, which held a 43.6% stake as of December 31 2014.

China Eastern's 51% subsidiary, China Cargo Airlines, is the largest cargo airline in China. It operates 11 freighter aircraft (six 777-200Fs, three 747-400Fs and two 757-200Fs).

China Eastern and Qantas each have a one-third stake in proposed low-cost airline Jetstar Hong Kong, which is awaiting regulatory approval.

As of December 31 2014, China Eastern operated 497 aircraft, of which 148 were on operating lease. The company placed two large orders in 2014 – in February for 70 A320neos to be delivered from 2018 and in June for 80 737s (20 737-800s and 60 737 Maxs) to be delivered from 2016.



CHINA EASTERN AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	12,342.8
Cargo Revenue	1,201.8
Other Revenue	1,840.6
Total Revenue	15,385.2
EBITDAR	3,228.5
Net Income	559.2
EBITDAR Margin	21.0%
Summary Operating Drivers	
RPKs (m)	127,750
ASKs (m)	160,585
Passenger Load Factor	79.6%
Number of passengers (000)	83,811
Average Trip Length (kms)	1,524
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.66
Total Revenue per ASK ('RASK') (US cents)	9.58
Total Operating Cost/ASK 'CASK' (US cents)	8.97
RASK-CASK Margin (US cents)	0.61
Employee Costs as % of Revenue	12.0%
Debt & Liquidity	
Adjusted Net Debt	21,736.6
Total Net Fixed Charges	1,044.8
Unrestricted Cash/Total Revenues	1.5%
EBITDAR/Net Fixed Charges (x)	3.1
Capitalisation & Leverage	
Book Equity	5,210.4
Equity Market Capitalisation (as of 12th June, 2015)	19,616.2
Adjusted Net Debt/EBITDAR (x)	6.7
Adjusted Net Debt/Book Equity (x)	4.2
Cash Flow	
Free Cash Flow	-5,863.8



AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



CHINA SOUTHERN AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	15,931.8
Cargo Revenue	1,178.0
Other Revenue	698.0
Total Revenue	17,807.8
EBITDAR	3,355.6
Net Income	291.4
EBITDAR Margin	18.8%
Summary Operating Drivers	
RPKs (m)	166,629
ASKs (m)	209,807
Passenger Load Factor	79.4%
Number of passengers (000)	100,919
Average Trip Length (kms)	1,651
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.56
Total Revenue per ASK ('RASK') (US cents)	8.49
Total Operating Cost/ASK 'CASK' (US cents)	8.09
RASK-CASK Margin (US cents)	0.39
Employee Costs as % of Revenue	15.1%
Debt & Liquidity	
Adjusted Net Debt	22,007.3
Total Net Fixed Charges	1,049.3
Unrestricted Cash/Total Revenues	14.2%
EBITDAR/Net Fixed Charges (x)	3.2
Capitalisation & Leverage	
Book Equity	7,296.9
Equity Market Capitalisation (as of 12th June, 2015)	17,357.9
Adjusted Net Debt/EBITDAR (x)	6.6
Adjusted Net Debt/Book Equity (x)	3.0
Cash Flow	
Free Cash Flow	-2,335.5

China Southern Airlines

China Southern, based in Guangzhou, was the largest airline by revenue in the People's Republic of China in 2014. It was established in 1995 as part of the reorganization of its direct parent, China Southern Air Holding Company, a state-owned enterprise under the supervision of China's central government. Although it remains majority owned by CSAHC and affiliated companies, China Southern has been publicly listed since 1997.

Subsidiaries include Xiamen Airlines, Shantou Airlines, Zhuhai Airlines, Guizhou Airlines, Chongqing Airlines and Henan Airlines. The airline operates from Guangzhou, its core hub, and Beijing, a major hub, covering China and the rest of Asia and connecting Europe, America, Australia and Africa. China Southern has been a member of SkyTeam since November 2007.

As of December 31 2014, the airline operated a fleet of 612 aircraft with an average age of 5.9 years. In May 2014, the airline agreed to purchase 30 A320s and 50 A320neos, scheduled for delivery between 2016 and 2020.

Eva Airways

Eva Airways was founded in Taiwan, the Republic of China, as a privately owned airline in March 1989 by Chang Yung-Fa, the founder of Evergreen Marine Corporation. Eva is a public limited company and has been listed on the Taiwan Stock Exchange since September 2001. The airline joined the Star Alliance in June 2013.

Evergreen Marine Corporation holds a 19% stake in Eva, Evergreen International Corp holds 14% and Falcon Investment Services holds 5%. Other domestic and foreign investors hold the remaining shares.

Eva flies passengers and cargo to more than 65 destinations covering Asia, Australia, Europe and North America. The airline is heavily focused on cargo operations, like its parent group. In 2014, cargo accounted for 24% of revenues.

According to ATDB.aero, as of May 22, the airline operated a fleet of 65 aircraft, with an average age of 8.4 years.



EVA AIRWAYS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	2,525.1
Cargo Revenue	1,012.4
Other Revenue	773.3
Total Revenue	4,310.8
EBITDAR	728.2
Net Income	-42.3
EBITDAR Margin	16.9%
Summary Operating Drivers	
RPKs (m)	30,518
ASKs (m)	39,039
Passenger Load Factor	78.2%
Number of passengers (000)	8,902
Average Trip Length (kms)	3,428
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.27
Total Revenue per ASK ('RASK') (US cents)	11.04
Total Operating Cost/ASK 'CASK' (US cents)	10.82
RASK-CASK Margin (US cents)	0.22
Employee Costs as % of Revenue	13.1%
Debt & Liquidity	
Adjusted Net Debt	3,979.1
Total Net Fixed Charges	302.2
Unrestricted Cash/Total Revenues	20.4%
EBITDAR/Net Fixed Charges (x)	2.4
Capitalisation & Leverage	
Book Equity	1,285.1
Equity Market Capitalisation (as of 12th June, 2015)	2,462.4
Adjusted Net Debt/EBITDAR (x)	5.5
Adjusted Net Debt/Book Equity (x)	3.1
Cash Flow	
Free Cash Flow	-211.6

AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



HAINAN AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	5,159.4
Cargo Revenue	146.5
Other Revenue	357.3
Total Revenue	5,663.2
EBITDAR	1,827.7
Net Income	425.0
EBITDAR Margin	32.3%
Summary Operating Drivers	
RPKs (m)	59,250
ASKs (m)	68,260
Passenger Load Factor	86.8%
Number of passengers (000)	35,600
Average Trip Length (kms)	1,664
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.71
Total Revenue per ASK ('RASK') (US cents)	8.30
Total Operating Cost/ASK 'CASK' (US cents)	7.08
RASK-CASK Margin (US cents)	1.22
Employee Costs as % of Revenue	6.8%
Debt & Liquidity	
Adjusted Net Debt	12,395.3
Total Net Fixed Charges	948.8
Unrestricted Cash/Total Revenues	50.3%
EBITDAR/Net Fixed Charges (x)	1.9
Capitalisation & Leverage	
Book Equity	5,202.9
Equity Market Capitalisation (as of 12th June, 2015)	12,686.6
Adjusted Net Debt/EBITDAR (x)	6.8
Adjusted Net Debt/Book Equity (x)	2.4
Cash Flow	
Free Cash Flow	-1,723.6

Hainan Airlines

Hainan Airlines is the fourth-largest passenger carrier in China, operating from a primary hub at Haikou International Airport, Hainan. The group is also engaged in cargo transportation, tourism services, airport management, logistics, hotel management, retailing, finance and other businesses. It is listed on the Shanghai Stock Exchange.

The company controls regional airline subsidiaries, including Xinhua Airlines, Chang'an Airlines, Shanxi Airlines, Fuzhou Airlines, Urumqi Airlines and Lucky Air.

Hainan Airlines is under the ultimate control of the Hainan Provincial Development Holding Company, which holds 28.18% of Hainan Airlines' shares through an intervening holding company, Grand China Air Company, and an additional 4.89% directly. It is linked to HNA Group, an investment company for aviation, infrastructure and tourism in Hainan province, through HNA Group's 4.89% direct shareholding in Hainan Airlines and an undisclosed shareholding in Grand China.

As of December 31 2014, the group operated 169 aircraft with an average age of about five years. The group has 101 aircraft on order, including 50 737 Max 8s, 29 A320s and 12 737-800s.

Japan Airlines

Japan Airlines (JAL) has its headquarters in Tokyo. The group carried 39.4 million passengers in fiscal year 2014/15 and employs about 32,000 people. JAL is a member of the oneworld alliance.

The carrier filed for a court-led reorganization in 2009 and was delisted. In November 2010, the court approved the restructuring plan. The airline received a debt waiver of ¥521.6 billion (\$6.3 billion) and a capital injection of ¥350 billion from the government-backed Enterprise Turnaround Initiative Corp (ETIC).

The company emerged from bankruptcy in March 2011. On September 19 2012, it listed on the Tokyo Stock Exchange through an initial public offering and raised about ¥663 billion. The proceeds helped JAL to repay the capital injection received from ETIC and repay debt to negligible levels.

As of March 31, the group operated 224 aircraft, with an average age of about nine years – 185 were owned and 39 were on operating lease. The company had 52 aircraft on order – 13 A350-1000s, 18 A350-900s, 12 787-8s and nine 787-9s.



JAPAN AIRLINES

FYE 31-Mar-2015

Summary Operating Performance	US\$m
Passenger Revenue	7,634.5
Cargo Revenue	796.8
Other Revenue	2,462.2
Total Revenue	10,893.5
EBITDAR	2,371.9
Net Income	1,207.4
EBITDAR Margin	21.8%
Summary Operating Drivers	
RPKs (m)	60,103
ASKs (m)	84,003
Passenger Load Factor	71.6%
Number of passengers (000)	39,438
Average Trip Length (kms)	1,524
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	12.70
Total Revenue per ASK ('RASK') (US cents)	12.97
Total Operating Cost/ASK 'CASK' (US cents)	11.24
RASK-CASK Margin (US cents)	1.73
Employee Costs as % of Revenue	17.9%
Debt & Liquidity	
Adjusted Net Debt	-389.1
Total Net Fixed Charges	227.3
Unrestricted Cash/Total Revenues	27.1%
EBITDAR/Net Fixed Charges (x)	10.4
Capitalisation & Leverage	
Book Equity	6,486.9
Equity Market Capitalisation (as of 12th June, 2015)	11,778.3
Adjusted Net Debt/EBITDAR (x)	0.0
Adjusted Net Debt/Book Equity (x)	0.0
Cash Flow	
Free Cash Flow	506.3



AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



QANTAS AIRWAYS

FYE 30-Jun-2014

Summary Operating Performance	US\$m
Passenger Revenue	10,250.6
Cargo Revenue	739.3
Other Revenue	894.1
Total Revenue	11,884.0
EBITDAR	1,195.2
Net Income	-2,200.8
EBITDAR Margin	10.1%
Summary Operating Drivers	
RPKs (m)	109,659
ASKs (m)	141,715
Passenger Load Factor	77.4%
Number of passengers (000)	48,776
Average Trip Length (kms)	2,248
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.35
Total Revenue per ASK ('RASK') (US cents)	8.39
Total Operating Cost/ASK 'CASK' (US cents)	8.60
RASK-CASK Margin (US cents)	-0.22
Employee Costs as % of Revenue	24.2%
Debt & Liquidity	
Adjusted Net Debt	5,941.0
Total Net Fixed Charges	534.9
Unrestricted Cash/Total Revenues	19.3%
EBITDAR/Net Fixed Charges (x)	2.2
Capitalisation & Leverage	
Book Equity	2,218.6
Equity Market Capitalisation (as of 12th June, 2015)	5,476.3
Adjusted Net Debt/EBITDAR (x)	5.0
Adjusted Net Debt/Book Equity (x)	2.7
Cash Flow	
Free Cash Flow	-71.2

Qantas Airways

Qantas's principal operating airlines are Qantas Domestic, Qantas International and low-cost airline Jetstar. It also has a successful frequent-flyer programme, and is active in the air cargo and express freight business. Its main hubs are the Sydney and Melbourne airports. It is a founding member of oneworld.

Jetstar group includes wholly owned Jetstar and affiliates in Singapore, Vietnam and Japan. Plans to establish a joint venture in Hong Kong with China Eastern were recently rejected by the Hong Kong authorities.

As of December 31 2014, the group operated 297 aircraft with an average age of 7.2 years and had 135 firm orders to be delivered by the end of 2023.

Qantas signed a 10-year agreement with Emirates in 2012, under which Qantas moved its hub for European destinations from Singapore to Dubai.

In December 2013, Standard & Poor's downgraded Qantas from BBB- (stable) to BB+ (negative), changed to stable in February 2015.

In January 2014, Moody's downgraded Qantas from Baa3 to Ba1 (negative), changed to stable in February 2015.

Singapore Airlines

SIA group connects Singapore to 65 destinations in 35 countries. In November 2014, SIA increased its shareholding in Virgin Australia to 22.8% and, in December 2014, it increased its stake in Tigerair from 40% to 55.8%. Further, in early 2015, SIA launched a full-service carrier in India, Vistara, in a joint venture with Tata Sons.

Temasek Holdings, a sovereign investment fund, is the parent company of the group with a 56% stake. SIA's shares are traded on the Singapore Stock Exchange. As of June 18, its market capitalization was \$9.235 billion.

SIA (inclusive of subsidiaries SilkAir, SIA Cargo, Scoot and Tigerair) had a fleet size of 170 aircraft with an average age of about seven years as of March 31.

The group expects global economic uncertainty and intense competition from other airlines during fiscal year 2015/16. Further, it also expects excess cargo capacity and lower yield from passenger activity because of the strong competitive environment.



SINGAPORE AIRLINES

FYE 31-Mar-2015

Summary Operating Performance	US\$m
Passenger Revenue	9,547.9
Cargo Revenue	1,659.8
Other Revenue	303.9
Total Revenue	11,511.6
EBITDAR	2,050.7
Net Income	273.2
EBITDAR Margin	17.8%
Summary Operating Drivers	
RPKs (m)	100,074
ASKs (m)	128,356
Passenger Load Factor	78.0%
Number of passengers (000)	22,290
Average Trip Length (kms)	4,490
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.54
Total Revenue per ASK ('RASK') (US cents)	8.97
Total Operating Cost/ASK 'CASK' (US cents)	8.76
RASK-CASK Margin (US cents)	0.21
Employee Costs as % of Revenue	15.1%
Debt & Liquidity	
Adjusted Net Debt	2,277.9
Total Net Fixed Charges	604.1
Unrestricted Cash/Total Revenues	35.3%
EBITDAR/Net Fixed Charges (x)	3.4
Capitalisation & Leverage	
Book Equity	9,603.2
Equity Market Capitalisation (as of 12th June, 2015)	9,178.8
Adjusted Net Debt/EBITDAR (x)	1.1
Adjusted Net Debt/Book Equity (x)	0.2
Cash Flow	
Free Cash Flow	-408.9



AIRLINE PROFILES

Asia & Australasia



THE STRONGEST TEAM FOR THE A380



Spring Airlines

With its headquarters in Shanghai, Spring Airlines is the first Chinese low-cost airline. The carrier commenced operations in July 2005. It is a 63% subsidiary of Shanghai Spring International Travel Service, the largest private travel company in China. It provides services to more than 90 destinations in China, Taiwan, South Korea, Thailand and Japan.

Spring Airlines has established Spring Airlines Japan with a 33% stake, in partnership with Japanese investors. Spring Airlines Japan commenced operations in August 2014, with a fleet of three 737-800s.

In January 2015, Spring Airlines raised proceeds of Rmb1.8 billion (\$290 million) in an initial public offering, representing 25% of the enlarged share

SPRING AIRLINES	
FYE 31-Dec-2014	
Summary Operating Performance	US\$m
Passenger Revenue	1,138.9
Cargo Revenue	15.8
Other Revenue	47.0
Total Revenue	1,201.7
EBITDAR	275.3
Net Income	145.0
EBITDAR Margin	22.9%
Summary Operating Drivers	
RPKs (m)	18,270
ASKs (m)	19,630
Passenger Load Factor	93.1%
Number of passengers (000)	11,447
Average Trip Length (kms)	1,596
Unit Costs & Revenues	

Passenger Yield per RPK (US cents)	6.23
Total Revenue per ASK ('RASK') (US cents)	6.12
Total Operating Cost/ASK 'CASK' (US cents)	5.52
RASK-CASK Margin (US cents)	0.60
Employee Costs as % of Revenue	15.1%
Debt & Liquidity	
Adjusted Net Debt	1,341.9
Total Net Fixed Charges	116.3
Unrestricted Cash/Total Revenues	32.8%
EBITDAR/Net Fixed Charges (x)	2.4
Capitalisation & Leverage	
Book Equity	582.7
Equity Market Capitalisation (as of 12th June, 2015)	8,835.0
Adjusted Net Debt/EBITDAR (x)	4.9
Adjusted Net Debt/Book Equity (x)	2.3
Cash Flow	
Free Cash Flow	-330.9

capital. Since listing, its shares have increased more than seven times and, as of June 12, it had a market capitalization of \$8.8 billion.

According to ATDB.aero, as of May 21, Spring

operated 48 A320neos with an average age of 3.1 years. The airline has firm purchase commitments for 29 A320neos, scheduled for delivery between 2015 and 2018.

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AIRLINE PROFILES

Europe



Aegean Airlines

Aegean Airlines, established in 1988, is Greece's leading airline. It joined the Star Alliance in 2010. In 2013, it acquired Olympic Air for €72 million (\$97 million), payable in instalments. It faced new competition in 2014 from Ryanair, which has established bases in Greece and is now operating domestic as well as international flights.

Aegean Airlines is partially owned by the Vassilakis Group (35%). The airline has been listed on the Athens Stock Exchange since 2007 when an initial public offering raised €127 million. Its financial performance has been impressive considering

AEGEAN AIRLINES	
FYE 31-Dec-2014	
Summary Operating Performance	US\$m
Passenger Revenue	909.9
Cargo Revenue	0.0
Other Revenue	125.4
Total Revenue	1,035.3
EBITDAR	236.0
Net Income	90.2
EBITDAR Margin	22.8%
Summary Operating Drivers	
RPKs (m)	9,584
ASKs (m)	12,194
Passenger Load Factor	78.6%
Number of passengers (000)	10,113
Average Trip Length (kms)	948
Unit Costs & Revenues	

Passenger Yield per RPK (US cents)	9.49
Total Revenue per ASK ('RASK') (US cents)	8.49
Total Operating Cost/ASK 'CASK' (US cents)	7.51
RASK-CASK Margin (US cents)	0.98
Employee Costs as % of Revenue	11.4%
Debt & Liquidity	
Adjusted Net Debt	647.8
Total Net Fixed Charges	105.2
Unrestricted Cash/Total Revenues	22.5%
EBITDAR/Net Fixed Charges (x)	2.2
Capitalisation & Leverage	
Book Equity	243.2
Equity Market Capitalisation (as of 12th June, 2015)	539.5
Adjusted Net Debt/EBITDAR (x)	2.7
Adjusted Net Debt/Book Equity (x)	2.7
Cash Flow	
Free Cash Flow	73.3

the recent economic crisis in Greece.

According to ATDB.aero, as of June 4, Aegean operated 40 A320-family aircraft (average age 7.6 years) – four on finance lease and 36 on operating

lease. The airline has seven A320s to be delivered in 2015 and 2016. Olympic Air operated a fleet of 14 aircraft with an average age of 10.7 years, consisting of 10 Q400s and four Dash 8-100s. All

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AIRLINE PROFILES

Europe



AER LINGUS

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	1,439.2
Cargo Revenue	52.0
Other Revenue	258.0
Total Revenue	1,749.2
EBITDAR	251.2
Net Income	-107.6
EBITDAR Margin	14.4%
Summary Operating Drivers	
RPKs (m)	16,088
ASKs (m)	20,373
Passenger Load Factor	79.0%
Number of passengers (000)	9,766
Average Trip Length (kms)	1,647
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.95
Total Revenue per ASK ('RASK') (US cents)	8.59
Total Operating Cost/ASK 'CASK' (US cents)	8.21
RASK-CASK Margin (US cents)	0.38
Employee Costs as % of Revenue	19.5%
Debt & Liquidity	
Adjusted Net Debt	314.7
Total Net Fixed Charges	79.1
Unrestricted Cash/Total Revenues	40.8%
EBITDAR/Net Fixed Charges (x)	3.2
Capitalisation & Leverage	
Book Equity	742.1
Equity Market Capitalisation (as of 12th June, 2015)	1,441.5
Adjusted Net Debt/EBITDAR (x)	1.3
Adjusted Net Debt/Book Equity (x)	0.4
Cash Flow	
Free Cash Flow	133.4

Aer Lingus

Aer Lingus is based in Dublin and flies to more than 86 short-haul destinations in Europe and seven long-haul destinations in North America.

As of December 31 2014, Aer Lingus's largest shareholders were Ryanair (29.82%), the Ministry of Finance of Ireland (25.11%) and Etihad Airways (4.99%). It is subject of a takeover bid from IAG, which has been recommended by the board and conditionally approved by the Irish government.

Aer Lingus operated 50 aircraft as of December 31, comprising four A319s, three A321s, 33 A320s, seven A330s and three 757-200s (damp leased in early 2014 to open some new routes from Shannon to the US) with an average age of 9.7 years – 24 were operating leased, 13 were held through finance leases and the remaining 13 were owned.

During 2014, the airline recognized a one-off pension contribution of €191 million (\$254 million) and reversal of provision of €22 million related to an income streaming arrangement for certain post-retirement entitlement.

Air France-KLM

Air France-KLM, created in 2004 as the holding company of Air France and KLM, has its headquarters at Paris-Charles de Gaulle Airport. It is the fifth-largest airline group in the world by revenue passenger kilometres. It is a member of the SkyTeam Alliance. As of December 31 2014, Air France-KLM was 16% owned by the French government and 7% by employees. Cargo revenues were 11% of total revenues in 2014.

The group had a fleet of 571 aircraft as of December, of which 202 were owned, 125 on finance lease and 244 on operating lease. The average age of the fleet was 10.7 years. Further, the group had firm orders for 80 aircraft, including 25 787s for delivery between 2016 and 2026.

Air France-KLM and Etihad Airways signed a strategic partnership agreement in October 2012 that enables the two companies to offer joint codes on destinations in Europe, the Middle East, Asia and Australia. Air France also announced a new code-share agreement with Air Berlin, in which Etihad Airways holds a 29.21% stake.



AIR FRANCE-KLM

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	21,986.9
Cargo Revenue	3,012.1
Other Revenue	3,009.9
Total Revenue	28,008.9
EBITDAR	2,788.5
Net Income	-222.5
EBITDAR Margin	10.0%
Summary Operating Drivers	
RPKs (m)	229,347
ASKs (m)	270,789
Passenger Load Factor	84.7%
Number of passengers (000)	77,450
Average Trip Length (kms)	2,961
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.59
Total Revenue per ASK ('RASK') (US cents)	10.34
Total Operating Cost/ASK 'CASK' (US cents)	10.39
RASK-CASK Margin (US cents)	-0.05
Employee Costs as % of Revenue	29.4%
Debt & Liquidity	
Adjusted Net Debt	15,661.6
Total Net Fixed Charges	1,396.5
Unrestricted Cash/Total Revenues	12.7%
EBITDAR/Net Fixed Charges (x)	2.0
Capitalisation & Leverage	
Book Equity	-710.1
Equity Market Capitalisation (as of 12th June, 2015)	2,279.4
Adjusted Net Debt/EBITDAR (x)	5.6
Adjusted Net Debt/Book Equity (x)	0.0
Cash Flow	
Free Cash Flow	-470.7

Which events will you attend?

35th Annual North America Airfinance Conference

28th & 29th May 2015, Miami

North America Airfinance Awards Dinner

28th May 2015, Miami

2015 China Aviation Finance and Taxation Masterclass

3rd June 2015, China

13th Annual China Airfinance Conference

4th & 5th June 2015, China

Summer School of Aviation Finance 2015

29th June – 1st July 2015, University of Cambridge, United Kingdom

11th Annual Latin American Airfinance Conference

17th & 18th September 2015, Rio de Janeiro

13th Annual Middle East & North Africa Airfinance Conference

13th & 14th October 2015, Dubai

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AIRLINE PROFILES

Europe



EASYJET

FYE 30-Sep-2014

Summary Operating Performance	US\$m
Passenger Revenue	6,938.0
Cargo Revenue	0.0
Other Revenue	101.1
Total Revenue	7,039.0
EBITDAR	1,282.8
Net Income	699.7
EBITDAR Margin	18.2%
Summary Operating Drivers	
RPKs (m)	72,933
ASKs (m)	79,525
Passenger Load Factor	91.7%
Number of passengers (000)	64,769
Average Trip Length (kms)	1,126
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.51
Total Revenue per ASK ('RASK') (US cents)	8.85
Total Operating Cost/ASK 'CASK' (US cents)	7.71
RASK-CASK Margin (US cents)	1.14
Employee Costs as % of Revenue	12.5%
Debt & Liquidity	
Adjusted Net Debt	886.2
Total Net Fixed Charges	203.7
Unrestricted Cash/Total Revenues	21.8%
EBITDAR/Net Fixed Charges (x)	6.3
Capitalisation & Leverage	
Book Equity	3,377.2
Equity Market Capitalisation (as of 12th June, 2015)	9,759.3
Adjusted Net Debt/EBITDAR (x)	0.7
Adjusted Net Debt/Book Equity (x)	0.3
Cash Flow	
Free Cash Flow	393.4

easyJet

Europe's second-largest low-cost carrier (after Ryanair), easyJet provides low-cost air services throughout Europe and to destinations in North Africa and the Middle East through easyJet Airline Company Limited (wholly owned) and easyJet Switzerland (49%). It is listed on the London Stock Exchange. Founder Sir Stelios Haji-Ioannou retains a significant stake.

In June 2013, despite opposition from Haji-Ioannou, easyJet ordered 35 A320s (delivery between 2015 and 2018) and 100 A320neos (delivery between 2017 and 2022), plus A320neo options.

According to ATDB.aero, as of June 5, easyJet Airline Company operated 240 A320-family aircraft – 161 owned, 68 on operating lease and 11 on finance lease – with an average age of six years. The remaining 24 (average age 5.9 years) were operated by easyJet Switzerland. In May 2015, easyJet announced plans to increase the number of seats on its A320s from 180 to 186.

Cumulatively, easyJet has posted a net profit of £1.8 billion (\$2.9 billion) over the past eight years.

Icelandair Group

Icelandair Group is a holding company based in Reykjavík, Iceland. Its largest subsidiary is flag carrier Icelandair, which operates services to 39 cities in the US, Canada and Europe. The company has further interests in travel and cargo-related businesses, both in Iceland and other parts of Europe.

Its shares are listed on Nasdaq OMX Iceland. Hard hit by the financial crisis in 2008-09, the group restructured, sold assets and raised new capital. As of April 30, the major shareholders of Icelandair Group were Lífeyrissjóður verslunarmanna (14.58%), Stefni - ÍS 15 (11.04%) and Lífeyrissj. starfsm.rík. A-deild (6.71%).

As of March 31, the group operated 38 aircraft – 29 owned and nine on operating lease. The most common aircraft is the 757 (both passenger and cargo). The group has 16 737 Maxs on order (for delivery between 2018 and 2021), plus eight purchase rights. Icelandair Group anticipates good prospects for 2015, with three new destinations and growth in passenger numbers.



ICELANDAIR

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	766.6
Cargo Revenue	44.4
Other Revenue	302.1
Total Revenue	1,113.1
EBITDAR	180.8
Net Income	66.5
EBITDAR Margin	16.2%
Summary Operating Drivers	
RPKs (m)	7,883
ASKs (m)	9,821
Passenger Load Factor	80.3%
Number of passengers (000)	2,898
Average Trip Length (kms)	2,720
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	9.72
Total Revenue per ASK ('RASK') (US cents)	11.33
Total Operating Cost/ASK 'CASK' (US cents)	10.53
RASK-CASK Margin (US cents)	0.80
Employee Costs as % of Revenue	24.5%
Debt & Liquidity	
Adjusted Net Debt	59.9
Total Net Fixed Charges	30.6
Unrestricted Cash/Total Revenues	19.4%
EBITDAR/Net Fixed Charges (x)	5.9
Capitalisation & Leverage	
Book Equity	365.1
Equity Market Capitalisation (as of 12th June, 2015)	916.2
Adjusted Net Debt/EBITDAR (x)	0.3
Adjusted Net Debt/Book Equity (x)	0.2
Cash Flow	
Free Cash Flow	114.7





AIRLINE PROFILES

Europe



INTERNATIONAL AIRLINES GROUP

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	20,026.4
Cargo Revenue	1,114.5
Other Revenue	1,520.1
Total Revenue	22,661.0
EBITDAR	3,524.4
Net Income	1,103.3
EBITDAR Margin	15.6%

Summary Operating Drivers

RPKs (m)	202,562
ASKs (m)	251,931
Passenger Load Factor	80.4%
Number of passengers (000)	77,334
Average Trip Length (kms)	2,619

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	9.89
Total Revenue per ASK ('RASK') (US cents)	8.99
Total Operating Cost/ASK 'CASK' (US cents)	8.38
RASK-CASK Margin (US cents)	0.62
Employee Costs as % of Revenue	18.3%

Debt & Liquidity

Adjusted Net Debt	6,831.6
Total Net Fixed Charges	817.8
Unrestricted Cash/Total Revenues	24.5%
EBITDAR/Net Fixed Charges (x)	4.3

Capitalisation & Leverage

Book Equity	4,261.4
Equity Market Capitalisation (as of 12th June, 2015)	16,465.0
Adjusted Net Debt/EBITDAR (x)	1.9
Adjusted Net Debt/Book Equity (x)	1.6

Cash Flow

Free Cash Flow	-812.3
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International Airlines Group

IAG is the parent company for British Airways, Iberia and Vueling Airlines and was formed on January 21 2011. On formation, British Airways' shareholders held a 56% stake and Iberia's shareholders held 44%.

Both British Airways and Iberia are members of oneworld. To create further growth opportunities, IAG plans to acquire Aer Lingus, which has a strong transatlantic network.

IAG's shares are listed on the London and Spanish stock exchanges. In January, Qatar Airways acquired a 9.99% stake in IAG.

As of December 31 2014, the group operated 459 aircraft with an average age of 10.5 years and had firm orders for 165 (including 93 A320s, 34 787s and 26 A350s) and options for 306 (including 182 A320s, 60 A350s and 28 787s).

The group expects an operating profit of more than €2.2 billion (\$2.7 billion) for fiscal year 2015 and a return on invested capital of more than 12% between 2016 and 2020. Its ratings from Moody's and Standard & Poor's are Ba2 and BB respectively.

Lufthansa Group

Lufthansa is a global aviation group operating in five segments: passenger (which accounted for about 70% of total revenue in 2014), airfreight, maintenance, information technology and catering. The airline subsidiaries are Deutsche Lufthansa, Lufthansa CityLine, Swiss International Airlines, Austrian Airlines, Air Dolomiti, Eurowings and Germanwings. The group also has a 45% stake in Brussels Airlines, acquired in 2009.

Lufthansa is the flag carrier of Germany and the sixth-largest airline in the world in terms of revenue passenger kilometres. It is a founding member of Star Alliance.

As of March 31, Lufthansa Group operated 616 aircraft, of which 562 were owned, 16 on operating lease and 38 on finance lease. The average age was about 11 years. The total order book for Lufthansa Group comprised of 263 aircraft, as of December 31 2014.

The group lowered its forecast for 2015 operating profit from €2 billion (\$2.7 billion) to "significantly above the reported 2014 level" because of the effect of industrial action and competitive conditions.



LUFTHANSA GROUP

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	24,229.4
Cargo Revenue	3,170.5
Other Revenue	7,265.7
Total Revenue	34,665.6
EBITDAR	2,870.5
Net Income	61.8
EBITDAR Margin	8.3%

Summary Operating Drivers

RPKs (m)	214,641
ASKs (m)	268,105
Passenger Load Factor	80.1%
Number of passengers (000)	105,988
Average Trip Length (kms)	2,025

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	11.29
Total Revenue per ASK ('RASK') (US cents)	12.93
Total Operating Cost/ASK 'CASK' (US cents)	12.47
RASK-CASK Margin (US cents)	0.46
Employee Costs as % of Revenue	26.7%

Debt & Liquidity

Adjusted Net Debt	5,489.3
Total Net Fixed Charges	371.8
Unrestricted Cash/Total Revenues	8.9%
EBITDAR/Net Fixed Charges (x)	7.7

Capitalisation & Leverage

Book Equity	4,528.8
Equity Market Capitalisation (as of 12th June, 2015)	6,344.5
Adjusted Net Debt/EBITDAR (x)	1.9
Adjusted Net Debt/Book Equity (x)	1.2

Cash Flow

Free Cash Flow	-1,062.8
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AIRLINE PROFILES

Europe



PEGASUS AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	914.1
Cargo Revenue	0.0
Other Revenue	215.6
Total Revenue	1,129.8
EBITDAR	249.0
Net Income	52.5
EBITDAR Margin	22.0%

Summary Operating Drivers

RPKs (m)	19,478
ASKs (m)	24,378
Passenger Load Factor	79.9%
Number of passengers (000)	19,740
Average Trip Length (kms)	987

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	4.69
Total Revenue per ASK ('RASK') (US cents)	4.63
Total Operating Cost/ASK 'CASK' (US cents)	4.14
RASK-CASK Margin (US cents)	0.49
Employee Costs as % of Revenue	11.3%

Debt & Liquidity

Adjusted Net Debt	732.1
Total Net Fixed Charges	53.6
Unrestricted Cash/Total Revenues	27.8%
EBITDAR/Net Fixed Charges (x)	4.6

Capitalisation & Leverage

Book Equity	425.7
Equity Market Capitalisation (as of 12th June, 2015)	915.3
Adjusted Net Debt/EBITDAR (x)	2.9
Adjusted Net Debt/Book Equity (x)	1.7

Cash Flow

Free Cash Flow	83.2
----------------	------

Pegasus Airlines

Pegasus is a low-cost airline with its headquarters in Istanbul. The carrier provides services to 30 domestic and 58 international destinations in 36 countries in Europe, Africa and the Middle East, and carried 19.7 million passengers in 2014.

Pegasus was acquired by Esas Holding in 2005 and listed on the Istanbul Stock Exchange through an initial public offering in 2013. Proceeds raised were TL649 million (\$361 million) representing 34.5% of the enlarged share capital. As of March 31, Esas held a 62.92% stake.

As of December 31 2014, the group operated 55 aircraft, with an average age of 4.9 years, consisting of 50 737-800s, four A320s and one 737-400. The airline has a purchase commitment for 57 A320neos and 18 A321neos, with an option for an additional 25. The aircraft are scheduled for delivery between 2016 and 2022.

The airline intends focusing on strict cost control measures in fiscal year 2015 and expects to achieve an earnings before interest, taxes, depreciation, amortization and rent or restructuring margin in the range of 19% to 21%.

Ryanair

Ryanair has its headquarters in Dublin, Ireland. It operates low-fare airline services throughout Europe from as many as 73 bases.

As of March 31, Ryanair operated a fleet of 308 737-800s with an average age of about six years. In September 2014, Ryanair agreed to purchase up to 200 737 Max 200s to be delivered from 2019.

Ryanair holds a 29.8% interest in Aer Lingus, the national carrier of Ireland, which is the subject of a bid by IAG.

The carrier issued its first unsecured eurobonds in June 2014: €850 million (\$1.158 billion) at a coupon of 1.875% for a seven-year term, followed by another issue in March 2015 for €850 million at a coupon of 1.125% for an eight-year term. Ryanair received a BBB+ rating from Standard & Poor's and Fitch, making it the then highest-rated airline.

Ryanair expects profit to be in the range of €940 million to €970 million for fiscal year 2015/16.



RYANAIR

FYE 31-Mar-2015

Summary Operating Performance	US\$m
Passenger Revenue	4,786.4
Cargo Revenue	0.0
Other Revenue	1,565.8
Total Revenue	6,352.3
EBITDAR	1,714.8
Net Income	973.7
EBITDAR Margin	27.0%

Summary Operating Drivers

RPKs (m)	N/A
ASKs (m)	N/A
Passenger Load Factor	N/A
Number of passengers (000)	90,600
Average Trip Length (kms)	N/A

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	N/A
Total Revenue per ASK ('RASK') (US cents)	N/A
Total Operating Cost/ASK 'CASK' (US cents)	N/A
RASK-CASK Margin (US cents)	N/A
Employee Costs as % of Revenue	8.9%

Debt & Liquidity

Adjusted Net Debt	581.5
Total Net Fixed Charges	186.2
Unrestricted Cash/Total Revenues	84.7%
EBITDAR/Net Fixed Charges (x)	9.2

Capitalisation & Leverage

Book Equity	4,533.4
Equity Market Capitalisation (as of 12th June, 2015)	18,315.0
Adjusted Net Debt/EBITDAR (x)	0.3
Adjusted Net Debt/Book Equity (x)	0.1

Cash Flow

Free Cash Flow	1,012.2
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TAA Financial Rating Scores - LTM					Overall Rating Scores		
Avg. Fleet Age	EBITDAR Margin	FCC	Liquidity	Leverage	LTM-2	LTM-1	LTM
5	2	2	1	3	1.4		2.2
THE AIRLINE ANALYST FINANCIAL RATINGS					6	2.4	5.6
							6.2
							3.5
							3.6
							2.9
							2.0
							6.6
							6.4
							3.9
							3.7
7	2	1	1	1	1.9	1.9	1.7
4	2	4	4	5	3.6	3.8	3.8
6	3	5	4	3	5.1	4.6	3.9
5	1	4	2	4	2.5	2.5	2.9
5	2	4	3	4	2.7	2.9	3.4



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AIRLINE PROFILES

Europe



TURKISH AIRLINES

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	7,883.1
Cargo Revenue	780.7
Other Revenue	236.3
Total Revenue	8,900.0
EBITDAR	1,361.3
Net Income	666.9
EBITDAR Margin	15.3%

Summary Operating Drivers

RPKs (m)	106,787
ASKs (m)	135,330
Passenger Load Factor	78.9%
Number of passengers (000)	54,675
Average Trip Length (kms)	1,953

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	7.38
Total Revenue per ASK ('RASK') (US cents)	6.58
Total Operating Cost/ASK 'CASK' (US cents)	6.22
RASK-CASK Margin (US cents)	0.35
Employee Costs as % of Revenue	15.3%

Debt & Liquidity

Adjusted Net Debt	6,730.5
Total Net Fixed Charges	390.1
Unrestricted Cash/Total Revenues	6.9%
EBITDAR/Net Fixed Charges (x)	3.5

Capitalisation & Leverage

Book Equity	3,356.0
Equity Market Capitalisation (as of 12th June, 2015)	4,388.7
Adjusted Net Debt/EBITDAR (x)	4.9
Adjusted Net Debt/Book Equity (x)	2.0

Cash Flow

Free Cash Flow	-917.9
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Turkish Airlines

Turkish Airlines (THY) is the national airline of Turkey. It is a member of the Star Alliance. As of December 31 2014, 50.88% of the airline's shares were public, while the rest remained state-owned.

Turkish Airlines has a 50-50 joint venture with Lufthansa, SunExpress, an airline providing air services between Turkey and Germany. THY operates in the low-cost arena under the brand AnadoluJet.

As of December 31 2014, THY operated 261 aircraft, with an average age of 7.2 years – 144 on finance lease, 85 on operating lease and 32 owned. The airline had 245 aircraft on order as of December 31 2014. These aircraft will be delivered between 2015 and 2021.

THY recently obtained credit ratings of BB from Standard & Poor's and Ba1 from Moody's, outlook being stable. In March, it closed its first enhanced equipment trust certificate financing covering three 777-300ERs delivered in March and April. The coupon on the \$328 million 12-year single tranche facility was 4.2%.

Wizz Air

Wizz Air Holdings is incorporated in Jersey. Through its subsidiaries, it provides low-cost air services on scheduled short-haul and medium-haul routes across central and eastern Europe and the Middle East.

The principal operating subsidiary, Wizz Air Hungary, is a low-cost airline with its headquarters in Budapest. The business was established in September 2003 and operates from 18 bases with flights to 110 destinations in 37 countries.

According to ATDB.aero, as of May 19, Wizz Air Hungary operated a fleet of 57 A320s with an average age of 3.6 years. The majority of the fleet was on operating lease. Wizz Air has 57 A320s on order.

The company listed on the London Stock Exchange on February 25, through an initial public offering (IPO) and raised net proceeds of about £103 million (\$159 million) representing an estimated 18% of the enlarged share capital. The company's pre-IPO shareholders generated net proceeds of about £154 million from a secondary offering.



WIZZ AIR

FYE 31-Mar-2015

Summary Operating Performance	US\$m
Passenger Revenue	891.8
Cargo Revenue	0.0
Other Revenue	487.0
Total Revenue	1,378.9
EBITDAR	383.2
Net Income	205.8
EBITDAR Margin	27.8%

Summary Operating Drivers

RPKs (m)	25,351
ASKs (m)	29,267
Passenger Load Factor	86.6%
Number of passengers (000)	16,482
Average Trip Length (kms)	1,538

Unit Costs & Revenues

Passenger Yield per RPK (US cents)	3.52
Total Revenue per ASK ('RASK') (US cents)	4.71
Total Operating Cost/ASK 'CASK' (US cents)	4.06
RASK-CASK Margin (US cents)	0.65
Employee Costs as % of Revenue	6.7%

Debt & Liquidity

Adjusted Net Debt	763.3
Total Net Fixed Charges	158.3
Unrestricted Cash/Total Revenues	36.6%
EBITDAR/Net Fixed Charges (x)	2.4

Capitalisation & Leverage

Book Equity	516.7
Equity Market Capitalisation (as of 12th June, 2015)	1,349.3
Adjusted Net Debt/EBITDAR (x)	2.0
Adjusted Net Debt/Book Equity (x)	1.5

Cash Flow

Free Cash Flow	135.4
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AIRLINE PROFILES

Middle East & Africa



AIR ARABIA

FYE 31-Dec-2014

Summary Operating Performance	US\$m
Passenger Revenue	891.6
Cargo Revenue	24.8
Other Revenue	130.6
Total Revenue	1,046.9
EBITDAR	248.1
Net Income	150.6
EBITDAR Margin	23.7%
Summary Operating Drivers	
RPKs (m)	13,800
ASKs (m)	17,000
Passenger Load Factor	81.2%
Number of passengers (000)	6,800
Average Trip Length (kms)	2,029
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	6.46
Total Revenue per ASK ('RASK') (US cents)	6.16
Total Operating Cost/ASK 'CASK' (US cents)	5.38
RASK-CASK Margin (US cents)	0.77
Employee Costs as % of Revenue	13.8%
Debt & Liquidity	
Adjusted Net Debt	690.4
Total Net Fixed Charges	34.4
Unrestricted Cash/Total Revenues	40.4%
EBITDAR/Net Fixed Charges (x)	7.2
Capitalisation & Leverage	
Book Equity	1,383.6
Equity Market Capitalisation (as of 12th June, 2015)	2,134.9
Adjusted Net Debt/EBITDAR (x)	2.8
Adjusted Net Debt/Book Equity (x)	0.5
Cash Flow	
Free Cash Flow	-50.0

Air Arabia

Air Arabia is the national carrier of Sharjah and is the second-largest low-cost carrier in the Middle East/North Africa. It underwent an initial public offering in 2007 after which the existing owners retained a 30% interest. Sharjah Asset Management, an investment arm of the Government of Sharjah, holds a 17.4% stake.

The Air Arabia Group includes three other airlines: Air Arabia Maroc (40% owned), Air Arabia Egypt (50%) and Air Arabia Jordan (49%), which commenced operations in May.

The group serves more than 100 destinations across the Middle East, North Africa, Europe and South and Central Asia.

As of March 31, the fleet consisted of 41 A320s with an average age of about 2.5 years. Air Arabia has 10 A320s on order to be delivered by 2016.

Air Arabia continues to expand to Central Asia, the Russian Federation, CIS, eastern Europe and India. In January, the carrier announced it would fly regular services to Urumqi in western China.

Comair Limited

Comair, based in Johannesburg, operates under its Kulula and (under licence) British Airways brands. Under the British Airways brand, services are operated from Johannesburg to Durban, Port Elizabeth, Cape Town, Harare, Victoria Falls, Livingstone, Mauritius and Windhoek, and between Cape Town and Durban.

As of June 30 2014, Bidvest Group was Comair's largest shareholder with a 28.7% holding. Other major shareholders were Allan Gray with 14.7%, Britair Holdings Limited (a British Airways subsidiary) with 12.3% and Innercreek Investments (Pty) Limited with 11.4%.

According to ATDB.aero, as of February 21, Comair operated 28 aircraft comprising five 737-300s, 12 737-400s and 11 737-800s, with an average age of 19 years. About 70% were on operating lease. As of February 21, it had taken delivery of four of eight 737-800s ordered in 2011. The remaining four are scheduled for delivery during 2015 and 2016. In March 2014, Comair ordered eight 737 Max 8s, scheduled to be delivered between 2019 and 2021.



COMAIR LIMITED

FYE 30-Jun-2014

Summary Operating Performance	US\$m
Passenger Revenue	461.0
Cargo Revenue	0.0
Other Revenue	45.1
Total Revenue	506.1
EBITDAR	69.6
Net Income	21.3
EBITDAR Margin	13.8%
Summary Operating Drivers	
RPKs (m)	N/A
ASKs (m)	N/A
Passenger Load Factor	N/A
Number of passengers (000)	5,197
Average Trip Length (kms)	N/A
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	N/A
Total Revenue per ASK ('RASK') (US cents)	N/A
Total Operating Cost/ASK 'CASK' (US cents)	N/A
RASK-CASK Margin (US cents)	N/A
Employee Costs as % of Revenue	11.8%
Debt & Liquidity	
Adjusted Net Debt	162.8
Total Net Fixed Charges	19.2
Unrestricted Cash/Total Revenues	13.5%
EBITDAR/Net Fixed Charges (x)	3.6
Capitalisation & Leverage	
Book Equity	86.0
Equity Market Capitalisation (as of 12th June, 2015)	174.7
Adjusted Net Debt/EBITDAR (x)	2.3
Adjusted Net Debt/Book Equity (x)	1.9
Cash Flow	
Free Cash Flow	28.6



AIRLINE PROFILES

Middle East & Africa



EMIRATES

FYE 31-Mar-2015

Summary Operating Performance	US\$m
Passenger Revenue	19,064.5
Cargo Revenue	3,348.7
Other Revenue	1,421.7
Total Revenue	23,835.0
EBITDAR	5,166.1
Net Income	1,240.3
EBITDAR Margin	21.7%
Summary Operating Drivers	
RPKs (m)	235,498
ASKs (m)	295,740
Passenger Load Factor	79.6%
Number of passengers (000)	49,292
Average Trip Length (kms)	4,778
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	8.10
Total Revenue per ASK ('RASK') (US cents)	8.06
Total Operating Cost/ASK 'CASK' (US cents)	7.64
RASK-CASK Margin (US cents)	0.42
Employee Costs as % of Revenue	13.5%
Debt & Liquidity	
Adjusted Net Debt	23,494.7
Total Net Fixed Charges	2,231.2
Unrestricted Cash/Total Revenues	19.3%
EBITDAR/Net Fixed Charges (x)	2.3
Capitalisation & Leverage	
Book Equity	7,702.3
Equity Market Capitalisation (as of 12th June, 2015)	N/A
Adjusted Net Debt/EBITDAR (x)	4.5
Adjusted Net Debt/Book Equity (x)	3.1
Cash Flow	
Free Cash Flow	-2,105.2

Emirates

Emirates is wholly owned by the government of Dubai through the Investment Corporation of Dubai. It is the world's largest airline by scheduled international revenue passenger kilometres and the world's largest cargo airline by revenue.

As of March 31, Emirates operated 231 aircraft with an average age of about six years. In November 2013, Emirates ordered 150 777Xs with an additional 50 purchase rights and, in December 2013, ordered 50 A380s. In June 2014, it cancelled its order for 70 A350 XWBs. As of March 31, the airline had 280 aircraft on order comprising 81 A380s, 49 777-300ERs, 35 777-8Xs and 115 777-9Xs.

Emirates is one of the few airlines in the world that made profits even during the downturn of 2008-2009. During fiscal year 2011/12, Emirates' profitability was affected by the high jet fuel prices, the eurozone debt crisis, political unrest in the Middle East and Africa regions and volatile exchange rates because of the global economic situation, but profitability has recovered over the past three years.

Qatar Airways

Qatar Airways is the national carrier of the State of Qatar. The airline was founded in 1994 as a small regional carrier. In 1997, Sheikh Hamad bin Khalifa Al Thani relaunched the airline with a vision to make it a leading international carrier. The airline provides services to 146 destinations worldwide, with its main hub located at Doha. In October 2013, Qatar Airways joined the oneworld alliance.

According to ATDB.aero, as of May 21, Qatar Airways had a fleet of 153 aircraft, with an average age of 5.4 years. In July 2014, Qatar Airways ordered 50 777-9X aircraft, with an option to purchase an additional 50. The airline also has firm commitments for 40 A350-900s, 37 A350-1000s, 36 A320neos, 14 A321neos, nine 787-8s, six A380-800s, six 777-300ERs and four 777Fs.

In January, Qatar Airways acquired a 9.99% stake in International Airlines Group for a consideration of \$1.6 billion, in order to enhance its operations and strengthen commercial ties through code-share agreements with IAG and its membership of the oneworld alliance. ▲



QATAR AIRWAYS

FYE 31-Mar-2014

Summary Operating Performance	US\$m
Passenger Revenue	N/A
Cargo Revenue	N/A
Other Revenue	N/A
Total Revenue	8,413.9
EBITDAR	877.5
Net Income	-73.3
EBITDAR Margin	10.4%
Summary Operating Drivers	
RPKs (m)	N/A
ASKs (m)	N/A
Passenger Load Factor	N/A
Number of passengers (000)	N/A
Average Trip Length (kms)	N/A
Unit Costs & Revenues	
Passenger Yield per RPK (US cents)	N/A
Total Revenue per ASK ('RASK') (US cents)	N/A
Total Operating Cost/ASK 'CASK' (US cents)	N/A
RASK-CASK Margin (US cents)	N/A
Employee Costs as % of Revenue	N/A
Debt & Liquidity	
Adjusted Net Debt	3,228.2
Total Net Fixed Charges	607.1
Unrestricted Cash/Total Revenues	42.8%
EBITDAR/Net Fixed Charges (x)	1.4
Capitalisation & Leverage	
Book Equity	8,225.2
Equity Market Capitalisation (as of 12th June, 2015)	N/A
Adjusted Net Debt/EBITDAR (x)	3.7
Adjusted Net Debt/Book Equity (x)	0.4
Cash Flow	
Free Cash Flow	N/A

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CFO INTERVIEW

Ryanair takes on the capital markets

Neil Sorahan, the low-cost carrier's chief financial officer, tells Jack Dutton about the airline's record credit rating and its 380 new orders.

"I feel that there are a number of airlines in Europe today that should probably not be flying right now," muses Neil Sorahan, Ryanair's new chief financial officer.

Sorahan believes the European aviation market is moving towards further consolidation. He says that favourable bankruptcy rules in the US have permitted much faster airline consolidation in the North American market compared to Europe.

"In the United States, when carriers entered Chapter 11, they restructured themselves and came out. We now have a scenario in the United States where there is six or seven large carriers, which account for about 80% of the traffic," he says.

"In Europe, we are moving towards a strategy where there should be between approximately five large carriers, three which would be long-haul people doing hub-and-spoke operations to get people into the likes of the Frankfurt mains, the Schiphols, the Charles de Gaulles and London Heathrows."

Sorahan believes there would be two main point-to-point pure short-haul players, one of them being his own carrier Ryanair.

"Many European airlines are not profitable and haven't been for some period of time. They don't have the benefit of Chapter 11 when they can win and clear themselves out. In Europe, a lot of the guys that wouldn't last in the United States are still hanging on here because we don't have those kind of laws and rules."

Planned aircraft

The next decade promises to be a busy one for Ryanair, regardless of whether more European airlines merge. The Irish carrier will be expanding its fleet from 308 aircraft to 520 by the end of March 2024. It will take 380 new deliveries, consisting of 180 737-800 NGs and 200 737 Max 200s. The predelivery payments for the 737-800s have been paid for in cash, and the carrier is likely to fund the remaining balance of the deal in cash.

Much of the capital the airline funds is through an €850 million (\$966 million) seven-year unsecured bond that was issued in June last year.



As well as firming up the order for the Maxs in December, worth an estimated \$11 billion at list prices, Ryanair will be opening a new base in Copenhagen in April. The carrier will grow by 40% over the next five years if all goes according to plan.

Eleven of Ryanair's 180 new 737-800s on order will be delivered by the end of March. Forty will be delivered in the next financial year, 50 the following year, 50 in financial year 2018 and 29 in financial year 2019. The first deliveries of the 200 737 Max 200s will start "in winter 2019 or spring 2020". The Maxs will allow the Irish carrier to upgrade from 189 to 197 seats. They will all deliver by the end of March 2024, when the carrier hopes to maintain its average fleet age of four to five years.

Sorahan says Ryanair typically takes its aircraft deliveries over the winter and spring periods so it has the maximum number of aircraft to fly during the summer.

Record eurobond

Last June the carrier launched its €850 million seven-year unsecured bond, which had a coupon of 1.875% for seven years.

According to Munawar Noorani, Citibank's managing director of aviation and industrials for Europe, the Middle East and Africa, the bond achieved "several firsts". The deal scored the hat-trick of being the lowest coupon in the airline sector, >>>



“Ryanair is looking at approximately 150 aircraft to sell and return to lessors.”

the lowest coupon for an Irish corporate and the joint lowest coupon for any seven-year BBB+ eurobond.

Sorahan reflects on the bond. “It’s got good tenor; the seven years that we did before was very attractive and we would want to go longer. The pricing is also very attractive. We would see that as a large source of financing for the next few years,” he says.

“We did the €850 million financing last June; our capital expenditure requirement for the coming year is €650 million, plus we have a lot of cash in the business, so predelivery payments are paid for out of our working capital. The bond has financed some of the deliveries in the air to date and will finance the balance of them. Now we are starting to meet our financial partners in the banks and leasing companies,” he adds.

Ryanair likes to diversify its funding by working with a range of different banks.

“We work with a very wide group of banks as you’d expect with a company of our size. The banks that participated on the recent bond were Citibank, BNP Paribas and Deutsche Bank, who were the bookrunners and arrangers. We also have a good relationship with most of the large banks that act in aviation,” says Sorahan.

The Irish carrier has 50 aircraft on sale/leaseback, but Sorahan says they are likely to be handed back over the next few years.

“It’s all boiled down to the cost of finance for us. We like the asset and we like owning the asset. It’s likely that many of the sale/leasebacks, which are typically on seven- to eight-year structures, will possibly be handed back as they mature to our lessors. The hand-backs and the new deliveries will keep our fleet young,” he says.

Sorahan adds that he has no firm thoughts on the situation at the moment, but is looking at “approximately 150 aircraft” overall to sell and return to lessors.

Further growth

The new Copenhagen base and bases that opened in Portugal and Poland last year will help to solve one of Ryanair’s

main problems of not having had enough aircraft over the past few years. Now the aircraft are coming in, the carrier has more of an opportunity to grow.

“In the UK, we are the number two carrier. We are going to grow significantly in Stansted, from 13 million passengers to 20 million passengers over the next five years. Stansted is the only airport that hasn’t suffered from overcapacity. We are already number one in the Spanish market but we are seeing some costs coming down and we are getting more opportunities to grow there,” he says.

Other finance structures

Ryanair has not gone back to its shareholders for financing of aircraft since it issued its initial public offering in 1997. The carrier often finances itself through its €618 million working capital cash flow, which it uses to pay off its predelivery payments.

The deliveries are financed through a mixture of structures, including Ex-Im Bank finance debt and Japanese operating leases with call options (Jolcos). About 30 of Ryanair’s aircraft are on Jolcos.

Sorahan is keen to explore other financial structures.

“The banks, as well as the leasing companies, are good at coming to us with ideas, and we have a treasury team who are also equally good at that. We have to recognize that we are not only an airline but also a large corporate. Large corporates have access to certain forms of financing that a lot of airlines don’t have access to – the debt capital markets and investment grade being one such form of financing, but we are continuously looking out there for new ways.”

He adds: “It will all boil down to what’s the cheapest form of financing for us. The bond was very cheap last year. But we also firmly believe that you don’t have all of your eggs in one basket – we have various forms of financing on our balance sheet today – from Exim financing to commercial debt to Jolcos, to sale/leaseback to the capital market unsecured. And of course, the greatest fall back we have is the 4.5 billion [euros] cash we have on our balance sheet.



Highly rated airline

One of Sorahan’s highlights from the past year included receiving a BBB+ rating from Fitch and Standard & Poor’s – the highest credit rating received by any airline. The investment-grade ratings have given Ryanair access to the corporate bond markets and the unsecured debt markets. The airline had considered the possibility of enhanced equipment trust certificates, but the unsecured European medium term notes proved to be very attractive on an unsecured basis.

Why was Ryanair not given the A rating? Sorahan explains: “Ryanair was given a single-A anchor rating but because of various sectorial risks, we were notched down to BBB+ stable. I’m comfortable with BBB+ stable. We’ve got a large growth and capital expenditure programme, and we can very much operate the airline as we want to operate the airline within the boundaries of that BBB+ rating without stretching ourselves by any manner of means.”

Sorahan expects this to change at some point, though.

“Of course, I think one of the impediments of getting that A is the sectorial risk,” he says. “It’s up to us to differentiate ourselves as we did last year on our bond roadshow and continue to do so. And in time, inevitably we probably will be upgrading at some stage.” ▲

THE TOP 50 AIRLINES

Airline Top 50 – The data set

List of Airlines Included in Survey

No.	Airline	FYE	No.	Airline	FYE	No.	Airline	FYE
1	ABX Air, Inc.	31-Dec-2014	48	easyJet	30-Sep-2014	95	Precision Air	31-Mar-2014
2	Aegean Airlines	31-Dec-2014	49	EL AL Israel Airlines	31-Dec-2014	96	PSA Airlines	31-Dec-2014
3	Aer Lingus	31-Dec-2014	50	Emirates	31-Mar-2015	97	Qantas Airways	30-Jun-2014
4	Aeroflot	31-Dec-2014	51	Envoy Air	31-Dec-2014	98	Qatar Airways	31-Mar-2014
5	Aigle Azur	31-Mar-2014	52	euroAtlantic airways	31-Dec-2014	99	Regional Express Holdings	30-Jun-2014
6	Air Arabia	31-Dec-2014	53	EVA Airways	31-Dec-2014	100	Republic Airways	31-Dec-2014
7	Air Astana	31-Dec-2014	54	ExpressJet Airlines, Inc.	31-Dec-2014	101	Royal Jordanian Airlines	31-Dec-2014
8	Air Berlin	31-Dec-2014	55	Finnair	31-Dec-2014	102	Ryanair	31-Mar-2015
9	Air Canada	31-Dec-2014	56	Flybe	31-Mar-2015	103	SAS	31-Oct-2014
10	Air China	31-Dec-2014	57	Frontier Airlines	31-Dec-2014	104	Scot	31-Mar-2014
11	Air France	31-Dec-2014	58	Garuda Indonesia	31-Dec-2014	105	Shandong Airlines	31-Dec-2014
12	Air France-KLM	31-Dec-2014	59	GoAir	31-Mar-2014	106	Shuttle America Corporation	31-Dec-2014
13	Air Greenland	31-Dec-2014	60	GoJet Airlines	31-Dec-2014	107	SIA Cargo	31-Mar-2014
14	Air Malta	31-Mar-2014	61	GOL	31-Dec-2014	108	SilkAir	31-Mar-2014
15	Air Mauritius	31-Mar-2014	62	Grupo Aeromexico	31-Dec-2014	109	Singapore Airlines	31-Mar-2015
16	Air New Zealand	30-Jun-2014	63	Hainan Airlines	31-Dec-2014	110	Skymark Airlines	31-Mar-2014
17	Air Transport International	31-Dec-2014	64	Hawaiian Airlines	31-Dec-2014	111	SkyWest, Inc.	31-Dec-2014
18	Air Transport Services Group	31-Dec-2014	65	Horizon Air	31-Dec-2014	112	South African Airways	31-Mar-2014
19	Air Wisconsin	31-Dec-2014	66	Iberia Opco	31-Dec-2014	113	Southwest Airlines	31-Dec-2014
20	AirAsia	31-Dec-2014	67	Icelandair	31-Dec-2014	114	SpiceJet	31-Mar-2015
21	AirAsia X	31-Dec-2014	68	IndiGo	31-Mar-2014	115	Spirit Airlines	31-Dec-2014
22	Alaska Air Group	31-Dec-2014	69	Interjet	31-Dec-2014	116	Spring Airlines	31-Dec-2014
23	Allegiant Travel Company	31-Dec-2014	70	International Airlines Group	31-Dec-2014	117	SriLankan Airlines	31-Mar-2014
24	American Airlines Group	31-Dec-2014	71	Japan Airlines	31-Mar-2015	118	StarFlyer	31-Mar-2015
25	Amerijet International	31-Dec-2014	72	Jazeera Airways	31-Dec-2014	119	Sun Country Airlines	31-Dec-2014
26	ANA Holdings	31-Mar-2015	73	Jeju Air	31-Dec-2014	120	TAP Group	31-Dec-2014
27	Asiana Airlines	31-Dec-2014	74	Jet Airways	31-Mar-2015	121	Thai AirAsia	31-Dec-2014
28	Atlantic Airways	31-Dec-2014	75	Jet2.com	31-Mar-2014	122	Thai Airways	31-Dec-2014
29	Atlas Air Worldwide	31-Dec-2014	76	jetBlue	31-Dec-2014	123	Thomas Cook Airlines Limited	30-Sep-2014
30	Atlas Air, Inc.	31-Dec-2014	77	Jetstar Asia	30-Jun-2014	124	Thomas Cook Group Plc	30-Sep-2014
31	Avianca Holdings	31-Dec-2014	78	Kalitta Air	31-Dec-2014	125	Thomson Airways	30-Sep-2014
32	Bangkok Airways	31-Dec-2014	79	Kenya Airways	31-Mar-2014	126	Tigerair	31-Mar-2015
33	Biman Bangladesh	30-Jun-2014	80	KLM - Royal Dutch Airlines	31-Dec-2014	127	TransAsia Airways	31-Dec-2014
34	British Airways	31-Dec-2014	81	Korean Air	31-Dec-2014	128	Transat A.T.	31-Oct-2014
35	Brussels Airlines	31-Dec-2014	82	LATAM Airlines Group	31-Dec-2014	129	TUI Travel PLC	30-Sep-2014
36	Cargojet Airways	31-Dec-2014	83	Lufthansa Group	31-Dec-2014	130	Turkish Airlines	31-Dec-2014
37	Cathay Pacific	31-Dec-2014	84	Mesa Airlines	31-Dec-2014	131	United Continental Holdings	31-Dec-2014
38	Cebu Pacific	31-Dec-2014	85	Miami Air International	31-Dec-2014	132	USA Jet	31-Dec-2014
39	Centurion Cargo	31-Dec-2014	86	Monarch Airlines	31-Oct-2014	133	Virgin America	31-Dec-2014
40	China Airlines	31-Dec-2014	87	Nok Air	31-Dec-2014	134	Virgin Atlantic Airways	31-Dec-2014
41	China Eastern Airlines	31-Dec-2014	88	Norwegian Air Shuttle	31-Dec-2014	135	Virgin Australia	30-Jun-2014
42	China Southern Airlines	31-Dec-2014	89	Oman Air	31-Dec-2014	136	Volaris	31-Dec-2014
43	Chorus Aviation Inc.	31-Dec-2014	90	Omni Air International	31-Dec-2014	137	Vueling Airlines	31-Dec-2014
44	Comair Limited	30-Jun-2014	91	Pakistan International Airlines	31-Dec-2014	138	WestJet	31-Dec-2014
45	Compass Airlines	31-Dec-2014	92	PAL Holdings	31-Dec-2014	139	Wizz Air	31-Mar-2015
46	Copa Holdings	31-Dec-2014	93	Pegasus Airlines	31-Dec-2014	140	Xiamen Airlines	31-Dec-2014
47	Delta Air Lines	31-Dec-2014	94	Polar Air Cargo	31-Dec-2014			



THE TOP FIFTY AIRLINES

Airline Top 50 – Methodology

We have evaluated the world's airlines on a number of operational and financial criteria using data from The Airline Analyst. The sample includes a total of 140 companies: 137 airlines and three tour operators whose financials are available in the public domain and which have released financial statements for periods ending between March 2014 and March 2015. Of the 140, 20 are separately reporting subsidiaries such as British Airways, Iberia, Vueling, Austrian Airlines, Air France and KLM, meaning that we have 120 parent groups of which 117 are airlines.

The sample does not include airlines whose financial statements are not available publicly, or those whose most recent available financials are for periods before March 2014, such as Adria Airways, Air India, Cargolux or Ethiopian Airlines. However, the sample is estimated to include airlines representing about 85% of global revenue passenger kilometres (RPKs). Aeroflot is the only Russian airline included this year because of the delayed release of financials by the other carriers.

Data for all of the 140 companies represents financial years ending in 2014 or on March 31 2015. The data includes the most recent March 31 2015 releases for ANA Holdings, Japan Airlines, Jet Airways, Ryanair, Singapore Airlines and SpiceJet.

The sample includes the following categories of airline, each of which has its unique characteristics:

Airline Top 50 sample by business model

Category	Number
Network	58
National	9
Regional	21
Low-cost carrier	28
Leisure/charter	10
Tour operator	3
Cargo	11
Total	140

The sample broken down by geographic region is as follows:

Airline Top 50 sample by region

North America	42
Europe	35
Middle East & Africa	12
Asia-Pacific	37
South Asia	7
Latin America	7
Total	140



We have used the following 16 parameters on which to evaluate the airlines' financial and operational performance:

Evaluation Criteria

Total revenue	Net income
Net income margin	Cargo revenue
RPKs	Passenger load factor
Passenger revenue per passenger	Passenger yield
Staff costs to revenue	Risk-Cask margin
Ebitdar margin	Leverage
Fixed-charge cover	Liquidity
Return on invested capital	Equity market capitalization

Weaknesses in the methodology are acknowledged. Foremost among these is the fact that different airlines report to different year-ends. As a consequence, the comparisons are not like-for-like regarding the economic or fuel price environment prevailing in their respective financial periods.

Note that in The Airline Analyst we offer the ability to create comparisons for the same financial periods by aggregating quarterly data, when available, but this is not possible for the full sample of airlines. In addition, while in the majority of cases the financial statements are consolidated, in some only parent unconsolidated financials are available. One other weakness is the need to convert to a common currency and the validity of the exchange rate chosen. We have converted into dollars using the spot rates prevailing on June 15 2015. We believe using the spot rates rather than the historic exchange rates produces a more valid comparison.

The haves and the have nots

Headed by the big three US carriers, total revenues in our sample of 140 airlines and tour operators whose financials are available in the public domain are \$625 billion (after eliminating double counting of subsidiaries that are included separately in the sample), up from \$576 billion for the same set of airlines last year. Total revenues for our Top 50 by revenue airlines are \$552.8 billion or 88% of the total sample. The degree of concentration within the Top 50 is apparent – the top 10 airlines account for 53% of the Top 50's revenues, up from 50% last year.

Of the total sample of 120 parent groups, 74 recorded aggregate positive net income of \$19.1 billion, while 46 reported losses aggregating \$8.4 billion for a net positive figure of \$10.7 billion, up from \$6.3 billion last year (excluding Delta's extraordinary tax credit of \$8.3 billion in 2013). Overall, the Top 50 by net income had a net profit margin of 3.4%, up from 2.6%. The net profit margin for all airline parent groups combined was 1.9%.

As we can see from the Top 50 by net income margin, 11 airlines achieved a margin of more than 10%, headed by Ryanair, Wizz Air, Thomson Airways (thanks to \$149 million of exceptional items), Air Arabia, Copa Holdings and Alaska Air Group. Other low-cost carriers, including Spring and Spirit, are prominent towards the top of the list. Some have fallen in the ranking, including AirAsia, Skymark and Cebu Pacific. Most notably, we have seen falls in profitability in Asia offset by growth in North America.

Only American and IAG among the mega-carrier groupings make it on to the list. Not even that bell-weather of the industry, Singapore Airlines, has a net income margin high enough to make the cut, though competitors Emirates and Turkish Airlines do.

THE TOP FIFTY AIRLINES

Analysis: Revenue and Income

Top 50 by Total Revenue

Rank	Airline	US\$m
1	American Airlines Group	42,650.0
2	Delta Air Lines	40,362.0
3	United Continental Holdings	38,901.0
4	Lufthansa Group	34,665.6
5	Air France-KLM	28,008.9
6	Emirates	23,835.0
7	TUI Travel PLC	22,731.1
8	International Airlines Group	22,661.0
9	Southwest Airlines	18,605.0
10	British Airways	18,249.9
11	China Southern Airlines	17,807.8
12	Air France	17,525.5
13	Air China	17,176.6
14	China Eastern Airlines	15,385.2
15	ANA Holdings	13,880.7
16	Cathay Pacific	13,672.8
17	Thomas Cook Group Plc	13,353.5
18	LATAM Airlines Group	12,471.1
19	Qantas Airways	11,884.0
20	Singapore Airlines	11,511.6
21	Japan Airlines	10,893.5
22	KLM - Royal Dutch Airlines	10,833.9
23	Air Canada	10,767.6
24	Korean Air	10,469.1
25	Turkish Airlines	8,900.0
26	Qatar Airways	8,413.9
27	easyJet	7,039.0
28	Ryanair	6,352.3
29	Aeroflot	5,832.6
30	jetBlue	5,817.0
31	Thai Airways	5,668.3
32	Hainan Airlines	5,663.2
33	Alaska Air Group	5,368.0
34	Asiana Airlines	5,231.0
35	China Airlines	4,877.3
36	Iberia Opco	4,797.3
37	Avianca Holdings	4,703.6
38	Air Berlin	4,683.8
39	SAS	4,640.5
40	EVA Airways	4,310.8
41	Virgin Atlantic Airways	3,960.0
42	Garuda Indonesia	3,933.5
43	Virgin Australia	3,331.1
44	Jet Airways	3,274.8
45	Air New Zealand	3,257.6
46	SkyWest, Inc.	3,237.4
47	GOL	3,229.2
48	WestJet	3,226.2
49	TAP Group	3,089.9
50	Transat A.T.	3,044.2

Top 50 by Net Income

Rank	Airline	US\$m
1	American Airlines Group	2,882.0
2	Emirates	1,240.3
3	Japan Airlines	1,207.4
4	Southwest Airlines	1,136.0
5	United Continental Holdings	1,132.0
6	International Airlines Group	1,103.3
7	British Airways	1,066.7
8	Ryanair	973.7
9	easyJet	699.7
10	Turkish Airlines	666.9
11	Delta Air Lines	659.0
12	Air China	626.1
13	Alaska Air Group	605.0
14	China Eastern Airlines	559.2
15	Iberia Opco	438.2
16	Thomson Airways	436.9
17	Hainan Airlines	425.0
18	Cathay Pacific	406.4
19	jetBlue	401.0
20	KLM - Royal Dutch Airlines	382.0
21	Copa Holdings	361.7
22	ANA Holdings	317.9
23	China Southern Airlines	291.4
24	TUI Travel PLC	284.5
25	Singapore Airlines	273.2
26	WestJet	230.4
27	Spirit Airlines	225.5
28	Wizz Air	205.8
29	Air New Zealand	183.0
30	Xiamen Airlines	155.9
31	Air Arabia	150.6
32	Spring Airlines	145.0
33	Avianca Holdings	129.3
34	Frontier Airlines	129.0
35	Vueling Airlines	110.5
36	Atlas Air Worldwide	106.8
37	Aegean Airlines	90.2
38	Allegiant Travel Company	86.7
39	Air Canada	81.1
40	Hawaiian Airlines	68.9
41	Icelandair	66.5
42	Atlas Air, Inc.	66.3
43	Republic Airways	64.3
44	Lufthansa Group	61.8
45	Virgin America	60.1
46	Asiana Airlines	55.7
47	Chorus Aviation Inc.	52.5
48	Pegasus Airlines	52.5
49	Grupo Aeromexico	50.8
50	IndiGo	49.5

Top 50 by Net Income Margin

Rank	Airline	%
1	Ryanair	15.3%
2	Wizz Air	14.9%
3	Thomson Airways	14.8%
4	Air Arabia	14.4%
5	Copa Holdings	13.4%
6	Spring Airlines	12.1%
7	Spirit Airlines	11.7%
8	Alaska Air Group	11.3%
9	Japan Airlines	11.1%
10	Omni Air International	10.1%
11	Mesa Airlines	10.0%
12	easyJet	9.9%
13	Iberia Opco	9.1%
14	Aegean Airlines	8.7%
15	Frontier Airlines	8.2%
16	Allegiant Travel Company	7.6%
17	Hainan Airlines	7.5%
18	Turkish Airlines	7.5%
19	WestJet	7.1%
20	jetBlue	6.9%
21	Shuttle America Corporation	6.8%
22	American Airlines Group	6.8%
23	Jeju Air	6.3%
24	Southwest Airlines	6.1%
25	Compass Airlines	6.1%
26	Icelandair	6.0%
27	Atlas Air Worldwide	5.9%
28	British Airways	5.8%
29	euroAtlantic airways	5.8%
30	Vueling Airlines	5.8%
31	Air New Zealand	5.6%
32	Xiamen Airlines	5.5%
33	Emirates	5.2%
34	Air Transport Services Group	5.1%
35	International Airlines Group	4.9%
36	Republic Airways	4.7%
37	Pegasus Airlines	4.6%
38	Air Greenland	4.5%
39	Volaris	4.3%
40	SilkAir	4.3%
41	Comair Limited	4.2%
42	Atlas Air, Inc.	4.1%
43	Virgin America	4.0%
44	Chorus Aviation Inc.	3.9%
45	Miami Air International	3.8%
46	Air China	3.6%
47	China Eastern Airlines	3.6%
48	KLM - Royal Dutch Airlines	3.5%
49	Regional Express Holdings	3.1%
50	Hawaiian Airlines	3.0%



THE TOP FIFTY AIRLINES

Analysis: Revenue and Income

Top 50 by cargo revenue

The network carriers from Europe and Asia dominate the Top 50 by cargo revenue. However, jumping from number three to number one this year is Emirates with \$3.5 billion, 14% of its total revenues. Cargolux is not included in the sample because its 2014 financials were not available at the date of preparation of this analysis. However, the carrier would be in the top 10 by revenues.

Other dedicated cargo providers in the list include Kalitta Air, Centurion Cargo and Polar Air Cargo. Many of these enjoyed bumper years of growth as a result of the US military airlift to Iraq and Afghanistan but are now experiencing a sharp reduction in business from these sources. Several others have gone into liquidation.

Historically seen as a diversification of risk for network carriers otherwise dependent solely on passenger revenues, we have seen in recent years how



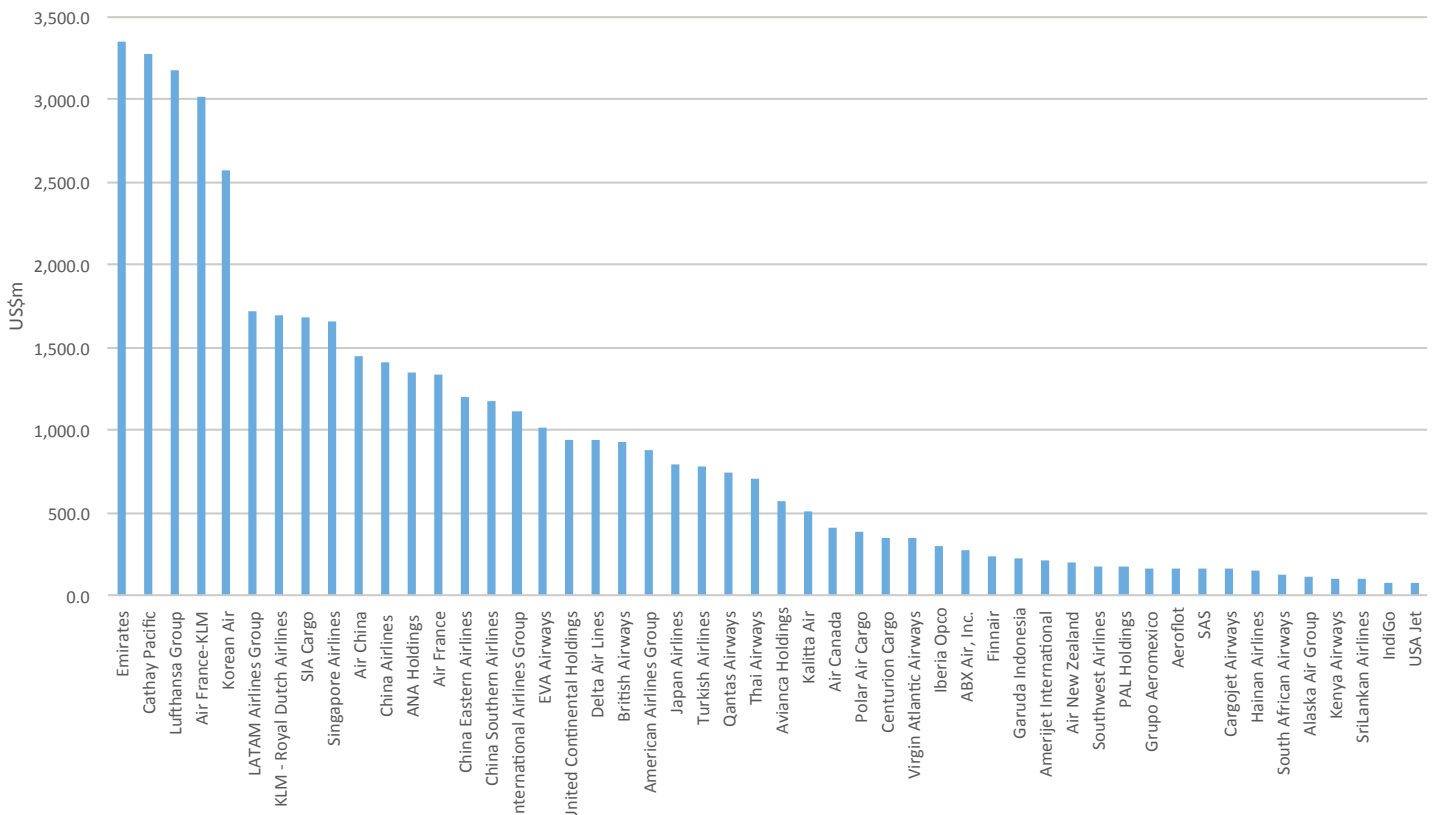
fickle cargo revenues are to a slowdown in world trade and shipment of technology and fashion products from Asia. Many airlines have not yet achieved a return to the pre-financial crisis peak level of cargo revenues and have been aggressively reducing and restructuring their dedicated freighter fleets.

For many of the Asian carriers and selected Middle Eastern and Latin American carriers, cargo revenues nevertheless remain a very high percentage of total revenues, as shown in the table.

Cargo Revenues as % of Total Revenues

Rank	Airline	%
1	China Airlines	29.0%
2	USA Jet	25.9%
3	Korean Air	24.5%
4	Cathay Pacific	24.0%
5	EVA Airways	23.5%
6	KLM - Royal Dutch Airlines	15.6%
7	Singapore Airlines	14.4%
8	Emirates	14.0%
9	LATAM Airlines Group	13.7%
10	Thai Airways	12.4%
11	Avianca Holdings	12.0%
12	Air France-KLM	10.8%
13	SriLankan Airlines	10.2%
14	Air Mauritius	9.9%
15	ANA Holdings	9.7%

Top 50 by Cargo Revenue





THE TOP FIFTY AIRLINES

Analysis: passenger revenue and yield

Top 50 by Passenger Revenue per Passenger¹

Rank	Airline	Ave trip length ² (km)	US \$
1	Virgin Atlantic Airways	6,318	555
2	Omni Air International	4,758	515
3	Singapore Airlines	4,490	428
4	EL AL Israel Airlines	4,131	416
5	British Airways	3,334	391
6	Emirates	4,778	387
7	Miami Air International	1,680	386
8	Air Greenland	1,163	340
9	Copa Holdings	3,286	336
10	Air Mauritius	4,546	336
11	Cathay Pacific	3,556	309
12	KLM - Royal Dutch Airlines	3,298	307
13	Air France	2,773	289
14	Air France-KLM	2,961	284
15	EVA Airways	3,428	284
16	Icelandair	2,720	265
17	International Airlines Group	2,619	259
18	Thomas Cook Airlines Limited	3,367	253
19	Kenya Airways	2,502	252
20	Air Canada	2,574	249
21	United Continental Holdings	2,397	245
22	Thai Airways	2,995	241
23	Lufthansa Group	2,025	229
24	China Airlines	2,535	222
25	Pakistan International Airlines	2,833	216
26	Qantas Airways	2,248	210
27	Virgin America	2,492	204
28	Delta Air Lines	1,906	204
29	Hawaiian Airlines	2,198	201
30	Sun Country Airlines	2,189	200
31	Air New Zealand	2,047	196
32	StarFlyer	963	194
33	Japan Airlines	1,524	194
34	Oman Air	2,244	192
35	Finnair	2,572	190
36	American Airlines Group	1,777	188
37	PAL Holdings	2,574	188
38	ANA Holdings	1,472	185
39	Air China	1,863	183
40	SriLankan Airlines	3,069	183
41	Regional Express Holdings	375	176
42	South African Airways	2,744	173
43	jetBlue	1,897	167
44	Southwest Airlines	1,573	160
45	China Southern Airlines	1,651	158
46	Alaska Air Group	1,689	156
47	LATAM Airlines Group	1,600	153
48	WestJet	1,706	149
49	Aer Lingus	1,647	147
50	China Eastern Airlines	1,524	147

¹ Passenger revenue divided by number of passengers

² RPKs divided by number of passengers

Top 50 by Passenger Yield¹

Rank	Airline	Ave trip length ² (km)	US cents
1	Regional Express Holdings	375	46.95
2	Air Greenland	1,163	29.21
3	Miami Air International	1,680	22.97
4	StarFlyer	963	20.11
5	Air Wisconsin	587	16.88
6	Atlas Air, Inc.	5,645	16.59
7	Bangkok Airways	771	14.10
8	Japan Airlines	1,524	12.70
9	ANA Holdings	1,472	12.57
10	Avianca Holdings	1,243	11.85
11	British Airways	3,334	11.74
12	PSA Airlines	571	11.44
13	Lufthansa Group	2,025	11.29
14	SAS	1,180	10.84
15	Omni Air International	4,758	10.83
16	Delta Air Lines	1,906	10.70
17	American Airlines Group	1,777	10.59
18	Horizon Air	477	10.46
19	Air France	2,773	10.42
20	Copa Holdings	3,286	10.23
21	United Continental Holdings	2,397	10.21
22	Southwest Airlines	1,573	10.16
23	Kenya Airways	2,502	10.08
24	EL AL Israel Airlines	4,131	10.06
25	Skymark Airlines	1,032	9.92
26	International Airlines Group	2,619	9.89
27	Air China	1,863	9.82
28	Icelandair	2,720	9.72
29	China Eastern Airlines	1,524	9.66
30	Air Canada	2,574	9.66
31	Air France-KLM	2,961	9.59
32	Air New Zealand	2,047	9.58
33	LATAM Airlines Group	1,600	9.56
34	China Southern Airlines	1,651	9.56
35	Singapore Airlines	4,490	9.54
36	easyJet	1,126	9.51
37	Aegean Airlines	948	9.49
38	Qantas Airways	2,248	9.35
39	KLM - Royal Dutch Airlines	3,298	9.32
40	Garuda Indonesia	1,235	9.31
41	Alaska Air Group	1,689	9.26
42	Korean Air	0.0	9.23
43	Sun Country Airlines	2,189	9.13
44	Hawaiian Airlines	2,198	9.13
45	Interjet	986	9.04
46	Aer Lingus	1,647	8.95
47	Virgin Atlantic Airways	6,318	8.79
48	jetBlue	1,897	8.78
49	China Airlines	2,535	8.77
50	WestJet	1,706	8.71

¹ Passenger revenue divided by RPKs

² RPKs divided by number of passengers



THE TOP FIFTY AIRLINES

Analysis: passenger revenue and yield



Top 50 by passenger revenue per passenger

Virgin Atlantic with the longest average trip length heads the list at \$555. The Top 50 by passenger revenue per passenger shows the expected correlation with average trip length (RPKs divided by number of passengers). Exceptions to that include Miami Air International, Air Greenland, StarFlyer

and Regional Express. The two main Japanese carriers – Japan Airlines and ANA Holdings – are also exceptions, where the high yields in the domestic business support high revenue per passenger despite average trip lengths of only 1,400 kilometres to 1,500 kilometres.

There are no low-cost carriers appearing on this ranking, reflecting their relatively short average stage length and no-frills offerings.



carriers but are trending down because of increased competition and the weakening yen. Next come Avianca, with its relatively short average trip length, and British Airways.

Despite the competitive pressures from Norwegian Air Shuttle, Ryanair and others, SAS continues to realize relatively high yields, higher than most of its European network competitors.

Top 50 by passenger yield

This ranking, while also influenced by average trip length, shows the influence of flying on less-competitive routes such as for Regional Express and Air Greenland. Yields for Japan Airlines and ANA Holdings head the rankings of the major

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THE TOP FIFTY AIRLINES

Analysis: RPKs and Passenger Load Factor



Top 50 by RPKs

The most predictable of all of our rankings is the Top 50 by RPKs. Increasingly dominated by the mega-groups, the top 10 airline groups comprise 47% of the total RPKs for the sample of 117 parent airlines. The phenomenon of Emirates' growth is evident from its ranking in fourth place, up from fifth last year and eighth two years ago, edging out Air France-KLM, Lufthansa and IAG.

The Chinese majors come in at numbers nine, 10 and 13. Latam at number 16 is the largest of the Latin American carriers. Ryanair does not feature because its RPK data is not yet available for 2014/15.



Top 50 by passenger load factor

Spring Airlines heads this category, followed by three UK-based leisure/charter airlines and easyJet, all of which had load factors of more than 90%. Next are ultra-low-cost carriers Frontier Airlines and Allegiant. All of the Top 50 achieved load factors of more than 80%, including all three US and three European mega-carrier groups. The average load factor for all airlines in the sample of 117 parent airlines for which RPK and available seat kilometre data is available was

Top 50 by RPKs

Rank	Airline	RPKs (m)
1	American Airlines Group	350,628
2	United Continental Holdings	330,815
3	Delta Air Lines	326,576
4	Emirates	235,498
5	Air France-KLM	229,347
6	Lufthansa Group	214,641
7	International Airlines Group	202,562
8	Southwest Airlines	173,866
9	China Southern Airlines	166,629
10	Air China	154,684
11	British Airways	138,431
12	Air France	137,870
13	China Eastern Airlines	127,750
14	Cathay Pacific	112,257
15	Qantas Airways	109,659
16	LATAM Airlines Group	108,534
17	Turkish Airlines	106,787
18	Singapore Airlines	100,074
19	Air Canada	99,161
20	KLM - Royal Dutch Airlines	91,477
21	Aeroflot	90,075
22	ANA Holdings	74,221
23	easyJet	72,933
24	Korean Air	67,948
25	jetBlue	60,854
26	Japan Airlines	60,103
27	Hainan Airlines	59,250
28	Thai Airways	57,194
29	SkyWest, Inc.	50,693
30	Alaska Air Group	49,436
31	Air Berlin	49,270
32	Iberia Opco	42,690
33	GOL	38,085
34	Virgin Atlantic Airways	37,692
35	Norwegian Air Shuttle	37,615
36	Asiana Airlines	37,036
37	Jet Airways	36,846
38	Garuda Indonesia	35,997
39	China Airlines	35,886
40	SAS	34,714
41	WestJet	33,521
42	Virgin Australia	33,084
43	Avianca Holdings	32,602
44	Thomson Airways	31,333
45	EVA Airways	30,518
46	TAP Group	30,123
47	Grupo Aeromexico	28,772
48	Air New Zealand	28,078
49	AirAsia	27,273
50	ExpressJet Airlines, Inc.	25,614

Top 50 by Passenger Load Factor

Rank	Airline	LF %
1	Spring Airlines	93.1%
2	Thomson Airways	92.1%
3	easyJet	91.7%
4	Thomas Cook Airlines Limited	91.4%
5	Jet2.com	89.9%
6	Frontier Airlines	89.0%
7	Allegiant Travel Company	87.5%
8	Hainan Airlines	86.8%
9	Spirit Airlines	86.7%
10	Wizz Air	86.6%
11	KLM - Royal Dutch Airlines	86.5%
12	Alaska Air Group	85.1%
13	Jeju Air	84.8%
14	Delta Air Lines	84.7%
15	Air France-KLM	84.7%
16	Air New Zealand	84.1%
17	jetBlue	84.0%
18	United Continental Holdings	83.6%
19	Air France	83.5%
20	Air Berlin	83.5%
21	LATAM Airlines Group	83.4%
22	Air Canada	83.4%
23	Cathay Pacific	83.3%
24	Southwest Airlines	82.5%
25	EL AL Israel Airlines	82.5%
26	Mesa Airlines	82.5%
27	SkyWest, Inc.	82.4%
28	Jet Airways	82.3%
29	Virgin America	82.3%
30	Volaris	82.2%
31	Tigerair	82.1%
32	American Airlines Group	82.0%
33	AirAsia X	82.0%
34	Hawaiian Airlines	81.5%
35	Monarch Airlines	81.5%
36	WestJet	81.4%
37	SpiceJet	81.4%
38	Nok Air	81.3%
39	ExpressJet Airlines, Inc.	81.2%
40	Air Arabia	81.2%
41	SriLankan Airlines	81.2%
42	British Airways	81.0%
43	Compass Airlines	81.0%
44	Norwegian Air Shuttle	80.9%
45	Thai AirAsia	80.6%
46	PSA Airlines	80.6%
47	International Airlines Group	80.4%
48	Vueling Airlines	80.4%
49	Icelandair	80.3%
50	Finnair	80.2%



THE TOP FIFTY AIRLINES

Analysis: Staff Costs

Top 50 by Lowest Staff Costs to Revenue

Rank	Airline	Average Cost per Employee (US\$'k)	Employee Costs as % of Revenue
1	Polar Air Cargo	N/A	2.5%
2	SIA Cargo	85.5	4.8%
3	Wizz Air	N/A	6.7%
4	Hainan Airlines	36.4	6.8%
5	Interjet	N/A	6.9%
6	PAL Holdings	32.1	7.3%
7	Scoot	41.0	7.7%
8	GoAir	N/A	7.9%
9	Nok Air	N/A	7.9%
10	Vueling Airlines	73.7	8.3%
11	Biman Bangladesh	N/A	8.7%
12	IndiGo	N/A	8.8%
13	Ryanair	61.1	8.9%
14	USA Jet	N/A	9.1%
15	Cargojet Airways	32.7	9.4%
16	Centurion Cargo	N/A	9.5%
17	Transat A.T.	59	9.9%
18	SpiceJet	N/A	10.3%
19	Thomas Cook Group Plc	62.6	10.6%
20	AirAsia X	38.0	10.7%
21	StarFlyer	N/A	10.8%
22	Thai AirAsia	N/A	11.0%
23	Thomson Airways	88.7	11.0%
24	Air Astana	23.8	11.1%
25	Copa Holdings	33.4	11.1%
26	Volaris	37.2	11.2%
27	Pegasus Airlines	38	11.3%
28	Aegean Airlines	59.4	11.4%
29	Jet Airways	27.1	11.5%
30	Comair Limited	29.9	11.8%
31	China Eastern Airlines	26.6	12.0%
32	TUI Travel PLC	47.9	12.1%
33	Shandong Airlines	31.2	12.2%
34	AirAsia	28.7	12.3%
35	Tigerair	N/A	12.4%
36	easyJet	94.7	12.5%
37	Garuda Indonesia	N/A	12.7%
38	Jazeera Airways	N/A	12.7%
39	Royal Jordanian Airlines	N/A	12.8%
40	SilkAir	58.5	12.8%
41	China Airlines	55.9	12.9%
42	Virgin Atlantic Airways	63.2	12.9%
43	Air Berlin	70.5	13.1%
44	EVA Airways	75.7	13.1%
45	Asiana Airlines	70.1	13.5%
46	Emirates	56.9	13.5%
47	GOL	26.6	13.7%
48	Air Arabia	N/A	13.8%
49	Jetstar Asia	N/A	13.8%
50	Korean Air	85.6	14.3%



Top 50 by lowest staff costs to revenue

Employee costs are typically the second-largest Ebitdar (earnings before interest, taxes, depreciation, amortization and rent or restructuring) cost item after fuel for the world's airlines. Labour relations and compensation structures tend to put the old legacy airlines at a serious competitive disadvantage to start-up low-cost carriers and airlines based in emerging economies. The Top 50 by lowest staff costs to revenue ranking shows this very clearly.

Some of the dedicated cargo carriers show very low employee costs/revenue ratios, perhaps in part because of costs being in other companies within the group. Wizz Air, Hainan Airlines, Interjet and PAL Holdings head the list of passenger carriers.

They are followed by credible performances from other low-cost carriers and leisure airlines (including Scoot, GoAir, Nok Air, Vueling and IndiGo). Air China and China Southern do not make the Top 50 but China Eastern comes in at number 31. Its average staff cost was \$26,600.

While some care should be taken in interpreting this data because of varying accounting treatments and disclosure, the next grouping of carriers in the ranking has ratios below 10%. Ryanair, as a major airline based in a developed economy, achieves an attention-grabbing 8.9%, down from 9.2% last year and 9.6% two years ago.

By comparison, the developed mega-carrier groupings do not qualify for a Top 50 ranking. Lufthansa's ratio is 26.7%, while IAG and Air France-KLM are 18.3% and 29.4% respectively. The US majors show a little better because of lower average employee costs. Delta's ratio is 22.8%, UAL's 23% and American Airlines' is 22.5%. Southwest was an unexpectedly high 29.2%, presumably reflecting its shorter average trip length.

Virgin Atlantic and Emirates make the list, helped by their long average trip lengths offsetting their higher average staff costs, but Singapore Airlines does not with a ratio of 15.1%. The major Latin American carriers had quite varied results. Copa made it into the Top 50 at number 25 with a ratio of 11.1%, as did Gol at number 47 with 13.7%. Avianca's ratio was 15.4%, while Latam is a laggard with a ratio of 18.8%.



THE TOP FIFTY AIRLINES

Analysis: Rask-Cask margin

Top 50 by Rask-Cask margin: where the rubber meets the road

The Rask (revenue available seat kilometres)-Cask (cost available seat kilometres) margin has become one of the key ratios monitored by airline management and analysts alike in assessing competitiveness and trends over time.

In the ever-competitive airline industry, very slim margins and competitive advantages mean the difference between success and failure. Having a marginally higher cost structure can be sustainable if it is supporting a premium revenue structure such as with British Airways or the US majors. However, if it is not, the strength of

competitive forces will root out the airline's weakness over time.

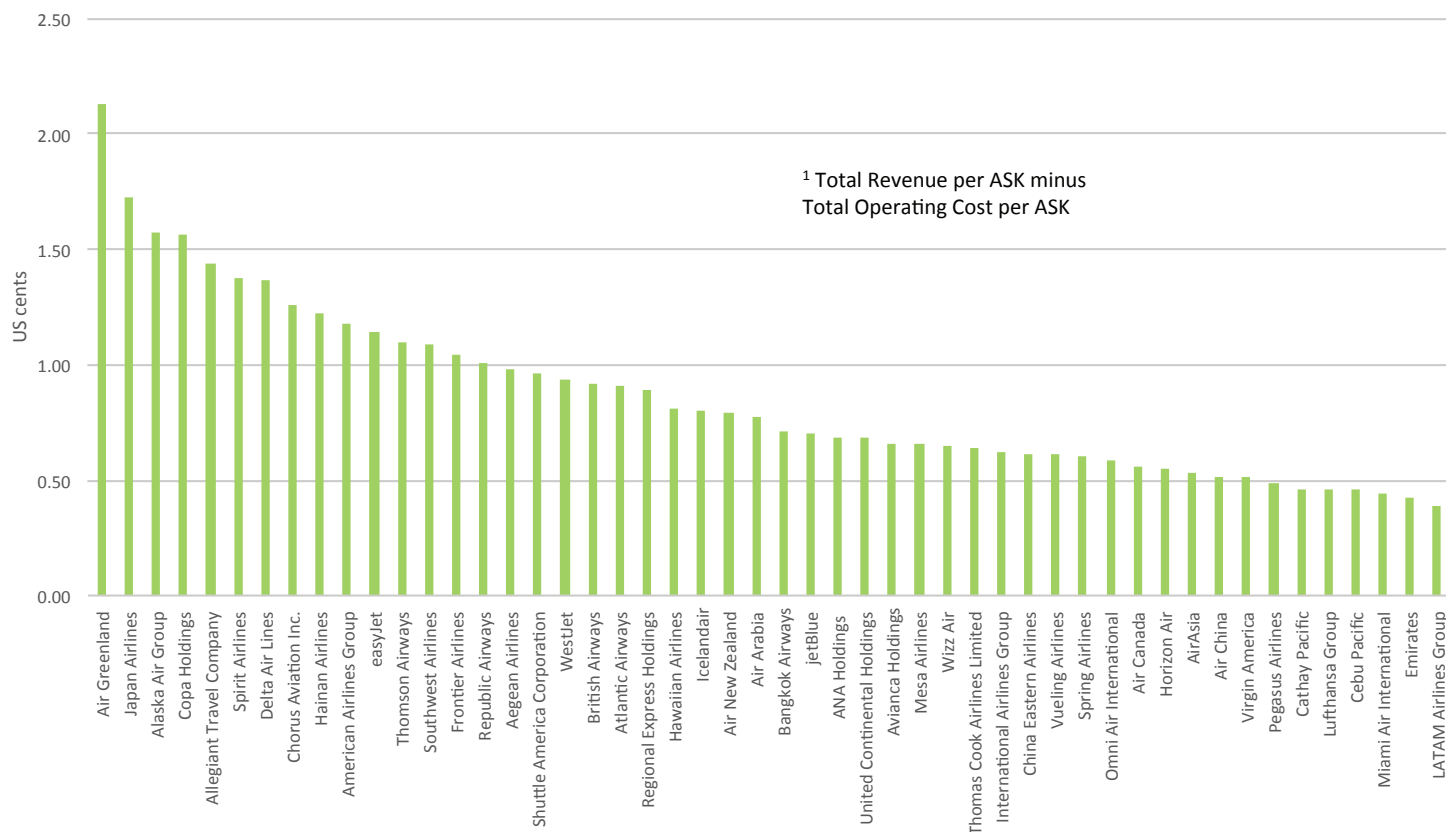
Considering that many airline management teams dream for a Rask-Cask margin of more than one US cent, it is striking that 15 of the Top 50 did just that – seven of them from the US. Air Greenland topped the list, achieving more than two cents, and Japan Airlines, a major network carrier, came in at 1.73 cents (but down from 1.95 cents last time, partly because of the weakening of the yen). The over-one-cent-club also includes Alaska Air Group, Copa Holdings, Allegiant, Spirit, Delta, American and Southwest. Last year's leader, Regional Express, fell to number 21 because of the slowdown in the Australian mining sector.

Aegean Airlines is the leader of the



European network carriers at 0.98 cents, which is a significant achievement considering the economic and political environment in which it has been operating. Next are British Airways and Atlantic Airways. IAG is ranked 34th this year and Lufthansa Group 46th, but Air France-KLM did not make it into the Top 50.

Top 50 by Rask-Cask margin¹





THE TOP FIFTY AIRLINES

Analysis: Ebitdar margin

Top 50 by Ebitdar margin

Unlike some other measures, Ebitdar margin is neutral to the means of aircraft financing (owned or leased) and degree of financial leverage of an airline. While a high Ebitdar margin will therefore not alone make a financially successful airline, it is a very appealing measure of the management's success in running the airline and the viability of the airline's core business, independent of the financing strategies chosen.

Reflecting the improving profitability of the industry, the Ebitdar margin for the sample of 117 parent airlines improved from 14.5% last year to 15.8% in 2014/15.

Jazeera Airways, Republic Airways and Mesa Airlines head the passenger carriers on the list. Hainan Airlines, Copa and Alaska Air Group are



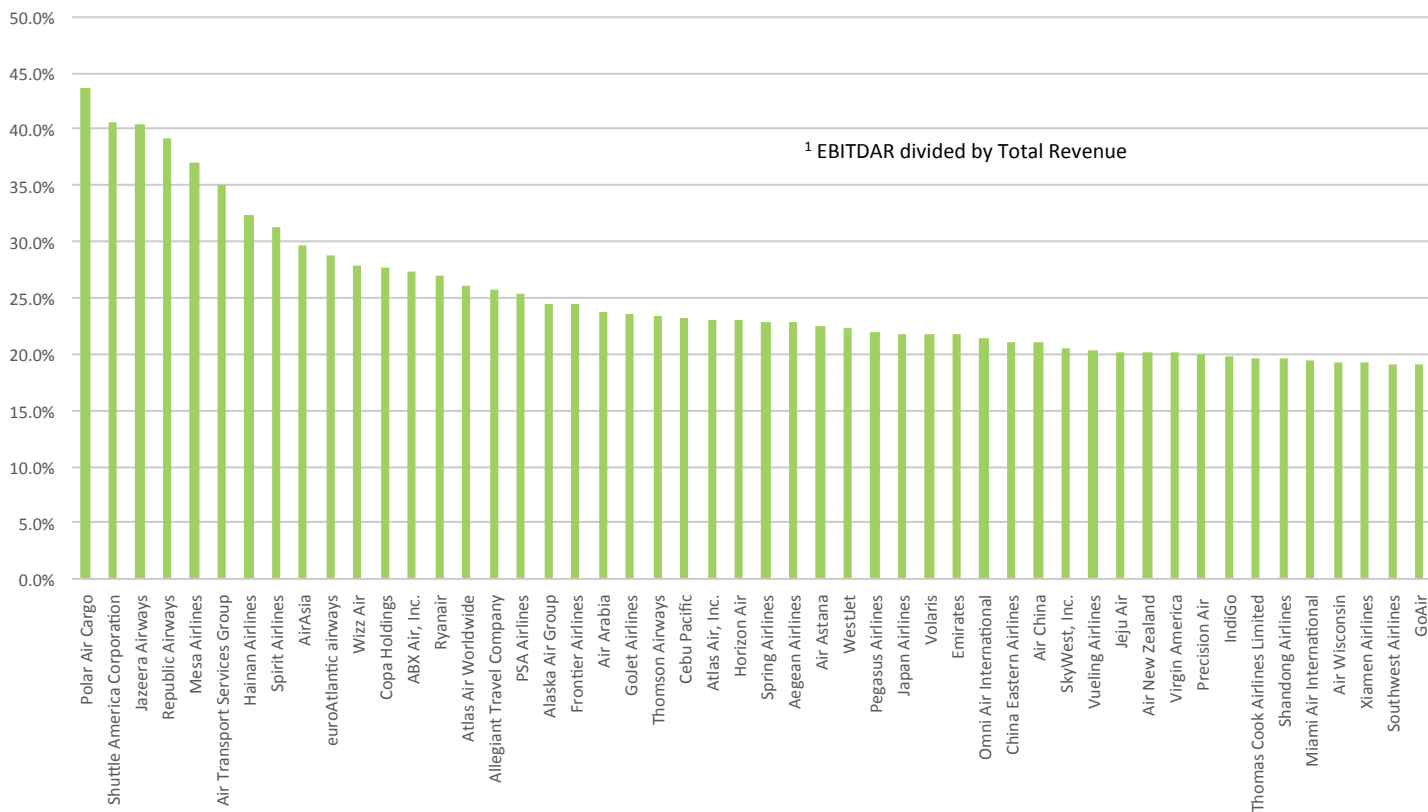
the highest-ranked network carriers.

Reflecting their lower staff costs, some of the cargo carriers also appear high on the list. These include Polar Air Cargo, Air Transport Services

Group, ABX Air and Atlas Air Worldwide.

The mega-carrier groupings of the US and Europe are notable by their absence, but Emirates makes the list at 21.7%, as does China Eastern at 21%.

Top 50 by EBITDAR Margin¹



¹ EBITDAR divided by Total Revenue

THE TOP FIFTY AIRLINES

Analysis: financial flexibility

Top 50 by Lowest Leverage¹

Rank	Airline	Times
1	Air Greenland	0.0
2	Japan Airlines	0.0
3	Compass Airlines	0.0
4	Envoy Air	0.0
5	Icelandair	0.3
6	Ryanair	0.3
7	Alaska Air Group	0.4
8	Southwest Airlines	0.6
9	easyJet	0.7
10	Allegiant Travel Company	0.8
11	Kalitta Air	0.9
12	USA Jet	0.9
13	Delta Air Lines	1.1
14	Singapore Airlines	1.1
15	Aer Lingus	1.3
16	British Airways	1.4
17	WestJet	1.5
18	SilkAir	1.5
19	Air New Zealand	1.6
20	Spirit Airlines	1.8
21	Thomas Cook Airlines Limited	1.9
22	International Airlines Group	1.9
23	Lufthansa Group	1.9
24	Copa Holdings	1.9
25	SIA Cargo	1.9
26	Thomas Cook Group Plc	1.9
27	Wizz Air	2.0
28	Regional Express Holdings	2.1
29	Atlantic Airways	2.2
30	Transat A.T.	2.2
31	TUI Travel PLC	2.3
32	Comair Limited	2.3
33	Air Transport Services Group	2.6
34	American Airlines Group	2.7
35	Aegean Airlines	2.7
36	Frontier Airlines	2.8
37	Air Arabia	2.8
38	Vueling Airlines	2.8
39	euroAtlantic airways	2.8
40	Pegasus Airlines	2.9
41	Thomson Airways	3.1
42	jetBlue	3.2
43	United Continental Holdings	3.2
44	Hawaiian Airlines	3.2
45	Air Canada	3.3
46	Air Mauritius	3.3
47	Omni Air International	3.3
48	Chorus Aviation Inc.	3.5
49	Jet2.com	3.7
50	Bangkok Airways	3.7

¹ Adjusted Net Debt / EBITDAR

Financial flexibility

We have assessed financial flexibility on three key financial parameters: leverage, fixed-charge cover and liquidity. Leverage is calculated as adjusted net debt (net balance sheet debt plus eight multiplied by aircraft rent) to Ebitdar, fixed-charge cover as Ebitdar divided by net interest plus aircraft rent, and liquidity as unrestricted cash as a percentage of revenue.

A cash-flow measure of leverage is preferred because traditional ratios based on book equity can mislead. A leverage measure has more value in our opinion if it is related to ability to service debt from continuing operations rather than some balance sheet equity figures that may not reflect current values of assets. Both the leverage and fixed-charge cover measures take into account the effect of aircraft operating leases, either by capitalizing the rental as in leverage or including rent in the fixed charges that must be covered by Ebitdar.



Top 50 by lowest leverage

Leverage for the Top 50 ranges from zero for those airlines with no adjusted net debt to a high of 3.7 times for Jet2.com and Bangkok Airways. As to be expected, the list includes all airlines with investment-grade credit ratings. Noticeably highly placed on the list is Japan Airlines, after the debt forgiveness achieved through its restructuring.

Other majors include Delta, Singapore Airlines, British Airways, IAG, Lufthansa and United but Air France-KLM, Emirates, Qantas and Cathay Pacific are not in the Top 50. Other absentees include all the Latin American carriers except Copa. A number of the major low-cost carriers make the ranking, with strong cash generation supporting their debt loads from recent fleet expansion.



Top 50 by highest fixed-charge cover

“Who cares what our leverage is as long as we pay our rent/interest and you have our aircraft as collateral anyway?” is a question heard often by aviation financiers, and there is an element of truth to it. A meaningful fixed-charge cover ratio and/or covenant can help protect the asset financier against the likelihood of default.

Our Top 50 airlines for fixed-charge cover are similar to the Top 50 by lowest leverage. Those airlines with no or minimal adjusted net debt are at the top but some notable airlines, such as Cathay Pacific, China Airlines, Turkish Airlines, Korean Air and the three Chinese majors, make this list despite their higher leverage. All of these airlines have a fixed-charge cover comfortably above two times, which translates into the financier being protected for rent and interest (if not principal) payments even if Ebitdar declines by 50% to 60%. AirAsia falls out of the Top 50 this year.



THE TOP FIFTY AIRLINES

Analysis: financial flexibility

Top 50 by Highest Fixed Charge Cover¹

Rank	Airline	Times
1	Envoy Air	∞
2	Compass Airlines	∞
3	USA Jet	29.9
4	Air Greenland	19.3
5	Allegiant Travel Company	13.7
6	Alaska Air Group	11.2
7	Japan Airlines	10.4
8	British Airways	9.4
9	Ryanair	9.2
10	Kalitta Air	9.0
11	Southwest Airlines	8.9
12	Delta Air Lines	8.2
13	Lufthansa Group	7.7
14	Air Arabia	7.2
15	easyJet	6.3
16	Copa Holdings	6.1
17	Icelandair	5.9
18	Regional Express Holdings	5.6
19	Air New Zealand	5.5
20	Air Transport Services Group	5.1
21	Pegasus Airlines	4.6
22	International Airlines Group	4.3
23	WestJet	4.1
24	Cathay Pacific	4.1
25	China Airlines	4.0
26	TransAsia Airways	3.9
27	Korean Air	3.9
28	jetBlue	3.7
29	American Airlines Group	3.7
30	Comair Limited	3.6
31	euroAtlantic airways	3.5
32	Horizon Air	3.5
33	Xiamen Airlines	3.5
34	Turkish Airlines	3.5
35	Singapore Airlines	3.4
36	SilkAir	3.3
37	Aer Lingus	3.2
38	China Southern Airlines	3.2
39	Spirit Airlines	3.1
40	China Eastern Airlines	3.1
41	Atlantic Airways	3.0
42	Air Canada	3.0
43	ANA Holdings	3.0
44	Air China	3.0
45	United Continental Holdings	2.9
46	Air Mauritius	2.8
47	Thomas Cook Airlines Limited	2.8
48	Chorus Aviation Inc.	2.7
49	Cebu Pacific	2.7
50	Thomson Airways	2.7

¹ EBITDAR / Net Fixed Charges (Interest & Aircraft Rent)



Top 50 by highest liquidity

Liquidity is another major indicator of financial flexibility for an airline and its ability to withstand sudden shocks such as a strike, natural disaster or grounding of all or a portion of its fleet. Top of the list for liquidity are a number of very successful low-cost carriers whose financial analysis may be focused on whether to return some surplus cash to shareholders or buy new aircraft. At the other end of the scale, many market participants consider that liquidity of three months of revenues is the minimum level required for comfortable operation of an airline. That is equivalent to a figure of at least 25% of revenues as a liquidity buffer.

Perhaps surprisingly, only 26 airlines achieve this level, so we should perhaps rename this list the Top 26. One reason may be that some airlines rely on committed liquidity facilities that are not captured in our data, as with Qantas and Finnair. Others may keep a buffer of unencumbered aircraft to be converted into cash if required. It is notable that neither Delta nor American Airlines made it into the Top 50 by liquidity. Emirates made it into this Top 50 list but not the other two financial flexibility measures.

Top 50 by Highest Liquidity¹

Rank	Airline	%
1	Jazeera Airways	104.5%
2	Ryanair	84.7%
3	Bangkok Airways	62.6%
4	Hainan Airlines	50.3%
5	Tigerair	45.8%
6	Qatar Airways	42.8%
7	Aer Lingus	40.8%
8	Air Arabia	40.4%
9	Vueling Airlines	38.2%
10	Wizz Air	36.6%
11	Singapore Airlines	35.3%
12	WestJet	34.2%
13	TransAsia Airways	33.1%
14	Spirit Airlines	32.8%
15	Spring Airlines	32.8%
16	Allegiant Travel Company	31.6%
17	Flybe	31.0%
18	Air Greenland	28.6%
19	Pegasus Airlines	27.8%
20	Japan Airlines	27.1%
21	Air New Zealand	26.5%
22	Virgin America	26.5%
23	Xiamen Airlines	26.4%
24	Nok Air	26.4%
25	euroAtlantic airways	25.6%
26	Scoot	25.0%
27	Thai AirAsia	24.8%
28	International Airlines Group	24.5%
29	Alaska Air Group	22.7%
30	Hawaiian Airlines	22.6%
31	Aegean Airlines	22.5%
32	easyJet	21.8%
33	GOL	21.8%
34	British Airways	21.5%
35	Copa Holdings	21.4%
36	Air Malta	21.2%
37	Jeju Air	20.9%
38	Thomas Cook Airlines Limited	20.4%
39	EVA Airways	20.4%
40	Air Astana	19.8%
41	Icelandair	19.4%
42	Emirates	19.3%
43	Qantas Airways	19.3%
44	SAS	19.1%
45	ANA Holdings	18.8%
46	Atlantic Airways	18.6%
47	Finnair	18.5%
48	Cathay Pacific	18.3%
49	SilkAir	18.2%
50	Atlas Air Worldwide	17.6%

¹ Unrestricted Cash as % of Total Revenues

THE TOP FIFTY AIRLINES

Analysis: equity market capitalisation and return on invested capital

Top 50 by Equity Market Capitalisation¹

Rank	Airline	US\$m
1	Delta Air Lines	33,582.6
2	American Airlines Group	28,200.4
3	Southwest Airlines	23,390.5
4	Air China	23,202.7
5	United Continental	20,196.3
6	China Eastern Airlines	19,616.2
7	Ryanair	18,315.0
8	China Southern Airlines	17,357.9
9	International Airlines Group	16,465.0
10	Hainan Airlines	12,686.6
11	Japan Airlines	11,778.3
12	easyJet	9,759.3
13	Cathay Pacific	9,377.3
14	Singapore Airlines	9,178.8
15	ANA Holdings	9,120.5
16	Spring Airlines	8,835.0
17	Alaska Airlines	8,232.1
18	Lufthansa Group	6,344.5
19	jetBlue	6,116.4
20	Qantas Airways	5,476.3
21	Spirit Airlines	4,660.4
22	Turkish Airlines	4,388.7
23	LATAM Airlines Group	4,149.9
24	Copa Holdings	3,820.0
25	Thomas Cook Group Plc	3,304.8
26	Air Canada	3,227.6
27	Allegiant Air	2,834.0
28	WestJet	2,767.8
29	PAL Holdings	2,507.4
30	EVA Airways	2,462.4
31	Korean Air	2,458.9
32	Air France-KLM	2,279.4
33	Air Arabia	2,134.9
34	China Airlines	2,099.8
35	Air New Zealand	2,029.1
36	Shandong Airlines	1,535.5
37	Aer Lingus	1,441.5
38	Norwegian Air Shuttle	1,428.5
39	Bangkok Airways	1,392.3
40	Atlas Air Worldwide	1,367.0
41	Wizz Air	1,349.3
42	AirAsia	1,348.8
43	Avianca Holdings	1,324.2
44	Hawaiian Airlines	1,263.5
45	Volaris	1,243.2
46	Virgin Australia	1,214.6
47	Virgin America	1,211.7
48	Grupo Aeromexico	1,154.2
49	Cebu Pacific	1,147.5
50	Asiana Airlines	1,057.3

¹ Based on closing prices on 12th June 2015

Top 50 by Return on Invested Capital¹

Rank	Airline	%
1	Japan Airlines	13.4%
2	Aegean Airlines	12.9%
3	Delta Air Lines	12.8%
4	Wizz Air	11.5%
5	WestJet	11.4%
6	Thomas Cook Group Plc	11.3%
7	American Airlines Group	11.2%
8	Alaska Air Group	10.9%
9	Transat A.T.	10.8%
10	Copa Holdings	10.6%
11	Comair Limited	10.6%
12	Lufthansa Group	10.5%
13	Hawaiian Airlines	9.8%
14	Air Canada	9.8%
15	Air New Zealand	9.5%
16	Southwest Airlines	9.4%
17	Chorus Aviation Inc.	9.3%
18	easyJet	9.1%
19	Icelandair	9.0%
20	Pegasus Airlines	8.7%
21	United Continental Holdings	8.1%
22	Republic Airways	7.7%
23	International Airlines Group	7.6%
24	Spirit Airlines	7.4%
25	Allegiant Travel Company	6.8%
26	Virgin America	6.7%
27	Air Transport Services Group	6.6%
28	Ryanair	6.4%
29	Aeroflot	6.4%
30	Atlas Air Worldwide	6.1%
31	jetBlue	6.0%
32	Avianca Holdings	6.0%
33	Air Mauritius	5.8%
34	Regional Express Holdings	5.8%
35	Aer Lingus	5.8%
36	ANA Holdings	5.2%
37	Turkish Airlines	5.2%
38	Air Arabia	5.1%
39	Grupo Aeromexico	5.0%
40	Jazeera Airways	5.0%
41	Cebu Pacific	5.0%
42	SkyWest, Inc.	4.6%
43	LATAM Airlines Group	4.2%
44	Singapore Airlines	4.1%
45	Cathay Pacific	4.1%
46	GOL	4.1%
47	AirAsia	4.1%
48	Hainan Airlines	3.9%
49	SAS	3.7%
50	StarFlyer	3.4%

¹ (Recurring EBIT plus 1/3 Aircraft Rental) / (Equity Market Capitalisation plus Adjusted Net Debt)



Top 50 by equity market capitalization

Despite the recent sell-offs because of capacity and Rask concerns, particularly in the US, the Top 50 airline stocks had a total value of \$362 billion as of June 12, up from \$273 billion last year. Delta continues to be the top-ranked airline with a market capitalization of \$33.6 billion.

There are three significant new entrants – Spring Airlines at number 16 at an attention-grabbing \$8.8 billion, Wizz Air at 41 and Virgin America at number 49. Tui Travel and Malaysia Airlines leave the ranking, having been de-listed.

With the strong surge in 2015, four of the top 10 are from China, while the mega-European carriers IAG, Lufthansa, and Air France-KLM make it into positions nine, 18 and 32 respectively. Latam remains the highest-ranked Latin American carrier in 22nd position, down from 12th last year and seventh two years ago, followed by Copa in 23rd.

Southwest leads the low-cost carriers, ahead of Ryanair in seventh, easyJet 12th, Spirit 21st, Allegiant 27th, WestJet 28th, Wizz Air 41st and AirAsia in 42nd place. The two major Japanese carriers come in at numbers 11 and 15.

Top 50 by return on invested capital

The Top 50 by return on invested capital shows a wide range of results. Topping the list is Japan Airlines at 13.4% followed by the impressive Aegean Airlines. Delta comes in third, followed by two low-cost carriers, Wizz Air and WestJet.

A total of 12 carriers generated returns of more than 10%. Many of the long-established network carriers such as Latam, Singapore Airlines and Cathay Pacific, while making the top 50, earned returns that are unlikely to have exceeded their cost of capital. The same would apply to AirAsia coming in at number 47 with 4.1%.

TAA Financial Rating Scores - LTM					Overall Rating Scores		
Avg. Fleet Age	EBITDAR Margin	FCC	Liquidity	Leverage	LTM-2	LTM-1	LTM
5	2	2	1	3	1.4		2.2
THE AIRLINE ANALYST FINANCIAL RATINGS					6	2.4	5.6
							6.2
							3.5
							3.6
							2.9
							2.0
							6.6
							6.4
							3.9
							3.7
7	2	1	1	1	1.9	1.9	1.7
4	2	4	4	5	3.6	3.8	3.8
6	3	5	4	3	5.1	4.6	3.9
5	1	4	2	4	2.5	2.5	2.9
5	2	4	3	4	2.7	2.9	3.4



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