

Agenda themes

- LCC operational discipline is well understood
 - ▣ Fleet selection
 - ▣ Network choice
 - ▣ High utilization, high LF%
 - ▣ Direct distribution (generally)
 - ▣ Cost management mindset

Agenda themes

- The market environment is ever more complicated
 - ▣ International regulatory issues
 - ▣ Restricted infrastructure (slots, airport and air traffic capacity)
 - ▣ Growing need to seek connectivity – complicates the simple model
 - ▣ Distribution for different segments – GDS & Direct
 - ▣ FSC group strategies and cost competition

Opportunity

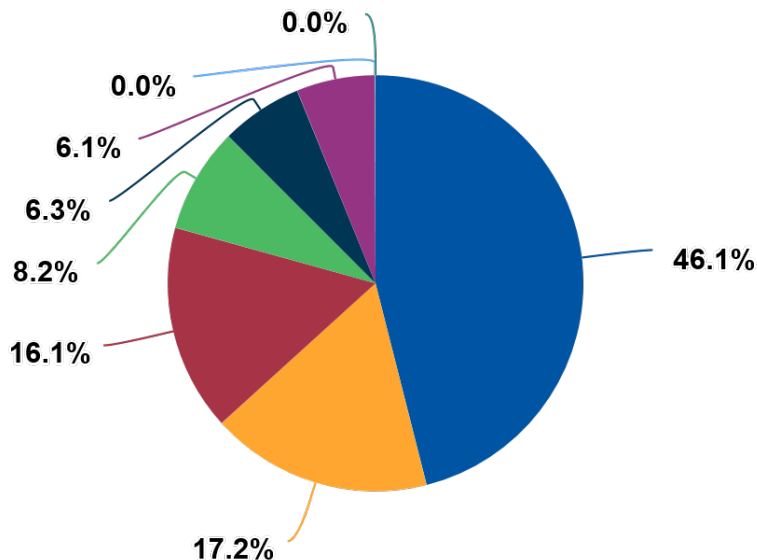
- North Asia has great opportunity to grow
 - Under penetrated by LCCs versus SE Asia
 - China still a huge LCC opportunity within the region – both domestically and internationally
 - Technological solutions are emerging to cost-effectively meet different passenger needs
 - Development of LCC alliances to further accelerate growth
 - Unfulfilled customer demand – LCC and LHLCC
 - Regulatory hurdles (slowly) changing

Context

- Explore these issues at this CAPA summit – panels of experts to consider
 - ▣ Airlines vs airports (costs) and in cooperation with each other (market building)
 - ▣ Regional focus on Japan, China and Korean markets
 - ▣ The role of technology in enabling LCCs to differentiate
 - ▣ The challenges of LCC cooperation
 - ▣ Fleet choices – more complex than ever

LCC Fleet Size - Poll Question

Global Fleet by
Business Model



Source: CAPA Fleet
Database, 12 June 2017

