

Wings of Change Europe Master of Ceremony



Montserrat Barriga

Director General

European Regions Airline Association (ERA)



Wifi Hilton Honors

Password APMAD08



Welcome remarks



Luis Gallego

CEO

Iberia



Welcome to
Madrid





A place to enjoy



Iberia in figures

Flying since

1927

Member of

IAG INTERNATIONAL
AIRLINES
GROUP

Three Business:

3

Airline
Maintenance
Handling



Employees

17.500



Incomes 2017

€4.85 Billion



€376

Operating profits
2017
(+39% vs 2016)

What does Iberia bring to Madrid?



17,500
employees



109
International
destinations



23,000,000
passengers



142
aircraft



50%
Madrid Airport



5,5%
GDP



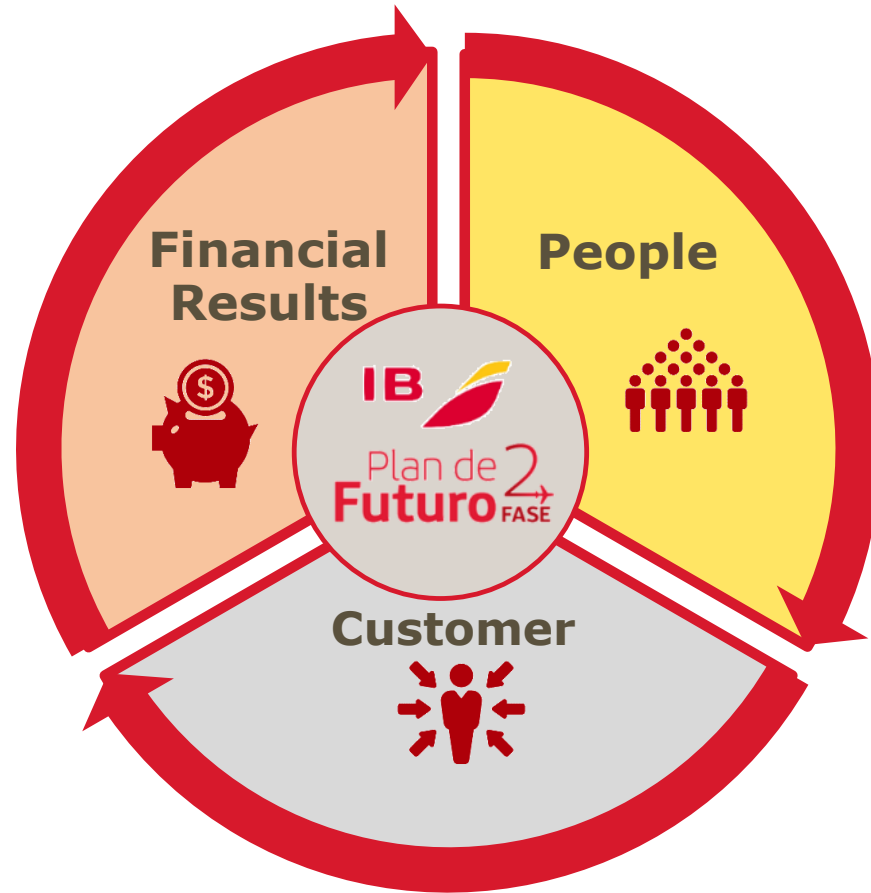
50,000
Indirect
employees

GATE 13

Our strategic roadmap



2018 had significant challenges for IB. How are we doing?



Muchas gracias

The Value of Aviation & importance of Competitiveness for Spain



Jose Luis Ábalos

Minister of Public Works

Government of Spain



The European Commission's perspective on the future of aviation in the EU and its neighboring countries



Henrik Hololei

Director General for Mobility & Transport
European Commission



Competitiveness as a solution for aviation's economic sustainability?



Alexandre de Juniac

Director General & CEO

International Air Transport Association (IATA)



Air Connectivity and the Competitiveness of European Aviation



Brian Pearce

Chief Economist

International Air Transport Association (IATA)



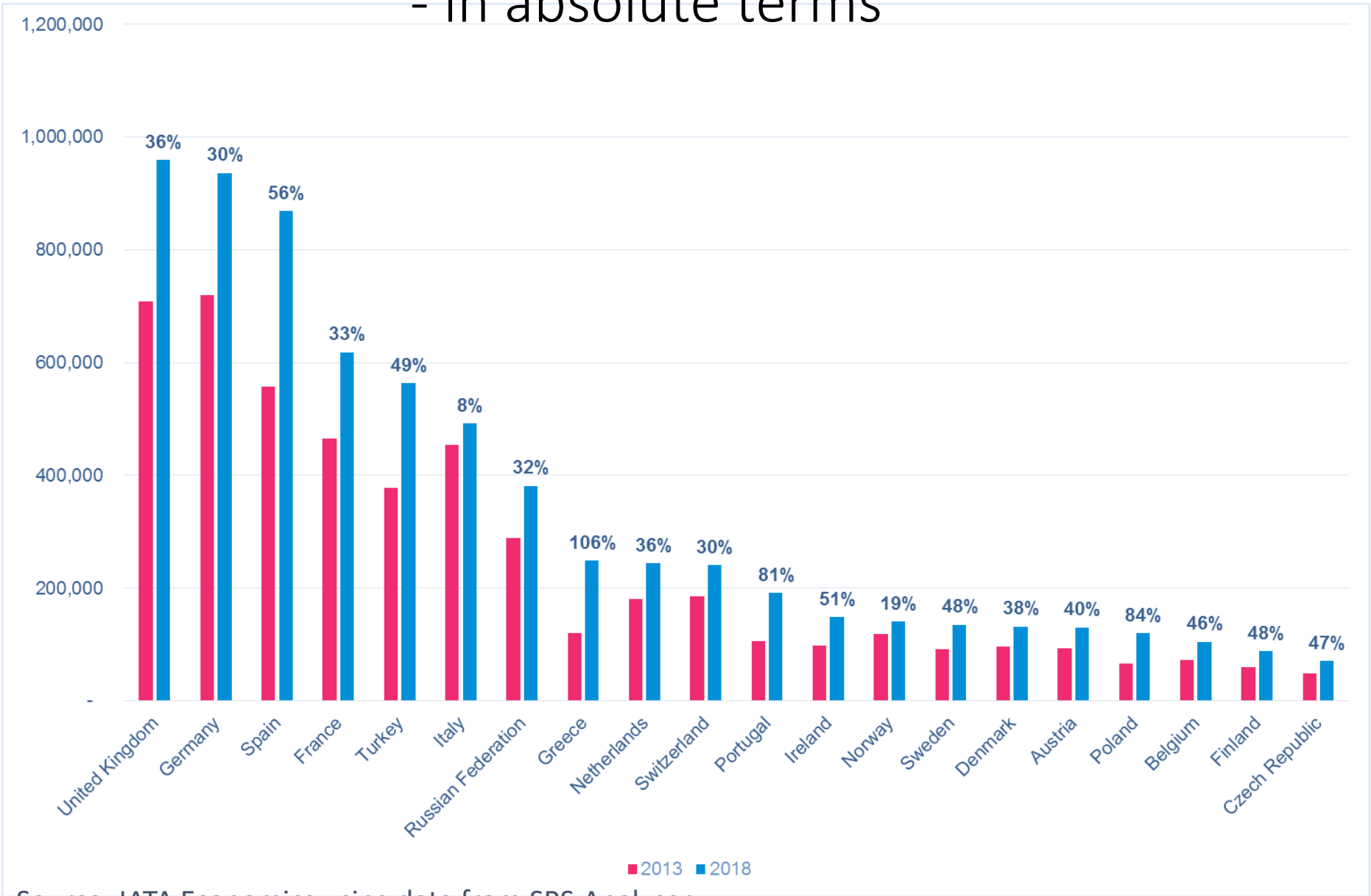


Air Connectivity and the Competitiveness of European Aviation

Brian Pearce,
Chief Economist,
IATA

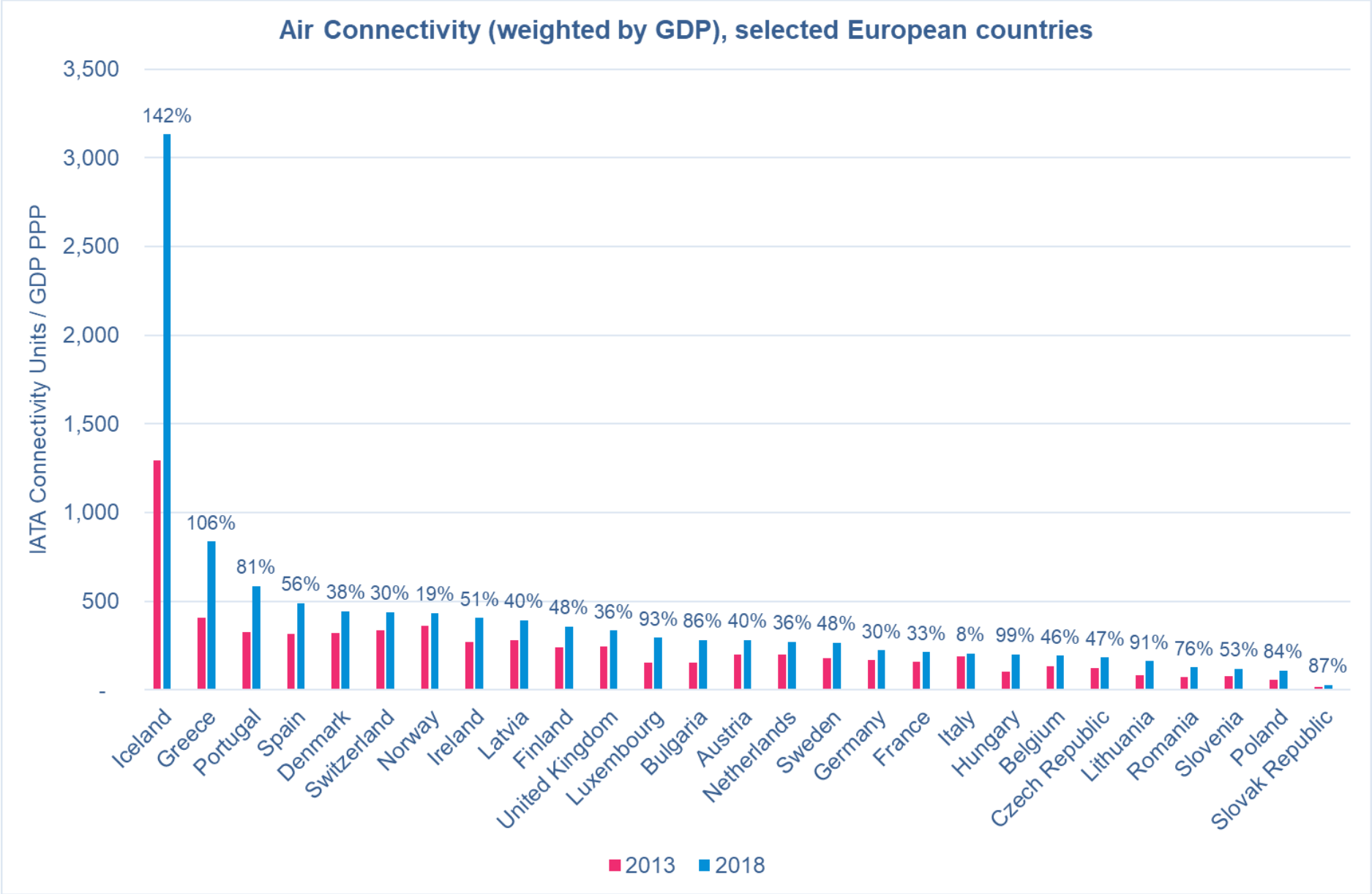
www.iata.org/economics

Air connectivity in Europe has continued to grow in past 5 years - in absolute terms



Source: IATA Economics using data from SRS Analyser

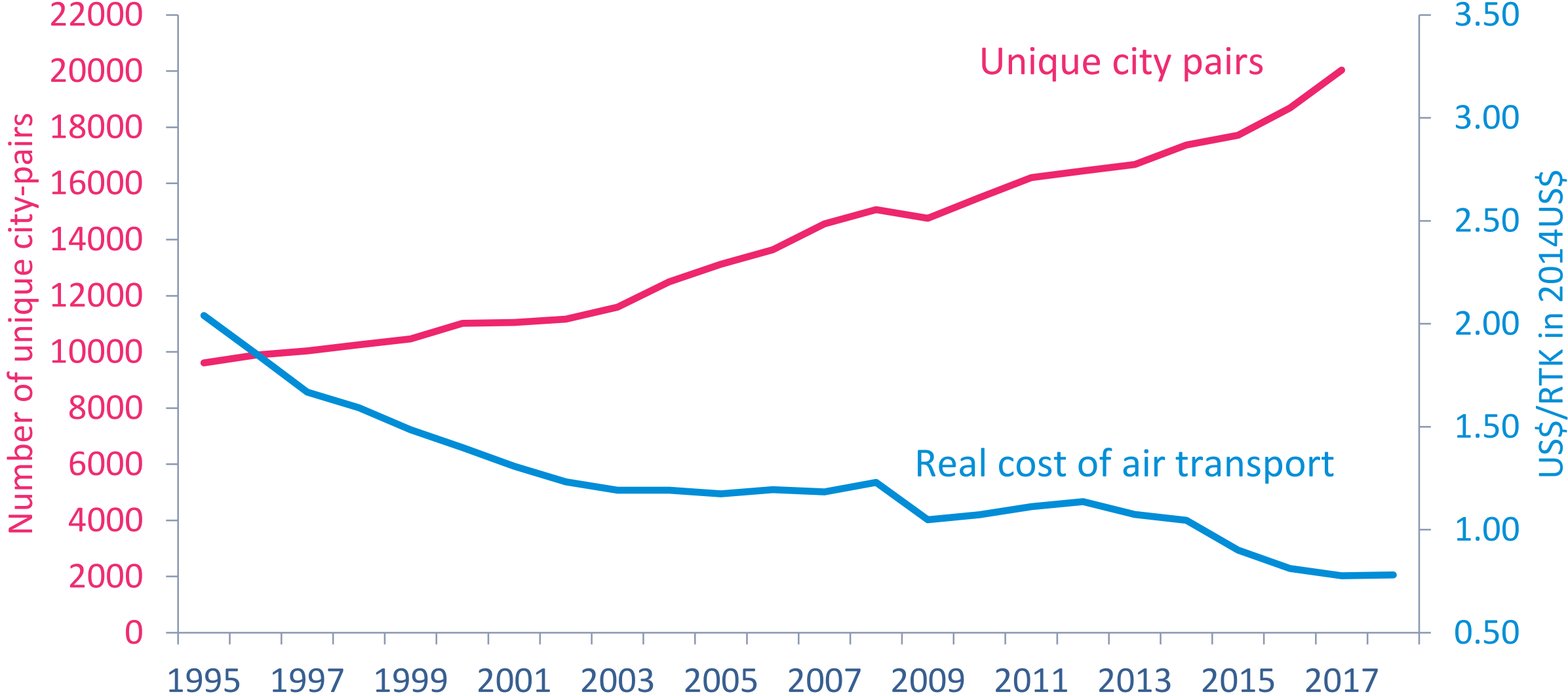
And relative to the size of each economy



Source: IATA Economics using data from SRS Analyser

Consumers have benefited from increased choice and value

Unique city-pairs and real transport costs



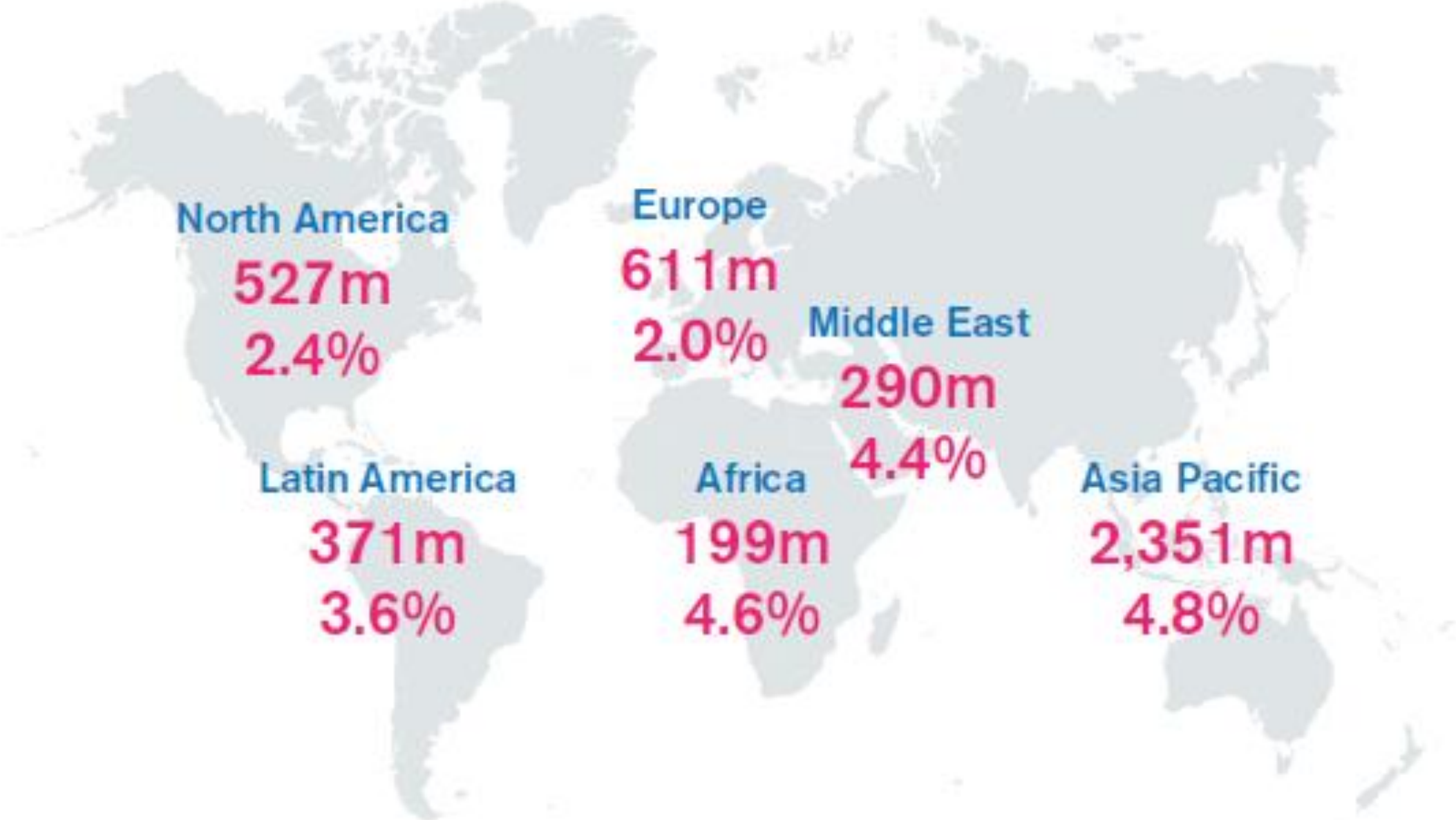
Source: IATA Economics using data from SRS Analyser, ICAO, HIS. IATA forecasts

But the centre of gravity is shifting eastwards



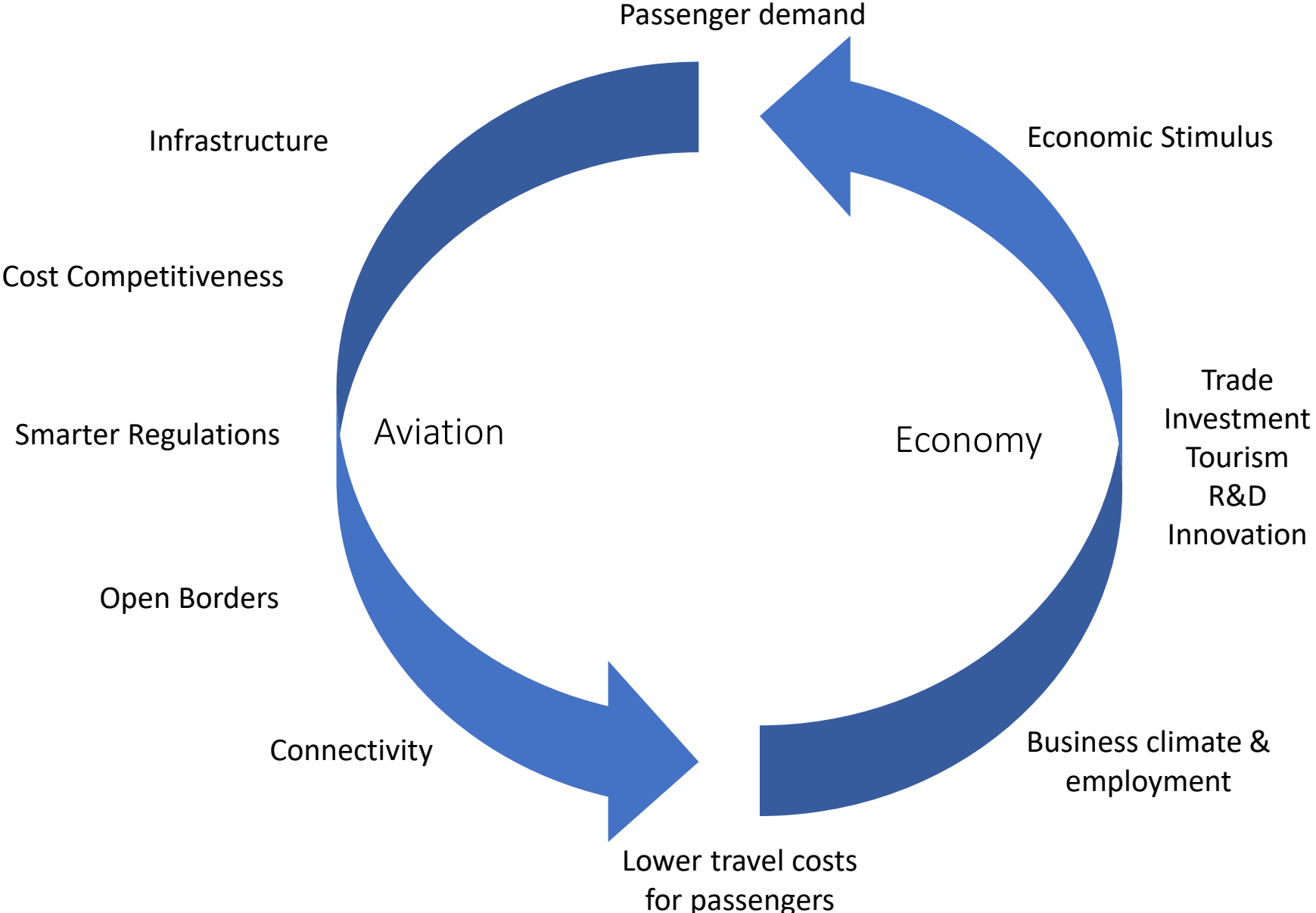
Source: IATA / Tourism Economics

Europe is a maturing market

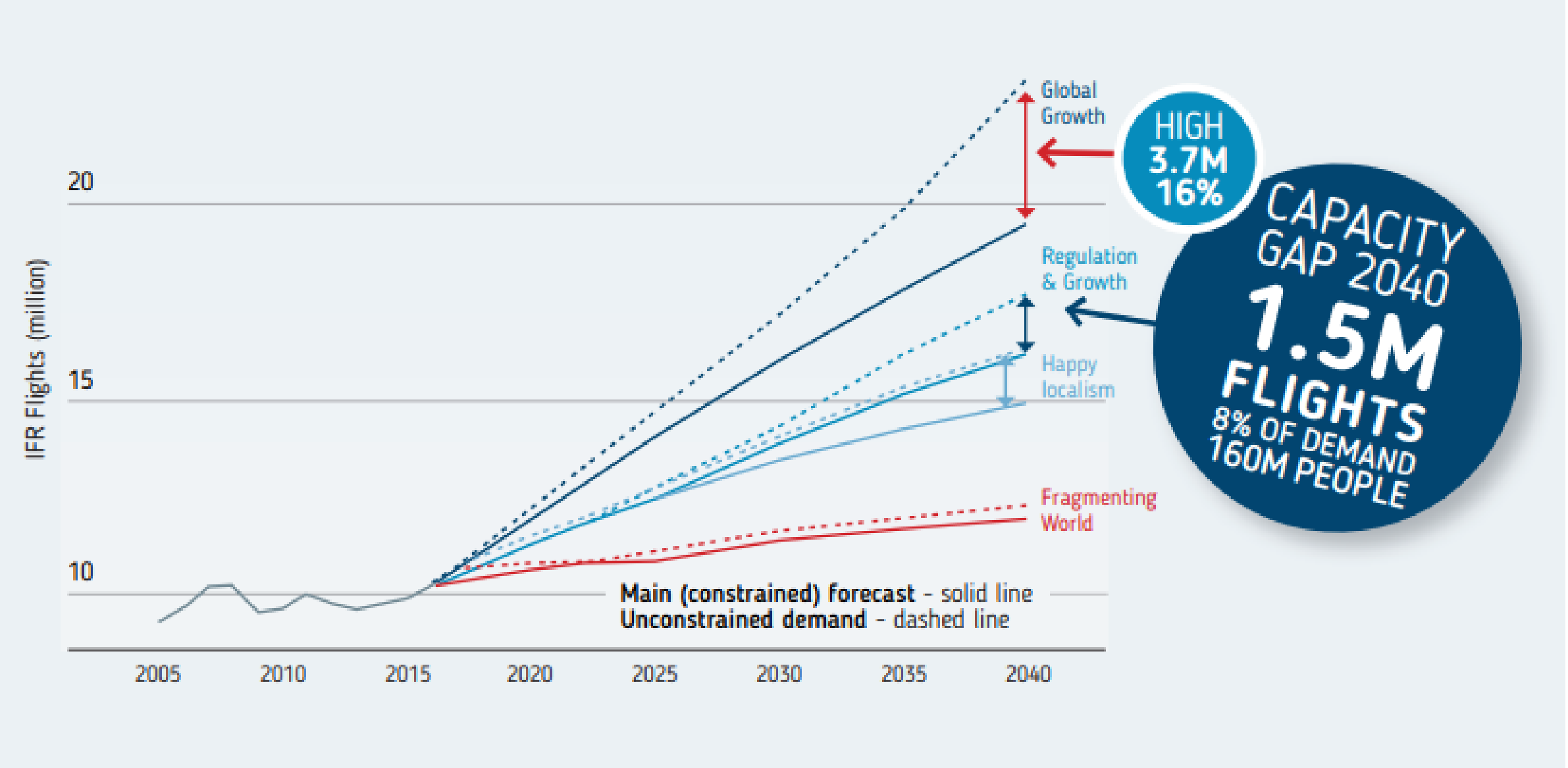


Source: IATA / Tourism Economics

Virtuous circle of connectivity and economic performance

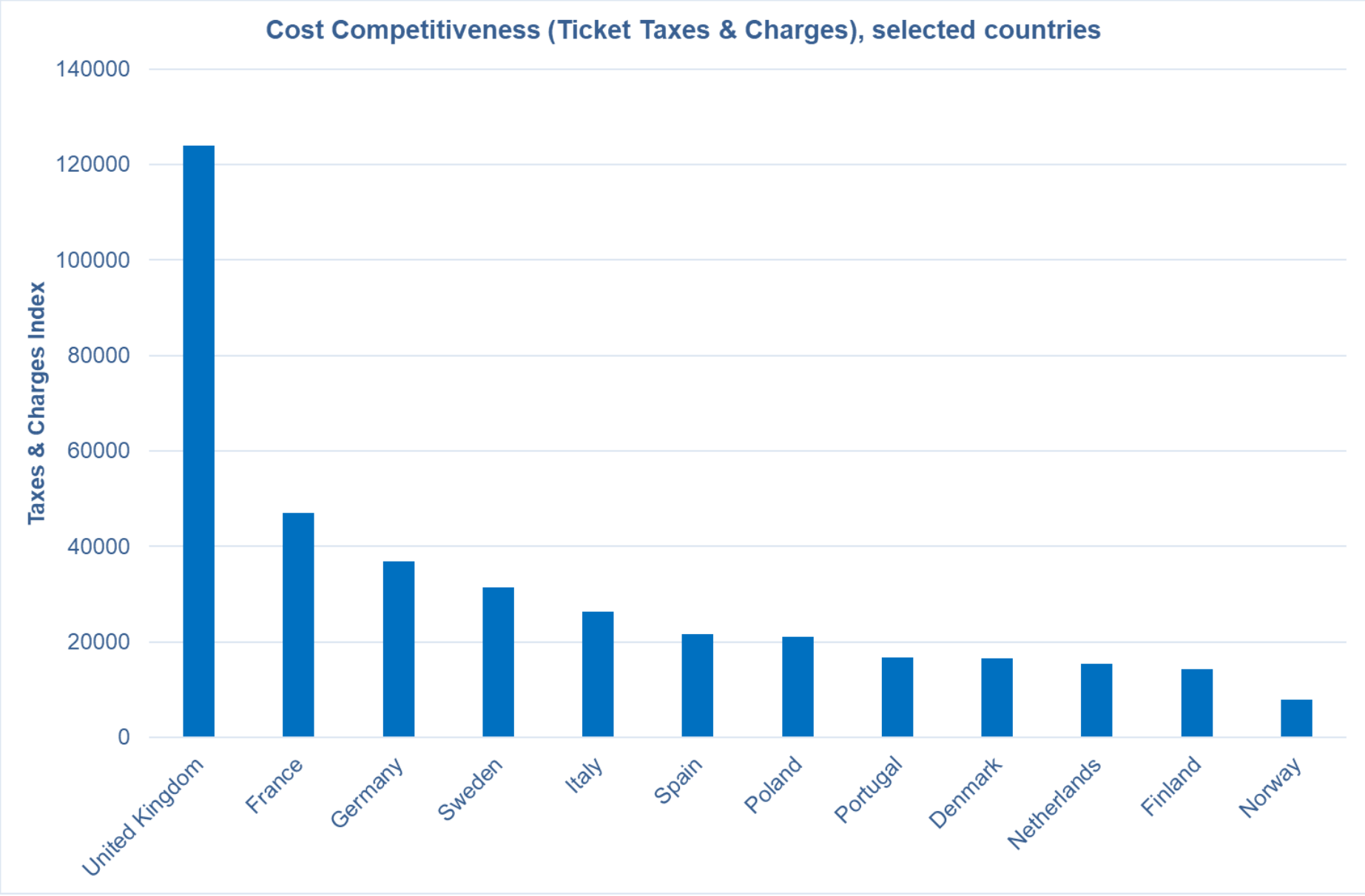


Need for cost effective investment in infrastructure across Europe



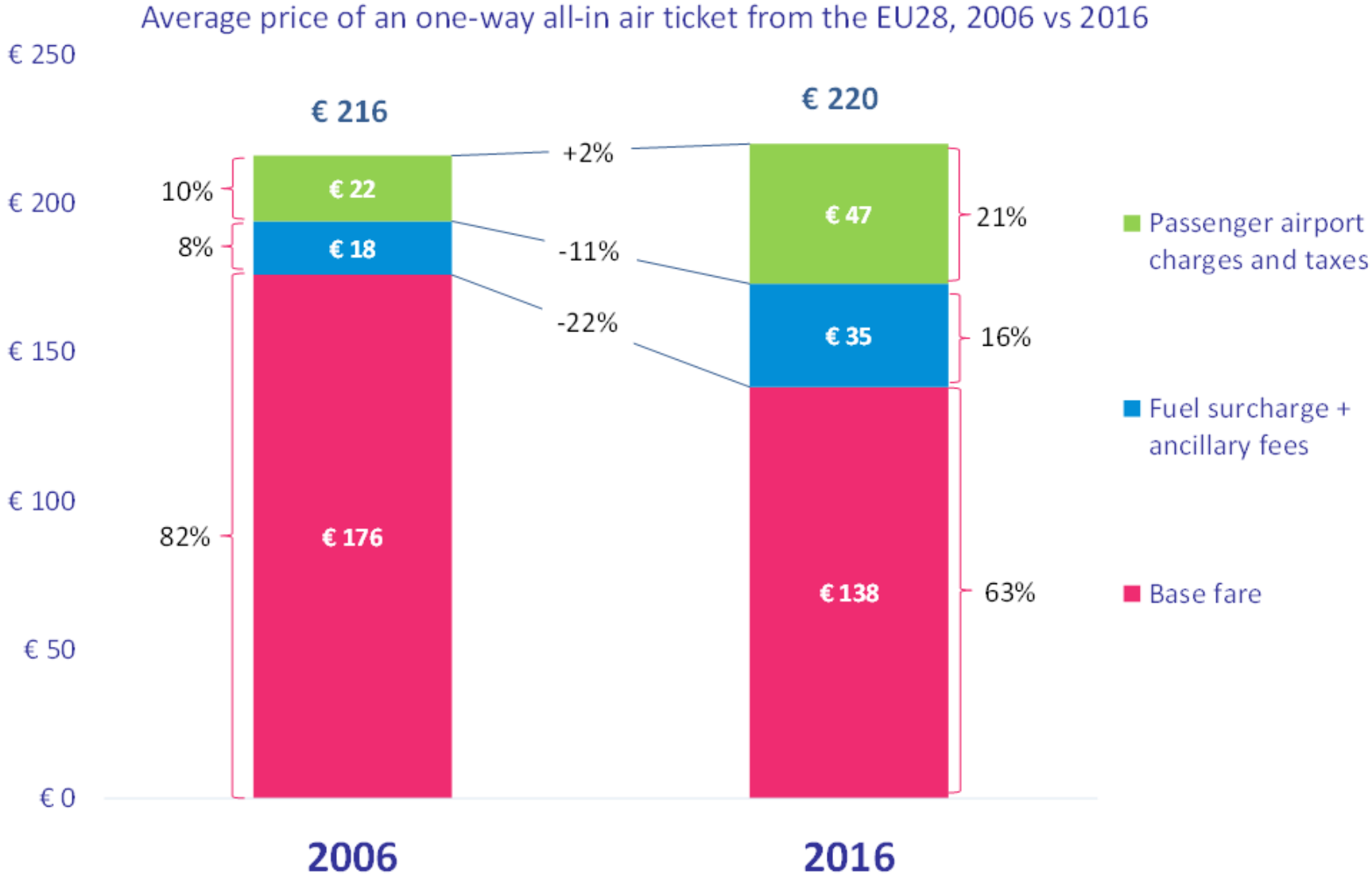
Source: Eurocontrol Challenges of Growth

Big variations in cost competitiveness across the continent



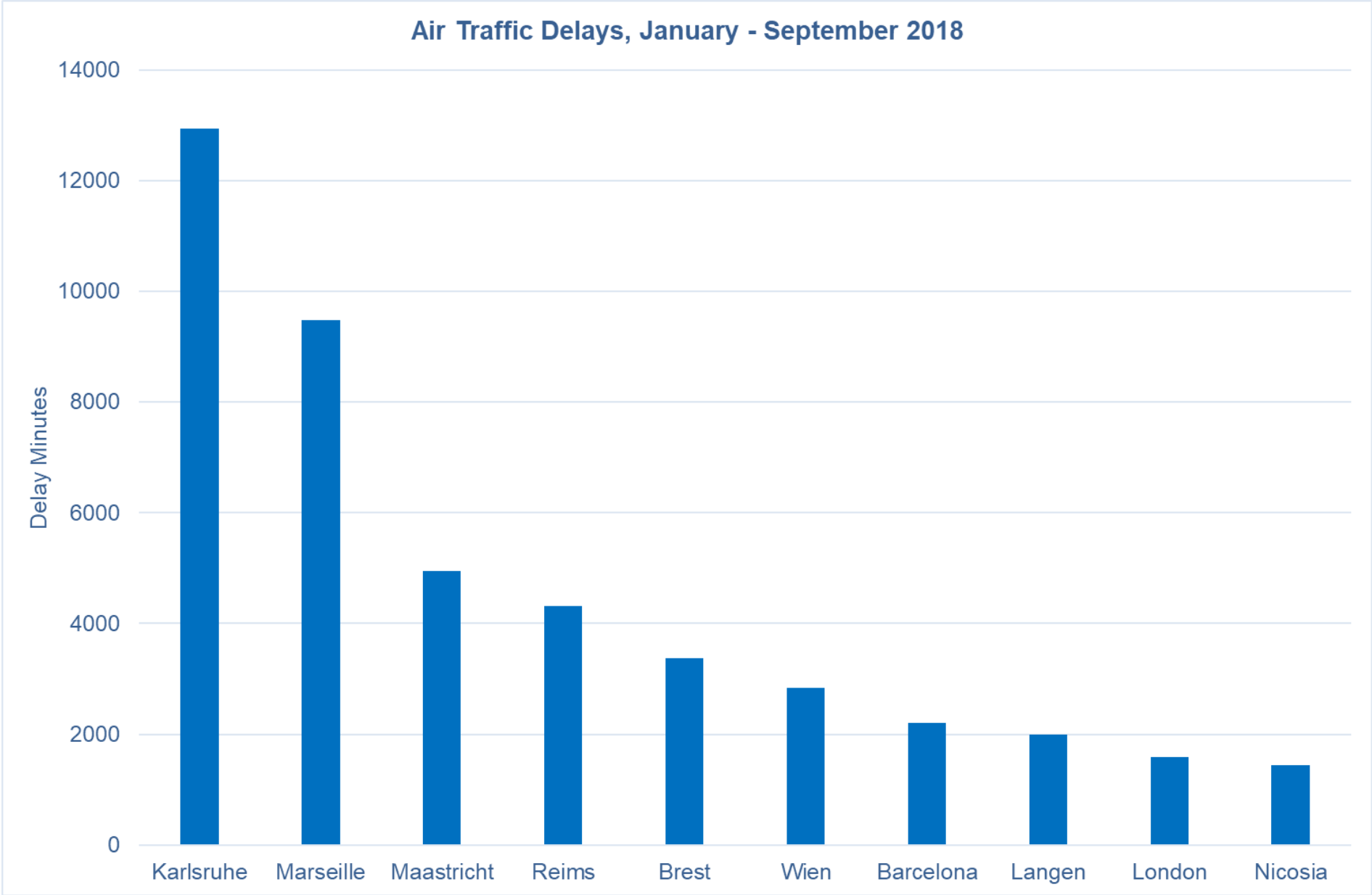
Source: IATA Economics for World Economic Forum

Taxes and charges increasing as a share of air fares



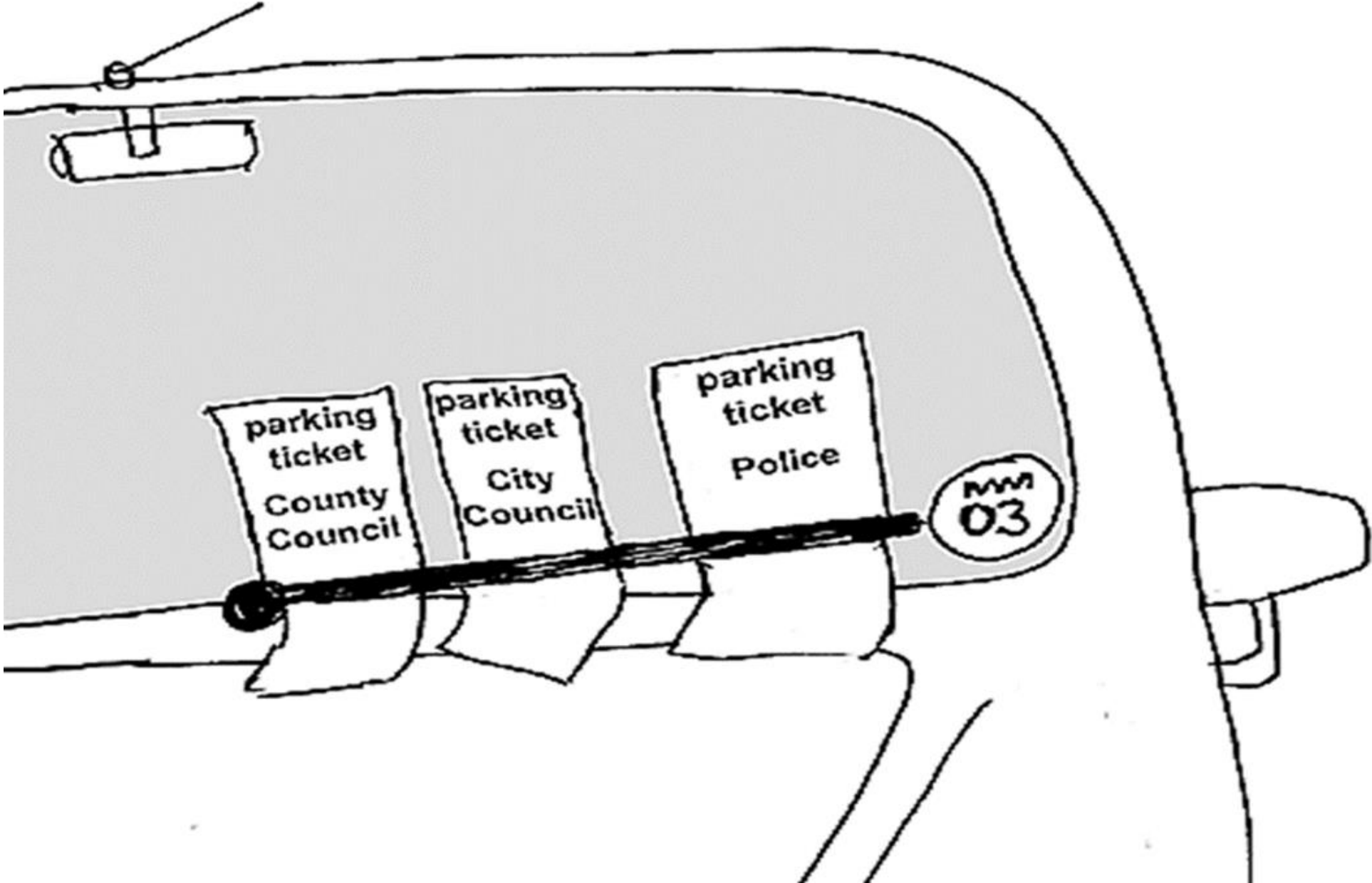
Source: IATA Economics using data from PaxIS, ACIC, Airline Analyst

Airspace delays have been a particular challenge in 2018

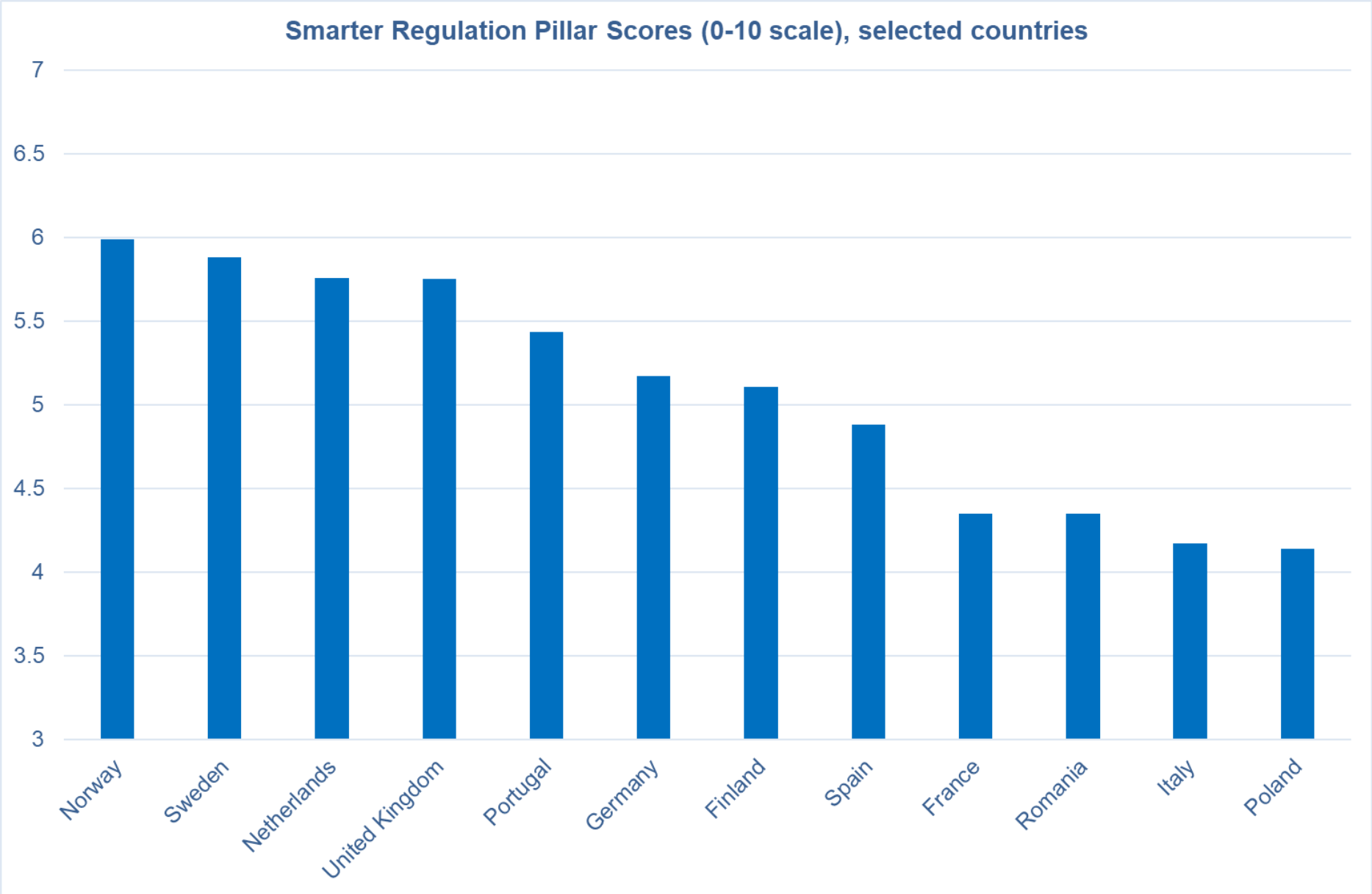


Source: Eurocontrol

Smart and proportionate regulation also important for competitiveness

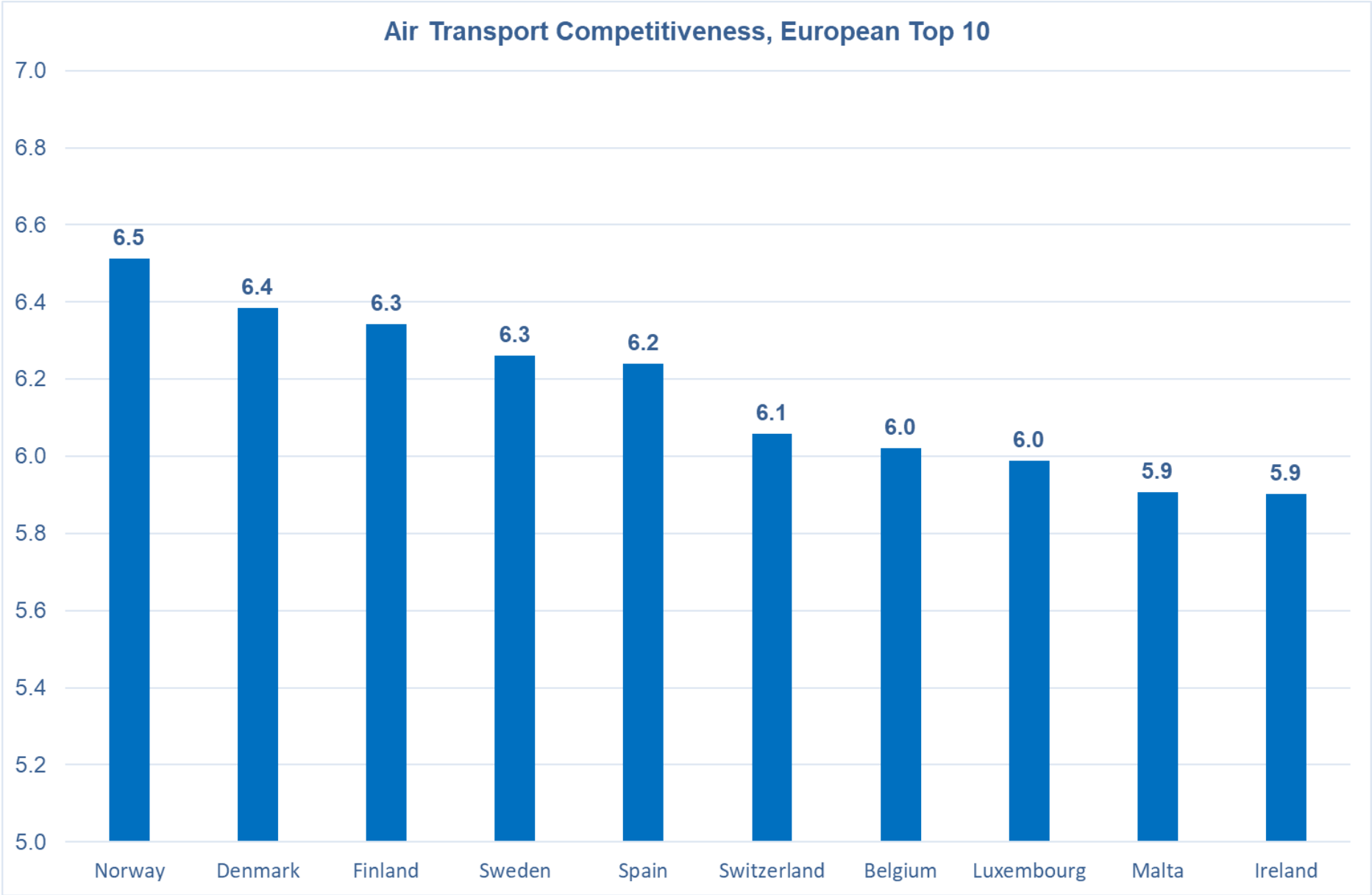


Inconsistent application of Smarter Regulation principles and processes



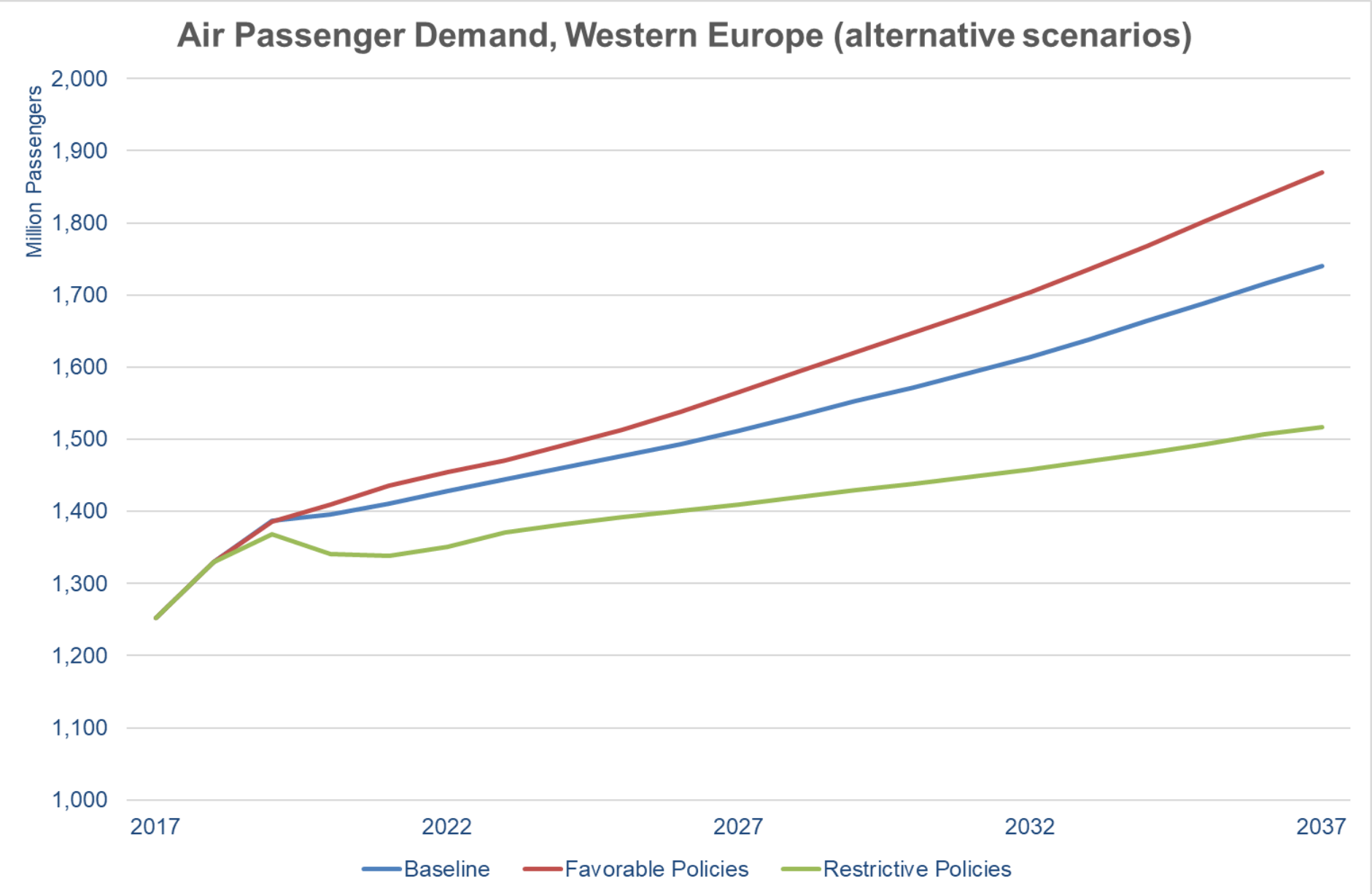
Source: IATA

Nordics dominate Top 10, Spain ranked 5th in Europe



Source: IATA

And it matters to consumers and the demand outlook



Source: IATA / Tourism Economics

LOOKING FOR INSIGHTS INTO AIR TRANSPORT MARKETS AND ISSUES?

Download the new IATA Economics Research App

Available for  iOS and  Android





NEW IATA ECONOMICS RESEARCH APP

Keep up to date with IATA Economics' latest analysis on key aviation issues and market trends.

Receive personalised notifications when new research is available, share content through social media and email, and read your favourite content off-line, perfect for people on the go!



Access industry-leading economic analysis on key aviation issues and market trends through:

-  Reports
-  Charts
-  Presentations
-  Videos and more.

To find out more visit:

www.iata.org/econapp



PARIS

JERUSALEM

RIO DE JANEIRO



LIVE THE STORY





Competitiveness in Europe

Babita Sharma

Journalist & News Presenter

BBC





Competitiveness in Europe

Babita Sharma

Journalist & News Presenter

BBC

Pedro Marques

Minister of Planning & Infrastructure

Government of Portugal





Competitiveness in Europe

Babita Sharma

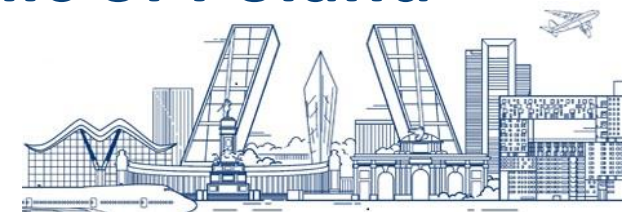
Journalist & News Presenter

BBC

Mikołaj Wild

Secretary of State,

**Government Plenipotentiary for the Central
Communication Port for the Republic of Poland**





Airline CEOs on the spot



Babita Sharma

Journalist & News Presenter

BBC





Airline CEOs on the spot



Babita Sharma

Journalist & News Presenter

BBC

H.E. Akbar Al Baker

GCEO

Qatar Airways





Airline CEOs on the spot



Babita Sharma

Journalist & News Presenter

BBC

Luis Gallego

CEO

Iberia





Airline CEOs on the spot



Babita Sharma

Journalist & News Presenter

BBC

Rafal Milczarski

CEO

LOT Polish Airlines





Airline CEOs on the spot



Babita Sharma

Journalist & News Presenter

BBC

Carsten Spohr

Chairman & CEO

Deutsche Lufthansa AG





Is the system ready for the expected growth in the next 20 years?



Moderator:

Eamon Brennan, Director General, Eurocontrol

Panelists:

Maurice Georges, Director, Direction des Services de la Navigation Aérienne, France

Kathryn Leahy, Director of Operations, Heathrow Airport Limited

Rafael Schwartzman, Regional Vice President, Europe, International Air Transport Association (IATA)

Thomas Reynaert, Managing Director, Airlines for Europe

Nicolas Warinko, General Manager, SESAR Deployment Manager



IATA

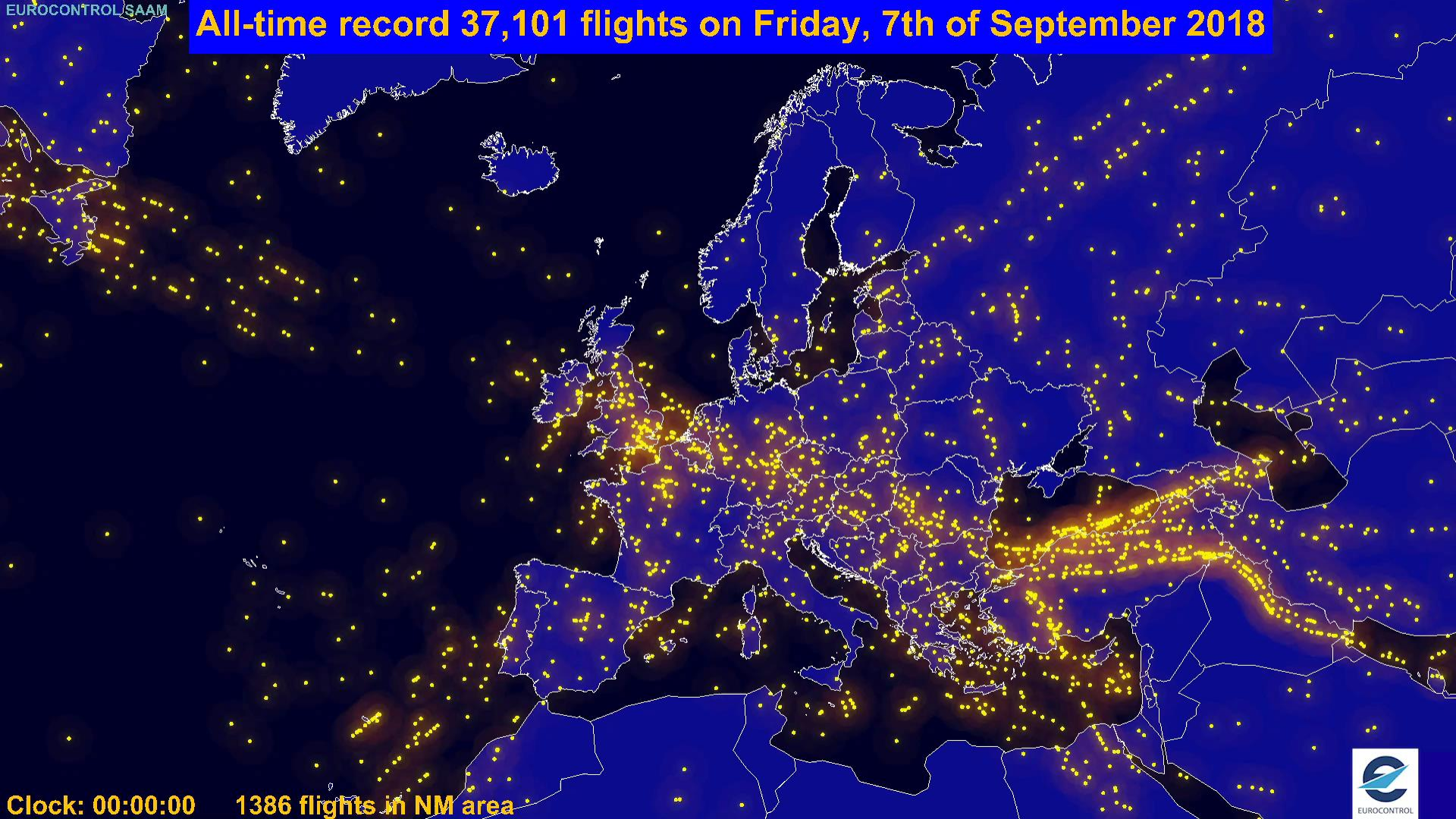
Wings of change

Eamonn Brennan
Director General
EUROCONTROL

13 November 2018



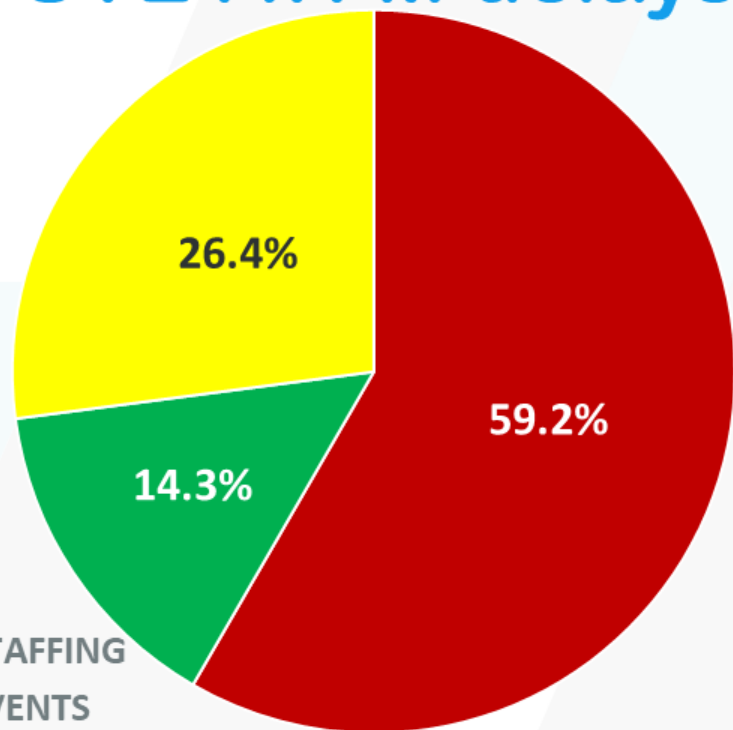
All-time record 37,101 flights on Friday, 7th of September 2018



Clock: 00:00:00

1386 flights in NM area

Year-to-date Network EN-ROUTE ATFM delays



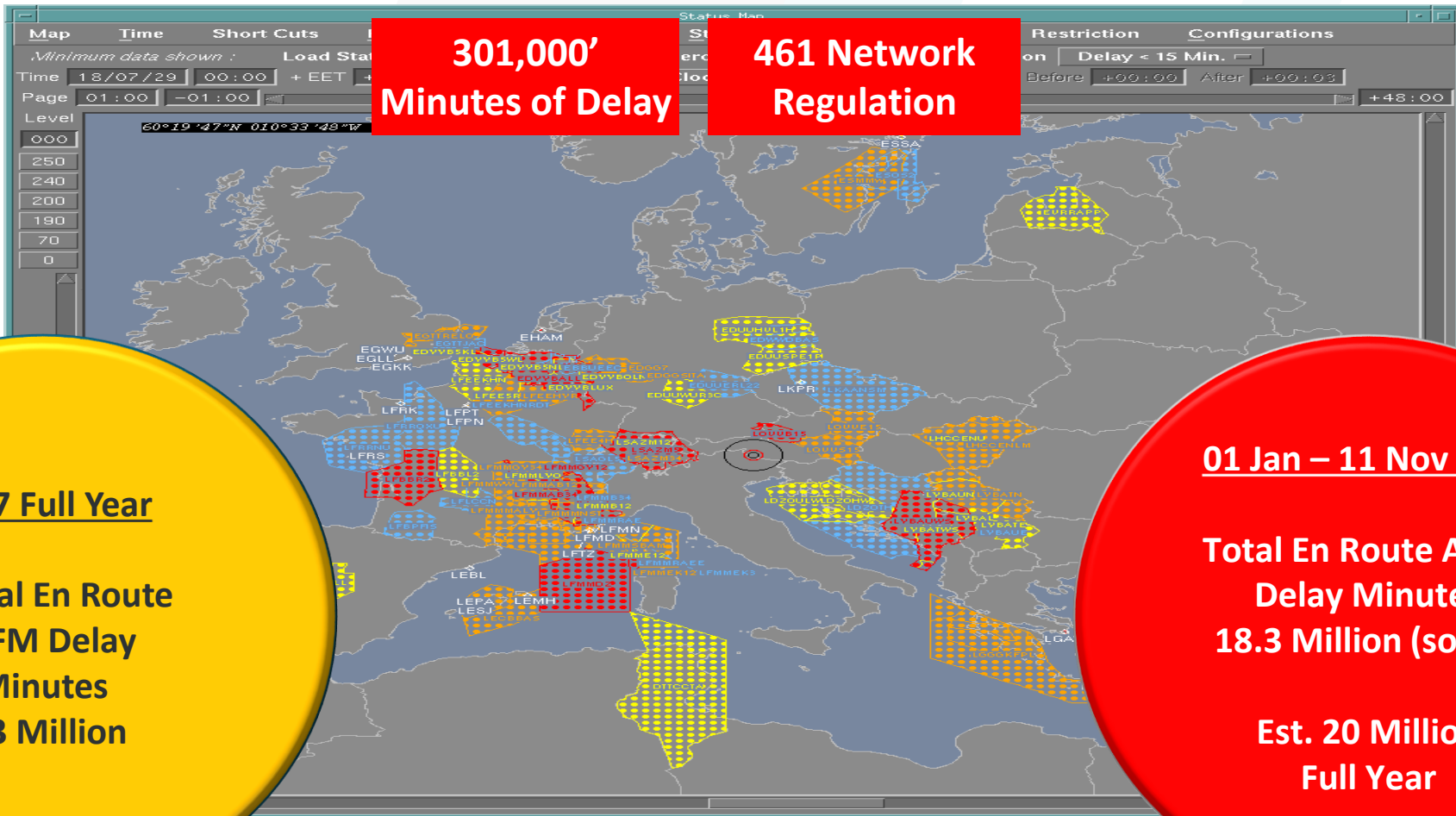
- CAPACITY & STAFFING
- DISRUPTIVE EVENTS
- WEATHER

01 Jan – 11 Nov
2018

9.7 million
flights

Enroute
delay YTD:
1,93 min/ft
(Target 0.5)

Saturday, 28 July 17.00UTC



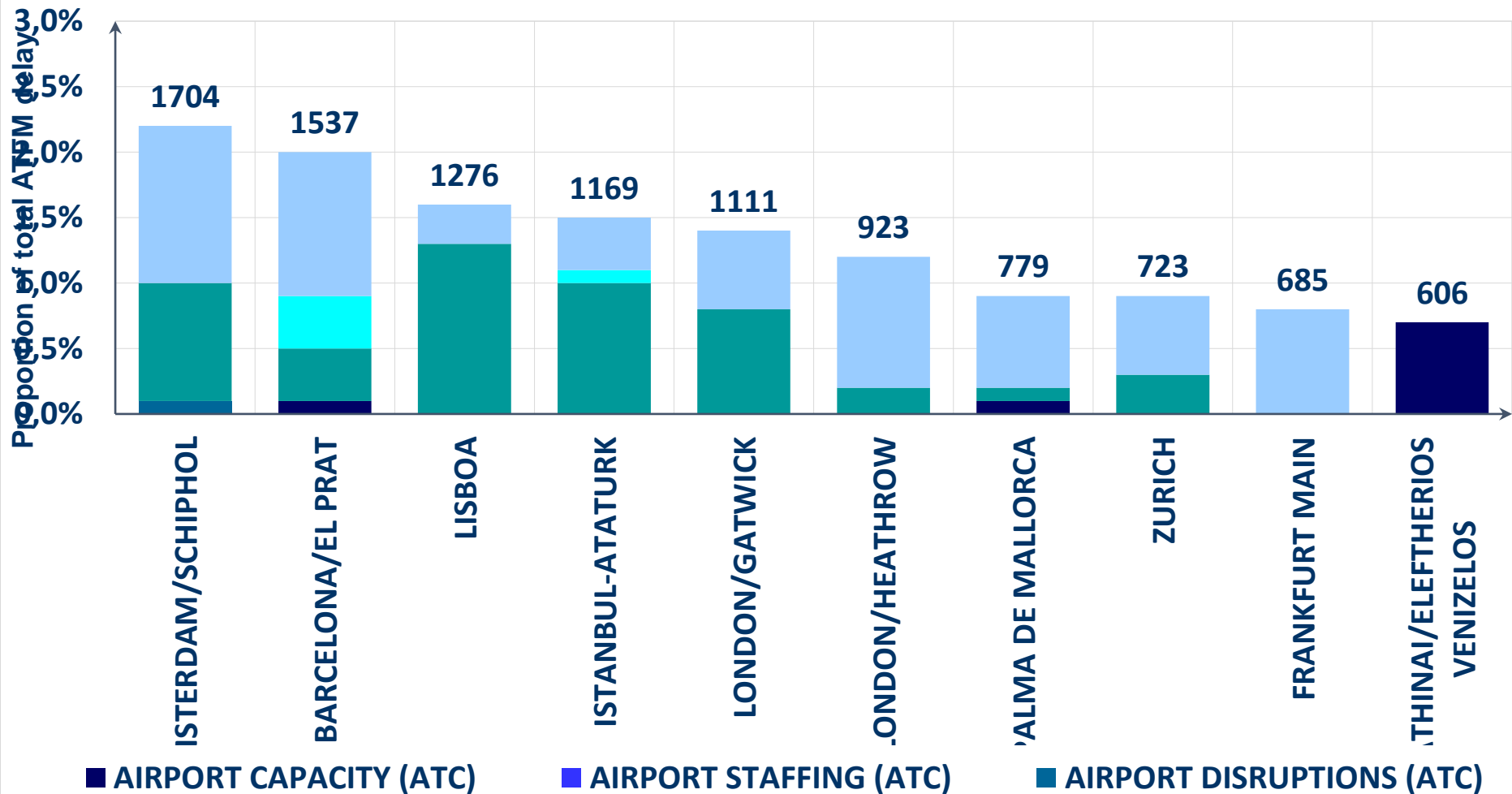
	Airline	Average daily flights	Proportion delayed (ATFM)	Avg delay per delayed flight (Mins)
1	Ryanair	2,302	30.9%	22.2
2	easyJet	1,791	31.8%	21.6
3	Lufthansa	1,529	23.0%	17.8
4	Turkish Airlines	1,487	13.4%	17.9
5	Air France	928	19.3%	22.1
6	SAS	834	11.8%	17.7
7	British Airways	749	27.2%	20.2
8	Eurowings	734	34.3%	20.1
9	KLM	709	24.0%	15.9
10	Norwegian	696	21.4%	17.7
11	Vueling	694	30.4%	18.7
12	Wizz Air	588	31.6%	21.0
13	Alitalia	572	11.0%	15.6
14	Pegasus	523	13.8%	19.3
15	Swiss	426	34.0%	15.6
16	Austrian	417	22.8%	18.3
17	TAP	398	32.9%	19.5
18	Thomas Cook	397	35.5%	19.4
19	Iberia	380	18.4%	15.1
20	LOT	365	19.7%	16.5

Top-20 Airlines

Proportion of Delayed Flights

Summer 2018

Top 10 Airport ATFM delays location 1 Jan – 11 Nov 2018





Supporting European Aviation

Thank you

Eamonn Brennan, Director General



@eurocontrolDG



Urgent Call for Summer 2019!

- ATM delay levels in 2018 reached 25 million minutes
- IATA 4-point plan to mitigate bottlenecks & build capacity:
 - Modernize the infrastructure and implement the Single European Sky ATM Research (SESAR) - something airlines are already paying for.
 - Reform outdated work practices so that staff are deployed when they're required - where justified recruit additional staff.
 - Empower the European Network Manager to plan and configure the network to meet the demands of air travelers.
 - Strengthen the EU Performance and Charging Scheme so that ANSPs not delivering agreed capacity are subject to meaningful penalties.



Cost of EU ATC

→ Top 10 A4E Airlines have paid over **€2 billion** for ATC in 2018 (Jan-Aug)

→ Total cost of EU ATC **€5.5 billion** in this period.

A4E Member Airline	Total en route charges paid 2018 (Jan-Aug) (MEUR)
Ryanair	469.5
easyJet	303.3
Lufthansa	261.4
British Airways	216.5
Air France	181.9
Norwegian Air Shuttle	143.3
KLM	125.5
Eurowings	107.2
Vueling	101.3
Tap Air Portugal	79.4
Jet2	70.9
Total	2,060.2

A NEW UNITED WAY FORWARD



Immediate steps for 2019 and beyond:

- EUROCONTROL to plan and manage the network
 - Commitment to network-driven approach
 - Urgently restructure upper airspace
 - Flexible ATCO rostering and working practices
-
- ✓ Improve regulation to support ATM system efficiency for the benefit of passenger and environment
 - ✓ Aviation stakeholders sign “Efficient Airspace Declaration” signifying commitment to joint actions and improvements



Poland – A blueprint for successful European Government and industry cooperation



Moderator:

Peter Curran, Assistant Director, Air Traffic Management (ATM) User Charges,
International Air Transport Association (IATA)

Panelists:

Janusz Janiszewski, CEO, PANSA (Poland's Air Navigation Service Provider)

Mikołaj Wild, Secretary of State, Government Plenipotentiary for the Central Communication
Port for the Republic of Poland





Sustainable Aviation Fuels (SAF)

Creating a collaborative ecosystem



Michael Gill

Executive Director

Air Transport Action Group (ATAG)

Paul Paoletta

Head of Renewable Jet Fuel

Neste (Suisse) S.A





Changing business paradigms

How mobile devices and data are changing the business models and driving airline digital transformation



Moderator:

Juan Ivan Martín, Head of Innovation, International Air Transport Association (IATA)

Panelists:

Antoine Berthaut, Director, Strategy, Operations & Business Technology Consulting, PwC

Kian Gould, Founder & CEO, AOE

Gabriel Perdiguero, Chief Transformation Officer, Iberia

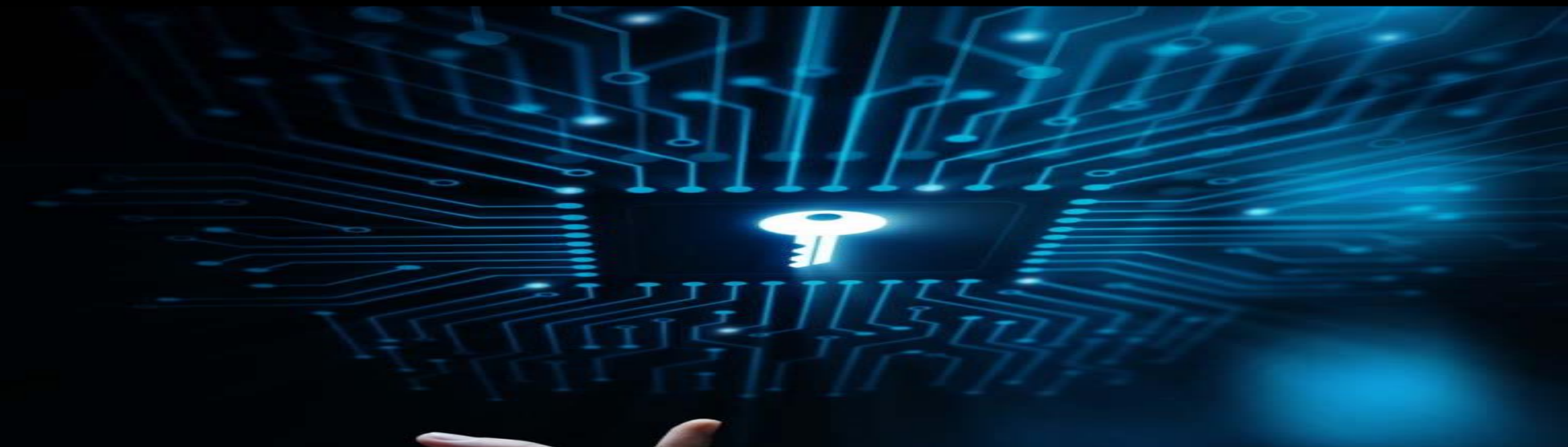


Digital Business Model Innovation Wings of Change Europe

**Antoine Berthaut, Director in charge of management
consulting for West Switzerland, PwC**
November 2018

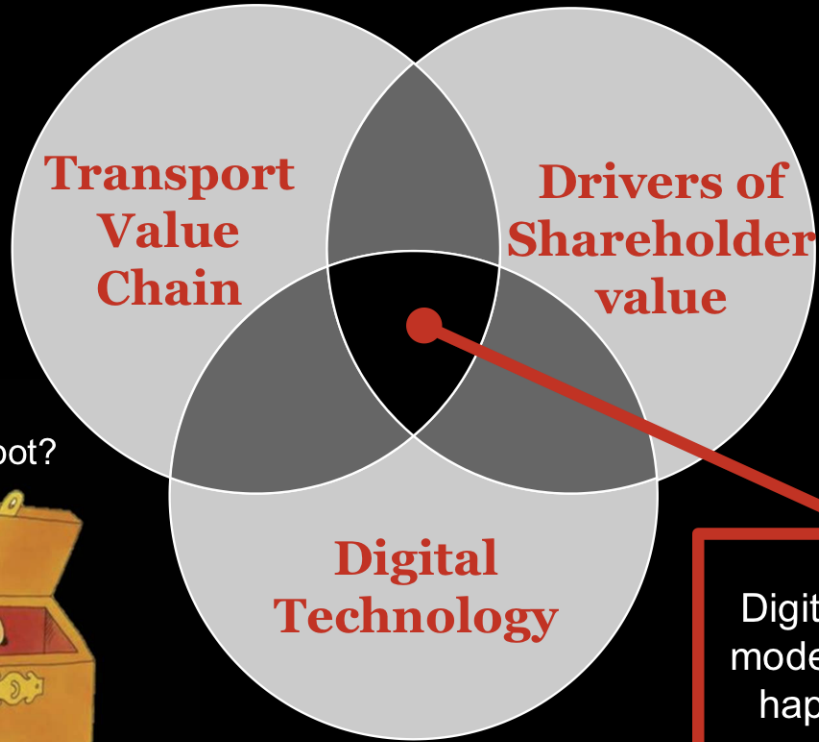


A Business model is how an
organization defines, delivers
and captures value.



Acute pressure on airlines make it imperative to search for new business models

- Evolving **customer** demands*
- Capacity** growth*
- Changing sales **structures***
- Continuous **cost** pressure*
- Technology** disruption*

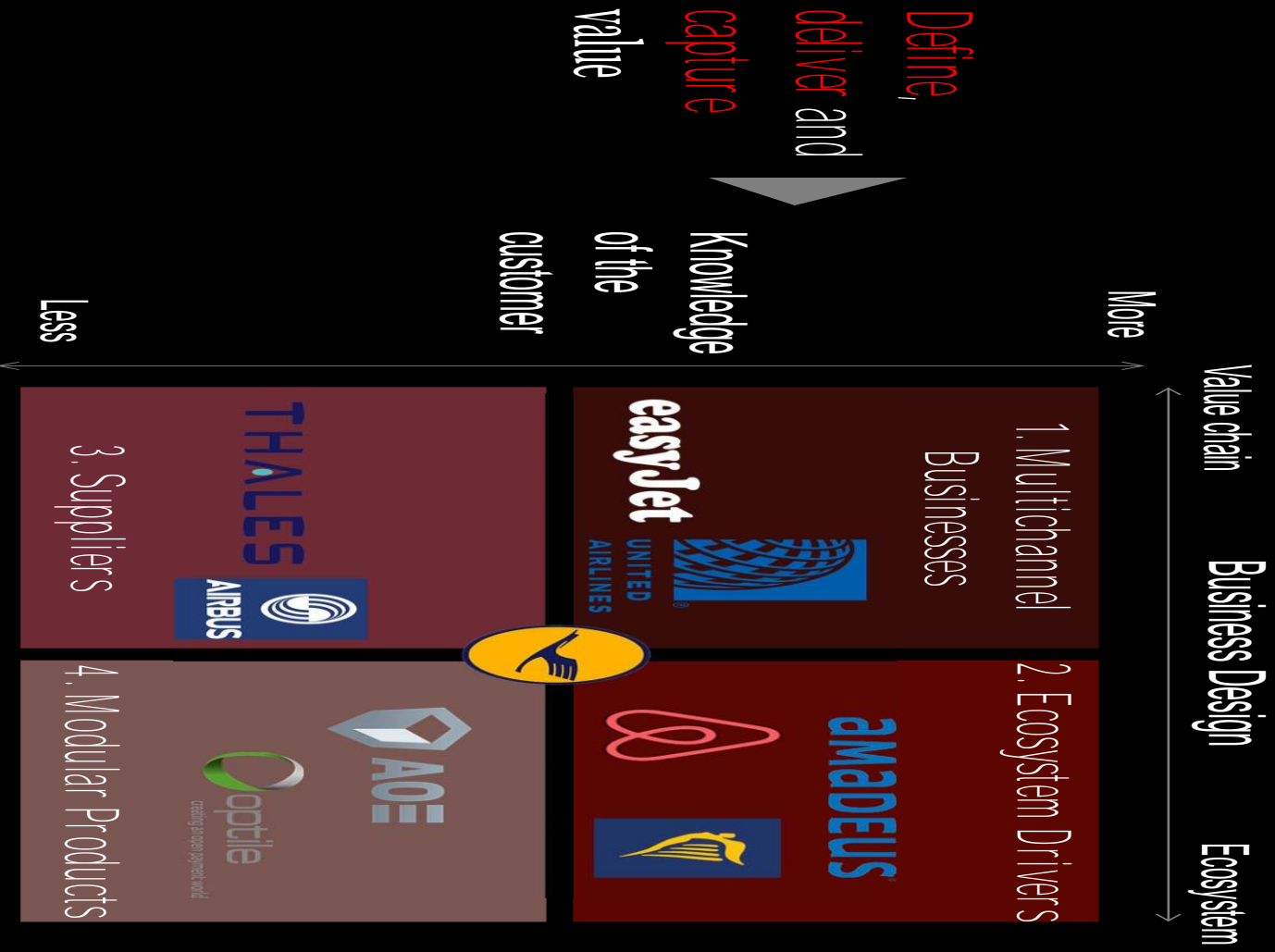


Where's Spot?



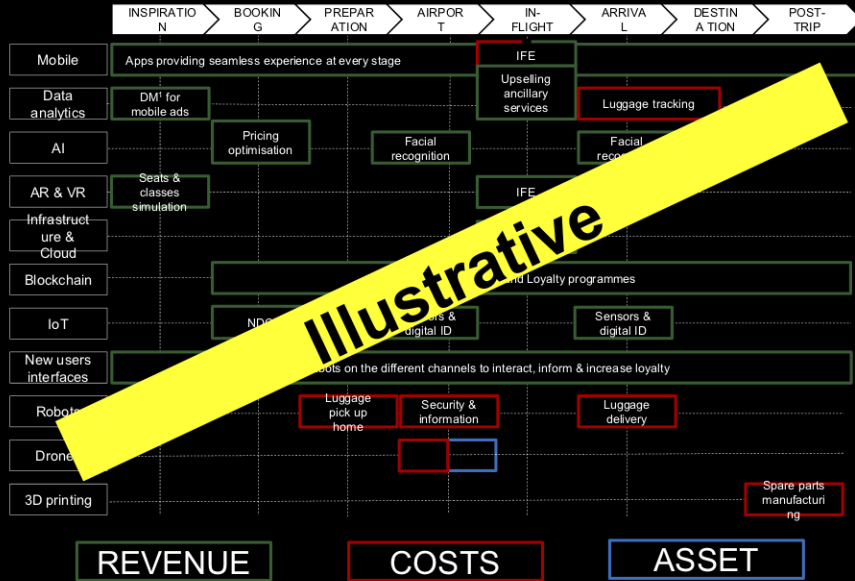
Digital business model innovation happens here

Four essential business models for the digital age



There are multiple opportunities to drive value creation through digital

Start with mapping digital business model innovation across the value chain



Opportunities exist!

Combination of **incremental** innovation and **game changers**

The combination of Mobile, Data analytics and AI provide highest potential for growth in **ancillary services**.

Getting there involves mastering the essentials and leading through paradoxes

4 Essentials

- Data
- Customer intimacy & personalisation
- Cyber & Data Protection
- Mastering the basics

4 Leadership paradoxes

- Digital is about (your) people
- It takes years to become agile
- Failing to fail = failure
- Big words, constrained budgets, focused execution

Thank you

[pwc.com](https://www.pwc.com)





The future of In-Flight Shopping is around
the corner... and it's a lot about data

Kian T. Gould
(Founder & CEO at AOE)

Who is  AOE ?





The World's No.1

Travel Retail Digitalization Company



Lufthansa



Frankfurt Airport

Heathrow
Making every journey better

A | Auckland
Airport

22 airports/airlines currently in rollout, tender or consulting phases







Global Travel Retail: Digitally Disrupted or Digitally Evolved?



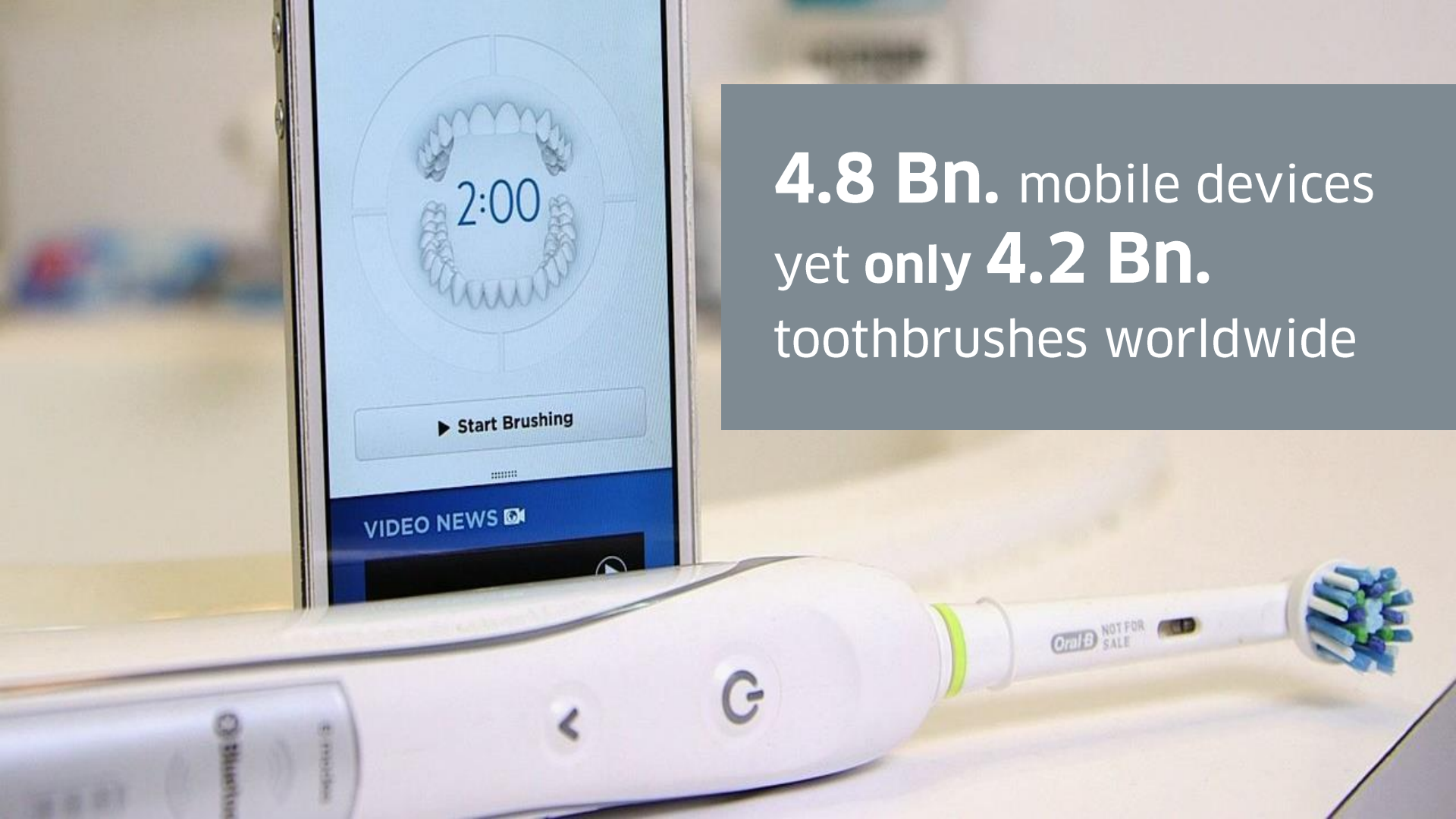
Yesterday's Travel Retail Shopping | Banking 100% on Impulse Purchasing



But is this still the reality of consumer behavior?



4.8 Bn. mobile devices
yet **only 4.2 Bn.**
toothbrushes worldwide



The average **European**
4h spends close to
daily on their smartphone





25% of all eCommerce sales
are made on mobile
in the **USA**

In **China** it is
already approaching **75%**



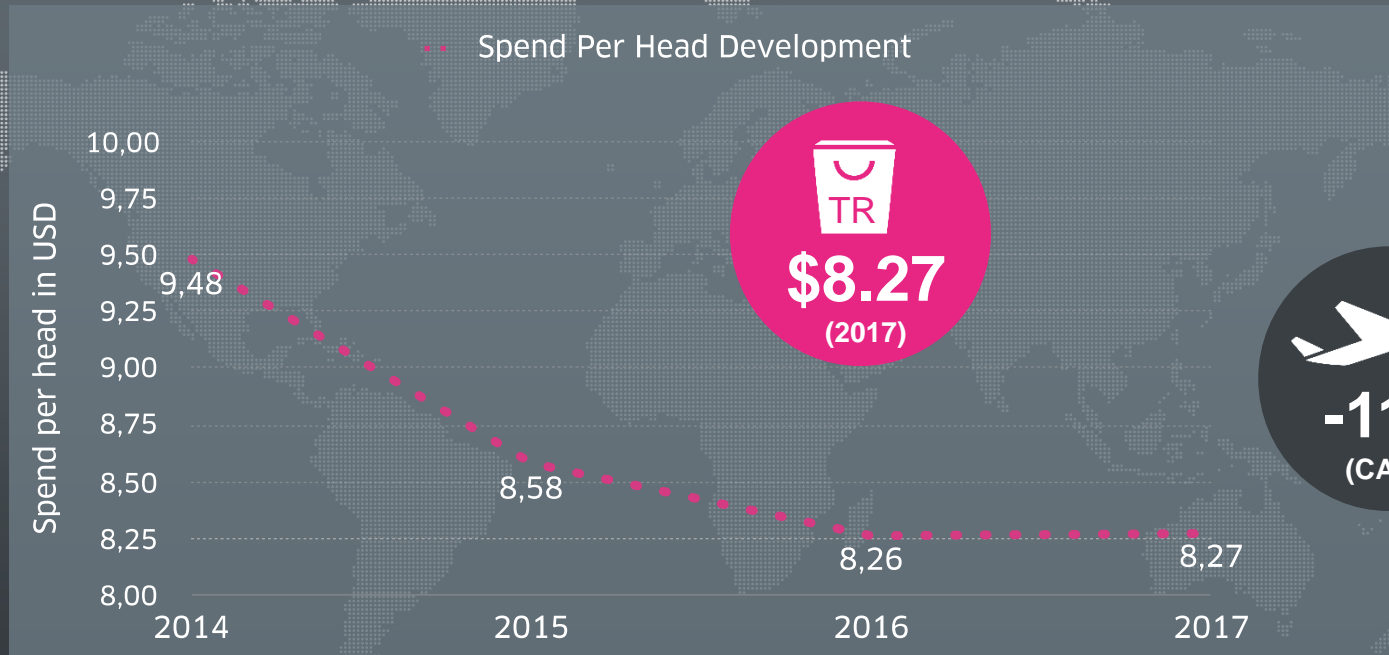
So is this today's (No-)Shopper?



The disruption has begun | A look at the global Travel Retail market



But the market is still growing!? Market yes, spend per passenger no...



Passengers (per leg in billions)	6,7	7,2	7,7	8,3
Travel Retail market (in billion USD)	63.5	62.0	63.5	68,6



Is this why some have give up already?



DFNI

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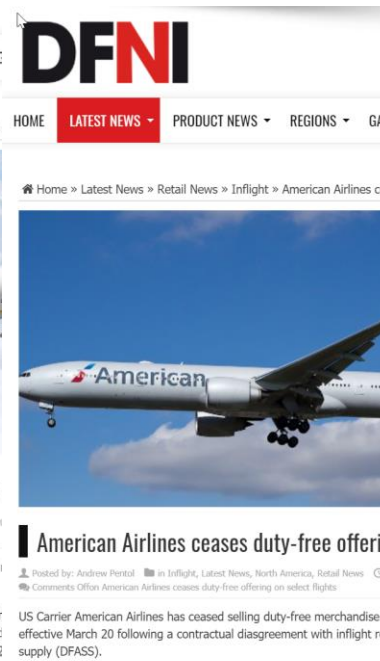


United Airlines to stop selling duty-free

Posted by: Andrew Pentol in Inflight, Latest News, Retail News March 20, 2018

The Association of Flight Attendants has confirmed local media will cease offering duty-free merchandise effective March 31.


According to the statement, the decision was made based on declining inflight concessionaire, **Duty Free World**, which has been running the program since 2003 under various contracts. Its latest agreement began on July 1, 2017.



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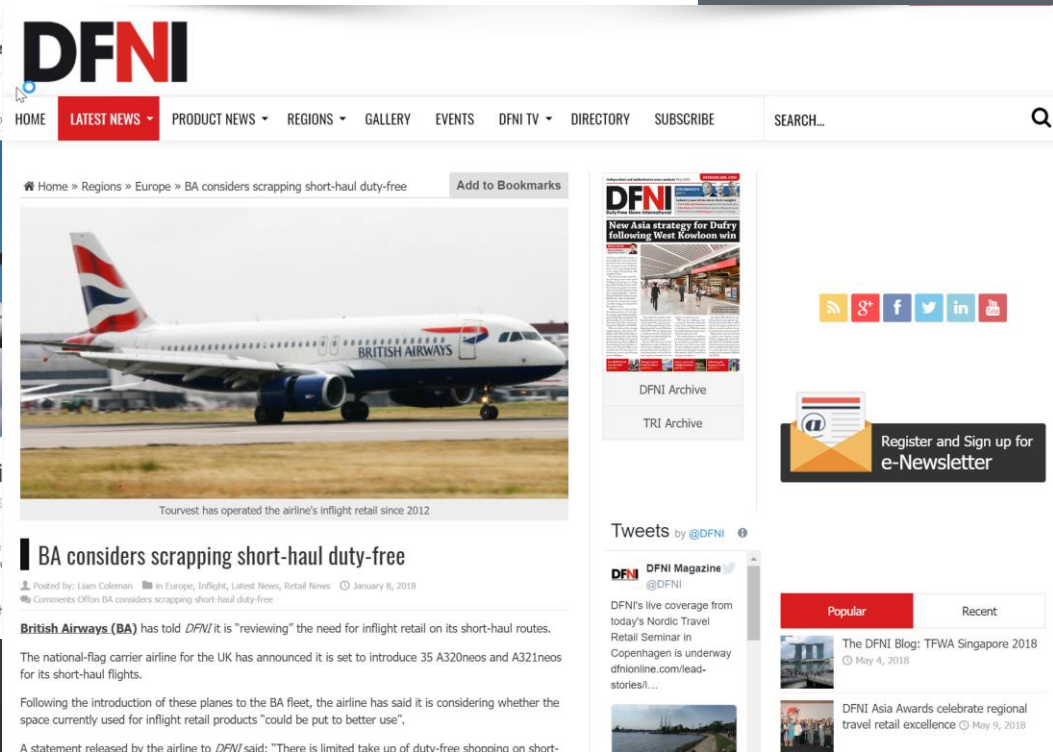


American Airlines ceases duty-free offering

Posted by: Andrew Pentol in Inflight, Latest News, North America, Retail News

US Carrier American Airlines has ceased selling duty-free merchandise effective March 20 following a contractual disagreement with inflight retail supplier (DFASS).


The carrier merged with US Airways on March 31 2014 and DFASS, which had held the onboard duty-free contract since 2003.



DFNI

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Home » Regions » Europe » BA considers scrapping short-haul duty-free Add to Bookmarks



Tourvest has operated the airline's inflight retail since 2012.

BA considers scrapping short-haul duty-free


Posted by: Liam Coleman in Europe, Inflight, Latest News, Retail News January 8, 2018

British Airways (BA) has told *DFNI* it is "reviewing" the need for inflight retail on its short-haul routes.

The national-flag carrier airline for the UK has announced it is set to introduce 35 A320neos and A321neos for its short-haul flights.

Following the introduction of these planes to the BA fleet, the airline has said it is considering whether the space currently used for inflight retail products "could be put to better use".

A statement released by the airline to *DFNI* said: "There is limited take up of duty-free shopping on short-haul flights."



DFNI Magazine @DFNI



DFNI's live coverage from today's Nordic Travel Retail Seminar in Copenhagen is underway dfnonline.com/lead-stories/...

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Tweets by @DFNI

DFNI Magazine @DFNI

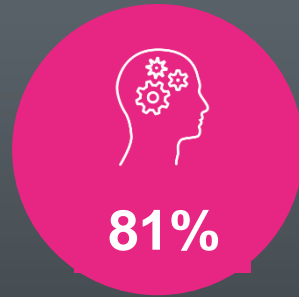
DFNI's live coverage from today's Nordic Travel Retail Seminar in Copenhagen is underway dfnonline.com/lead-stories/...

Popular	Recent
 <p>The DFNI Blog: TFWA Singapore 2018 May 4, 2018</p>	 <p>DFNI Asia Awards celebrate regional travel retail excellence May 9, 2018</p>

Here is what these same passengers roughly spent when not traveling...



Planned vs Impulse Purchase



Planned in advance



Bought on impulse



89%



89%



85%



32%



30%



The need for Omnichannel Digital Travel Retail

PRE-TRIP ONLINE TOUCH POINTS

34%
Search for / see information about DF shopping Online

40%
Would like to do online DF shopping before the trip

53%
Make the decision to buy in DF before travelling

62%
Book their flight directly online

83%
Find mobile check-in to be the most convenient

m1nd-set
expert in travel market research



The dominance of Online search

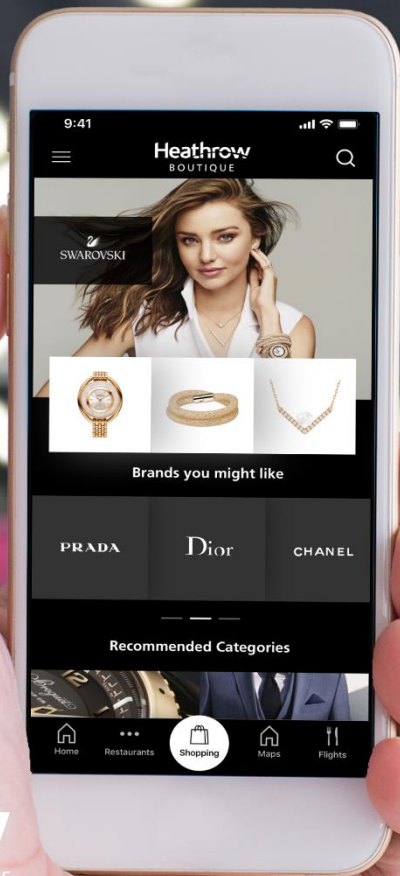


So the consumers want to shop digitally, but most airlines still try to sell from carts...





All signs point towards luxury



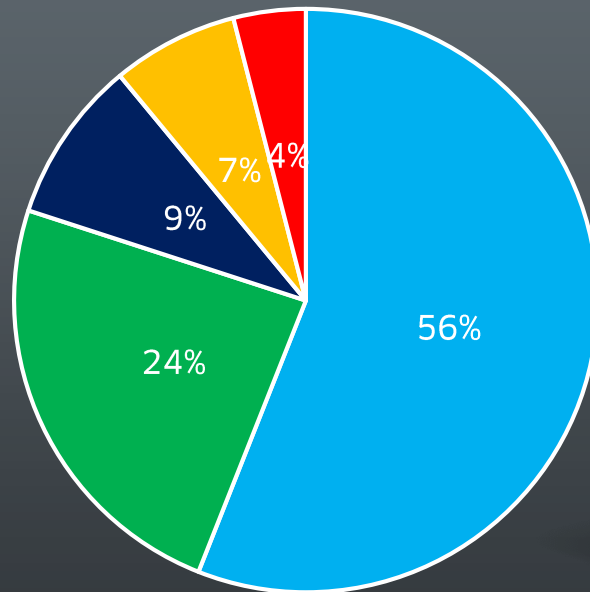
Heathrow
Making every journey better



500+ %

Average basket increase in first month
(420£ online vs. 75£ offline)

Sales Share per Category



- High-End Electronics
- Luxury Watches
- Luxury Fashion
- Others
- Duty Free



The top seller by total share of all sales is a 35k JAEGER-LECOULTRE



The most sold brand is

BVLGARI

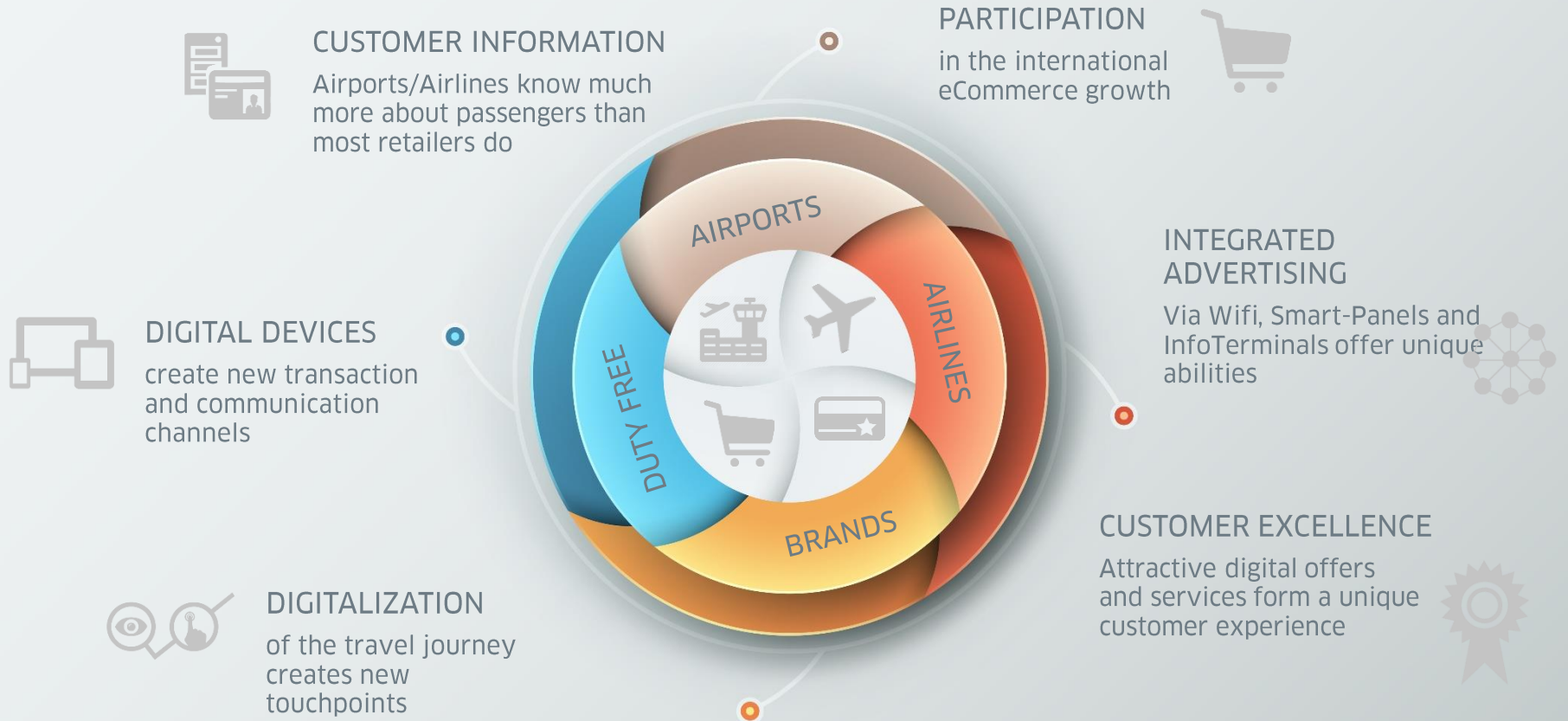
Heathrow
Making every journey better



Is it surprising many brands don't want to be sold like this anymore?



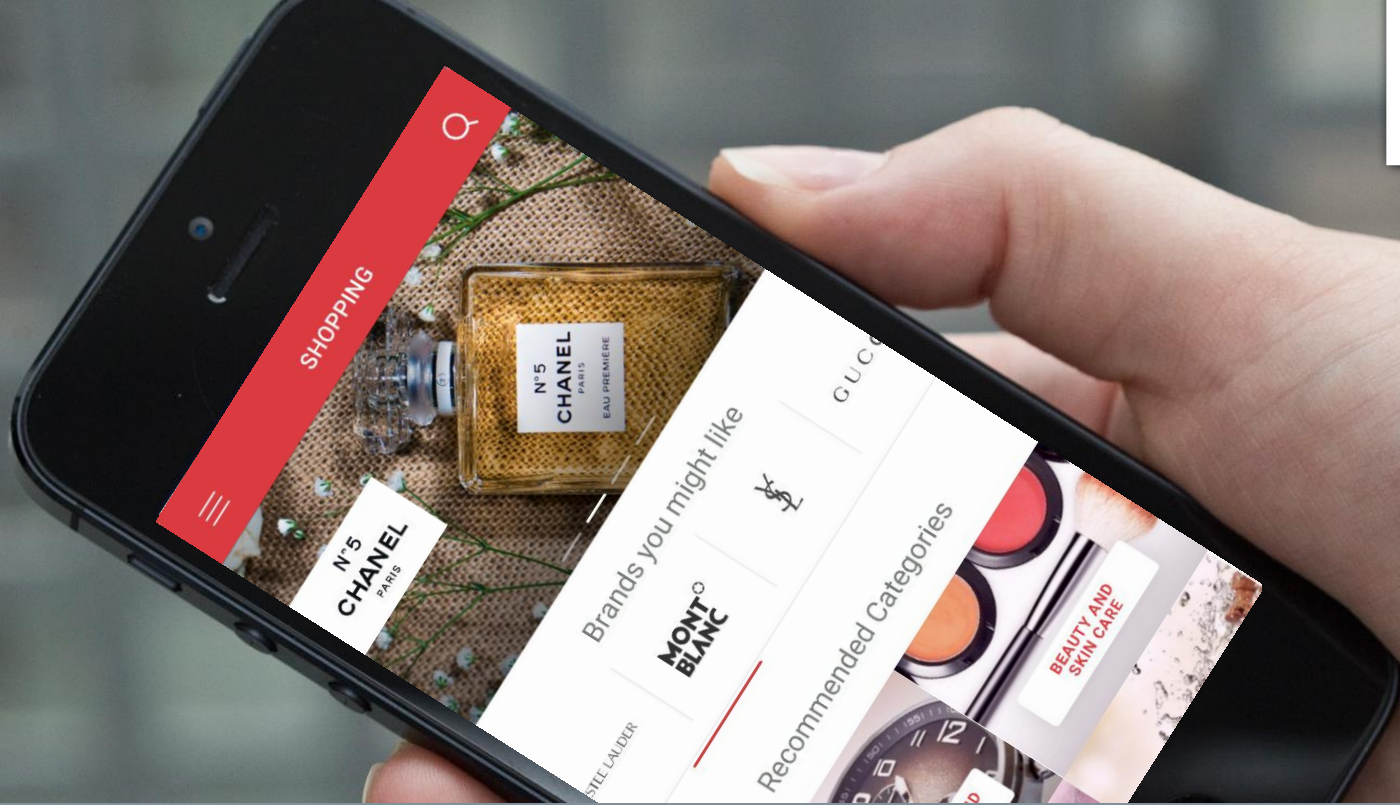
The new Quaternity of Travel Retail



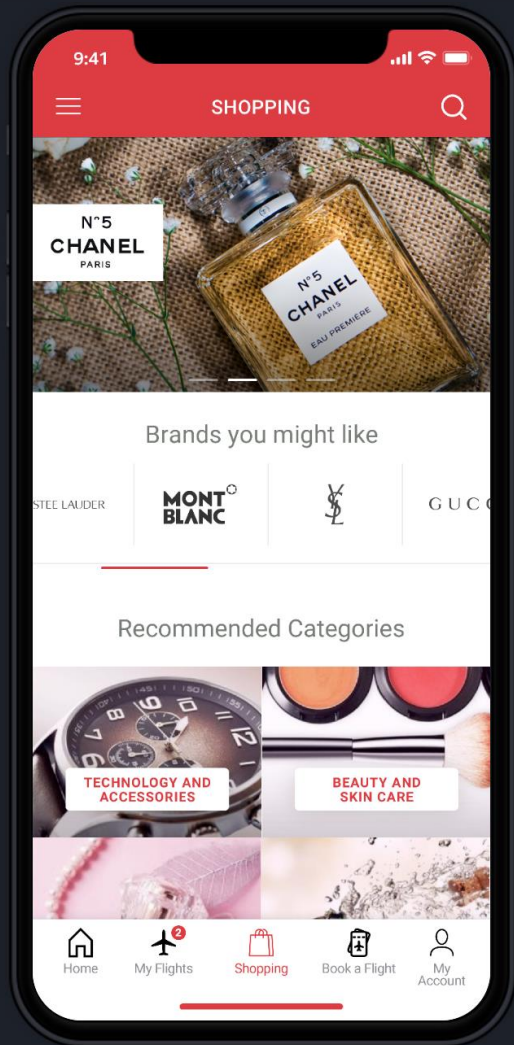
Where digital travel retail is moving for airlines

KRISSHOP 



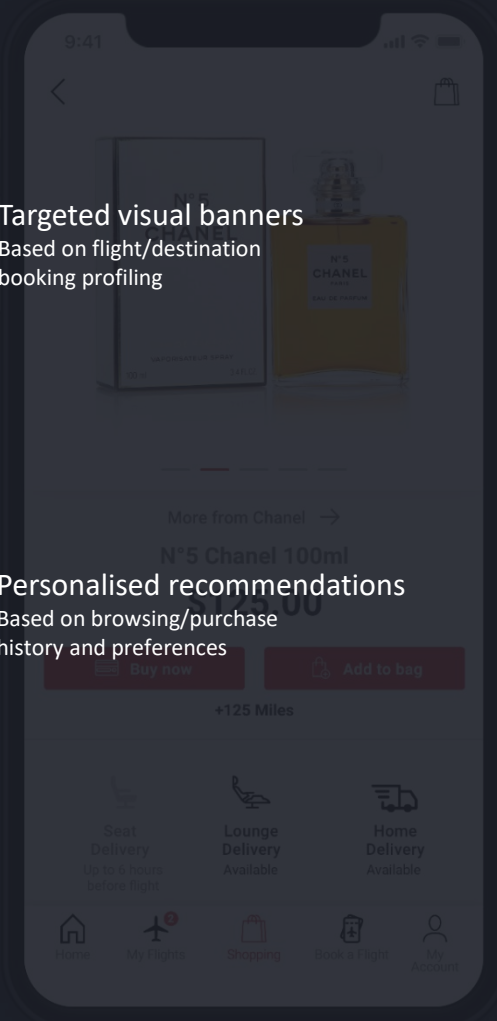


The future of Airline E-Commerce is at your fingertips

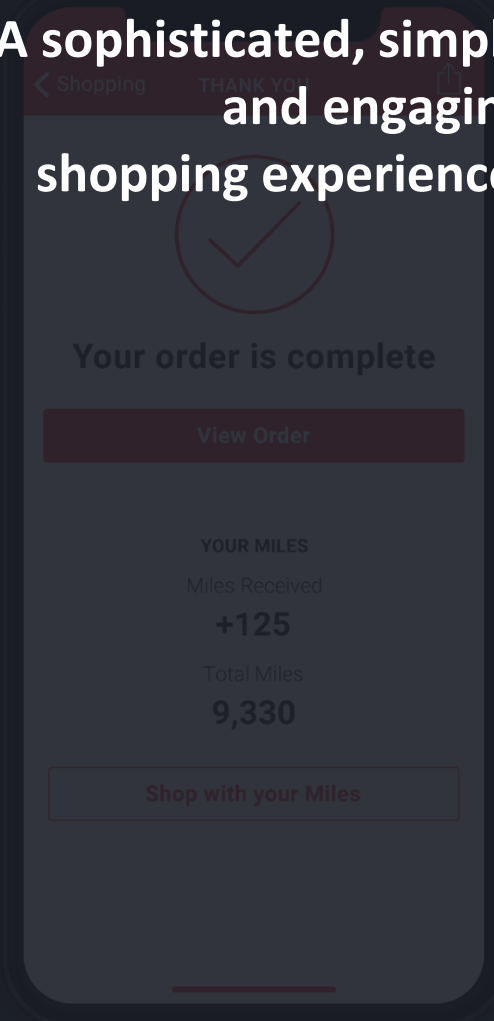


Targeted visual banners
Based on flight/destination
booking profiling

Personalised recommendations
Based on browsing/purchase
history and preferences

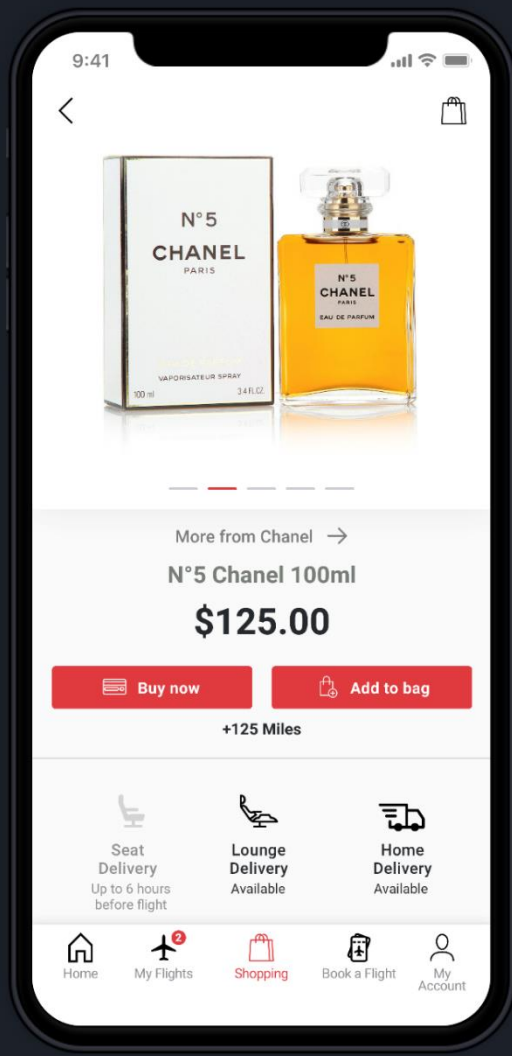


A sophisticated, simple
and engaging
shopping experience.



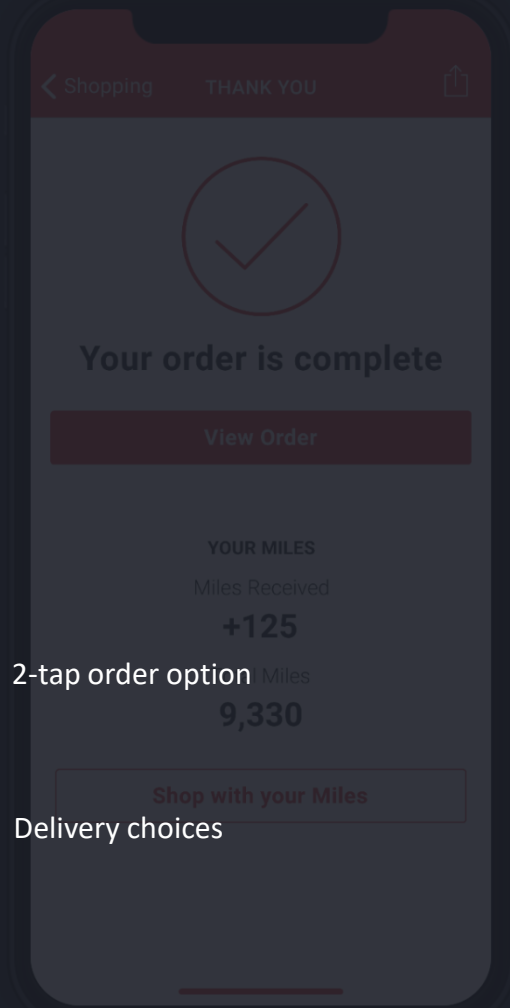
Keeping the checkout process short and effortless.

Flexibility and choice that consumers expect.



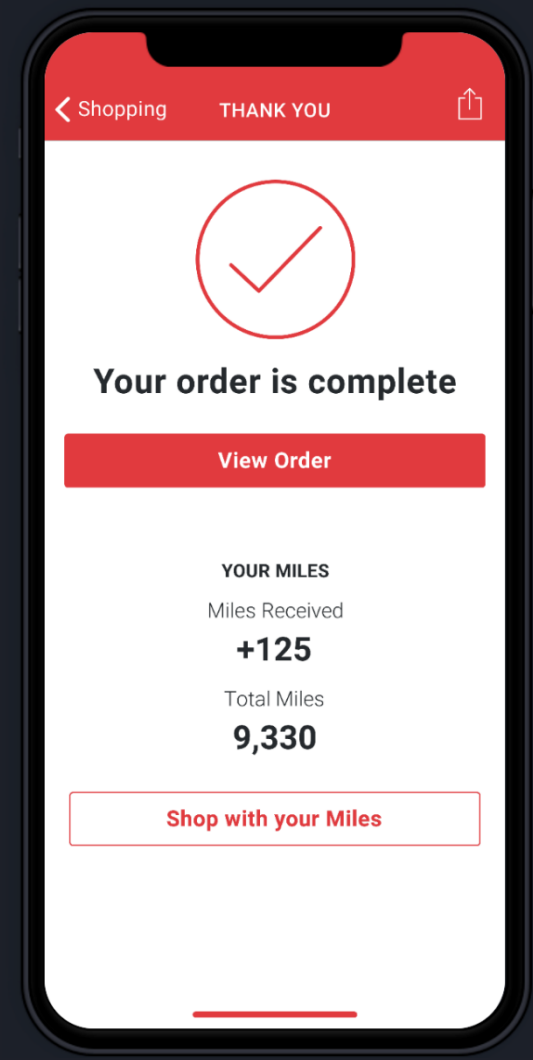
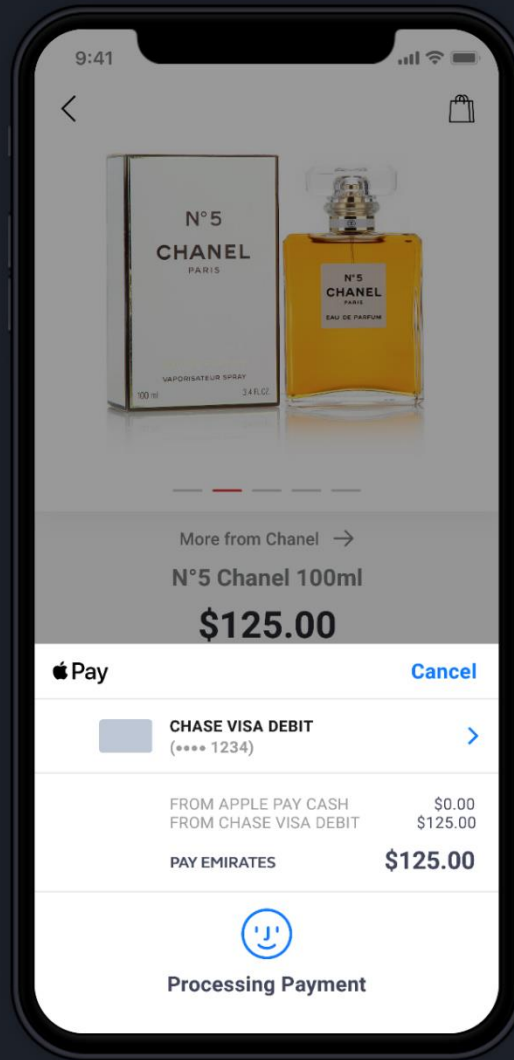
2-tap order option

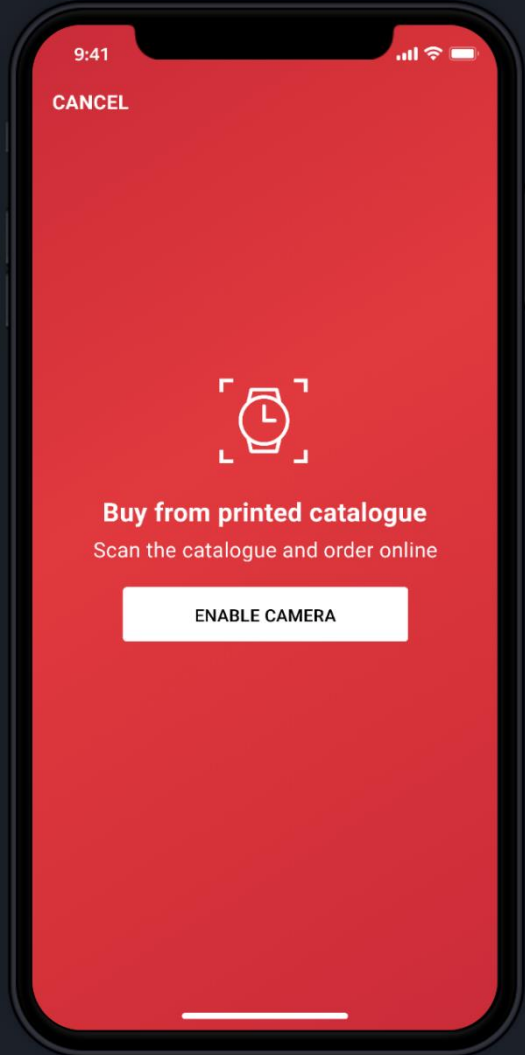
Delivery choices



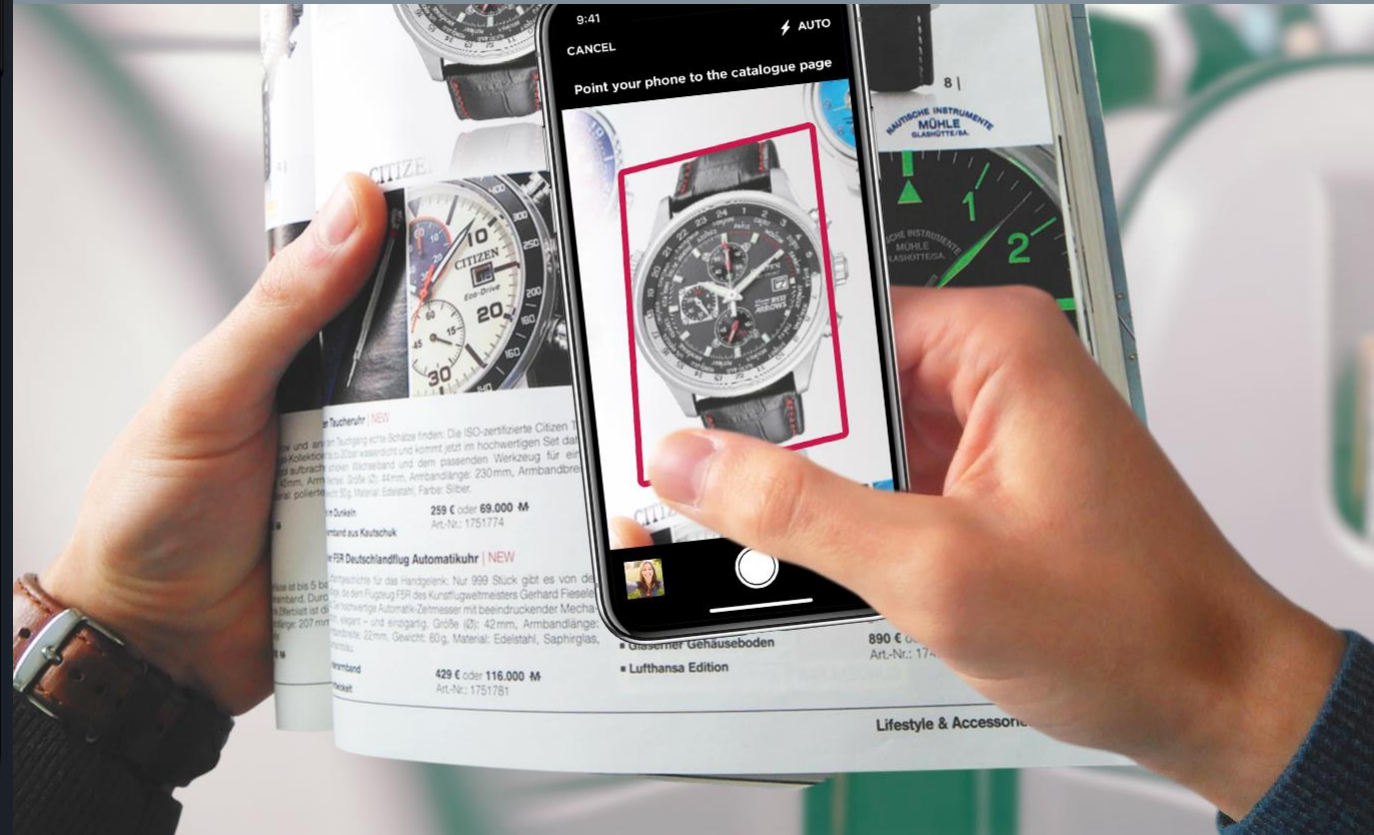
Leverage the power of mobile payment.

Reward loyalty with instant Miles earnings





App meets printed catalogue.
With image recognition.



← Watches

🛒 Checkout



More from Citizen →

Citizen Eco-Drive Official Red Arrows Watch

\$169.00 +170 Miles

🛒 Buy now

🛒 Add to bag



Seat Delivery
Up to 1 hour before flight



Lounge Delivery
Available



Home Delivery
Available

Item Description

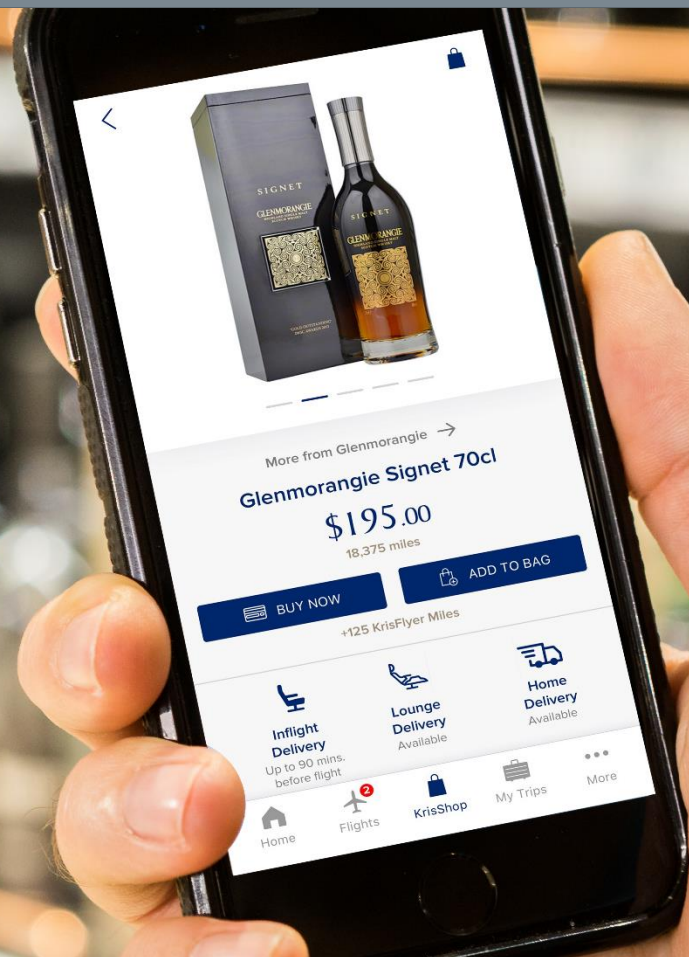
The UK Royal Air Force's Red Arrows display team is renowned for precision and professionalism. Citizen proudly mirrors their exacting standards with this incredible world time chronograph, which features a 1/5 second chronograph, a rotating slide rule bezel that shows the time

Continue the journey In-Flight

Online Shopping is about...



Digital won't replace physical travel retail, but it's where future growth lies...





Questions?

kian@aoe.com

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Pegasus Airlines - How a leading Low Cost Carrier impacts and contributes to the development of Turkish Civil Aviation and its Competitiveness



Mehmet T. Nane

CEO

Pegasus Airlines










Pegasus Airlines – How the leading Low Cost Carrier impacts and contributes to the development of Turkish Civil Aviation

MEHMET T. NANE – PEGASUS AIRLINES CEO

our lowest fares are @
flypgs.com | **PEGASUS**

AGENDA

-  A BRAND NEW AVIATION MODEL IN TURKEY
-  PEGASUS GROWTH IN NUMBERS
-  PEGASUS NETWORK
-  PEGASUS FLEET DEVELOPMENT & EFFECTIVE MANAGEMENT
-  STABLE GROWTH OF TURKISH CIVIL AVIATION

PEGASUS ENTERED THE MARKET IN 2005

A BRAND NEW AVIATION MODEL IN TURKEY

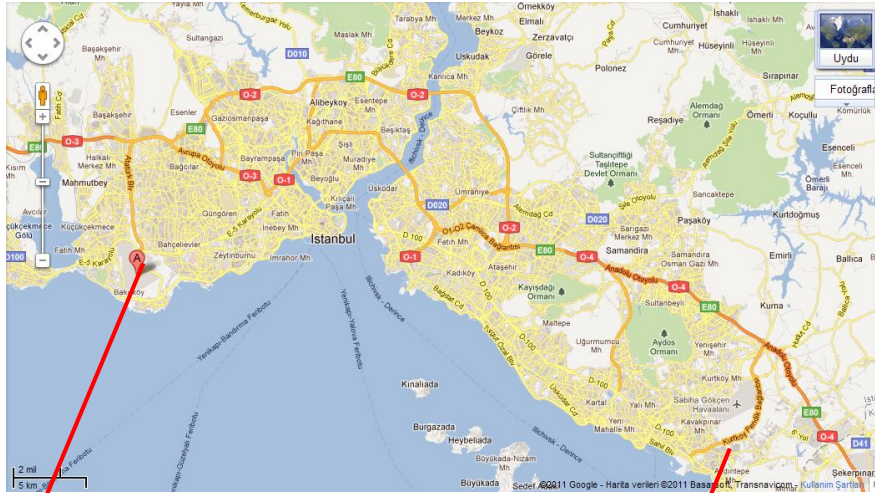
- ✈ First low cost airline in Turkey
- ✈ Low and dynamic pricing model
- ✈ Operational focus on on-time departures
- ✈ First unbundled product offering in Turkey
- ✈ Three major principles: Low fares
On-time performance
New aircrafts



We are the
only one
to implement the
“Low Cost” model
in Turkey.

FLIGHTS FROM SABIHA GÖKÇEN AIRPORT

Pegasus established a new & large hub on Istanbul's Anatolian side



İstanbul Atatürk Airport

İstanbul Sabiha Gökçen Airport

Millions in a new catchment zone got access to **low ticket fares and on-time departure**

In 2004, only 250.000 passengers flew from Sabiha Gokcen Airport on both domestic and international routes. After Pegasus commenced its scheduled flights in 2005, number of passengers flying from Sabiha Gokcen increased significantly and reached **1 million in just one year.**



Source : Sabiha Gokcen Airport Yearly Traffic Report

Genel (Public)

flypgs.com

WE UNDERSTAND THE SHIFT IN GUEST BEHAVIOUR...



Low
Fares



On Time
Performance



New
Aircraft



Buy What
You Want

GROWTH IN NUMBERS

2005

14

Number of aircraft

5,4

Fleet average age

800 Million \$

Investment

1.9 Million

Guests

112

Flights/week

6

Destinations

83

Number of aircraft

5,6

Fleet average age

15.2 Billion \$

Investment

27.82 Million (2017, full year)

Guests

3000+

Flights/week

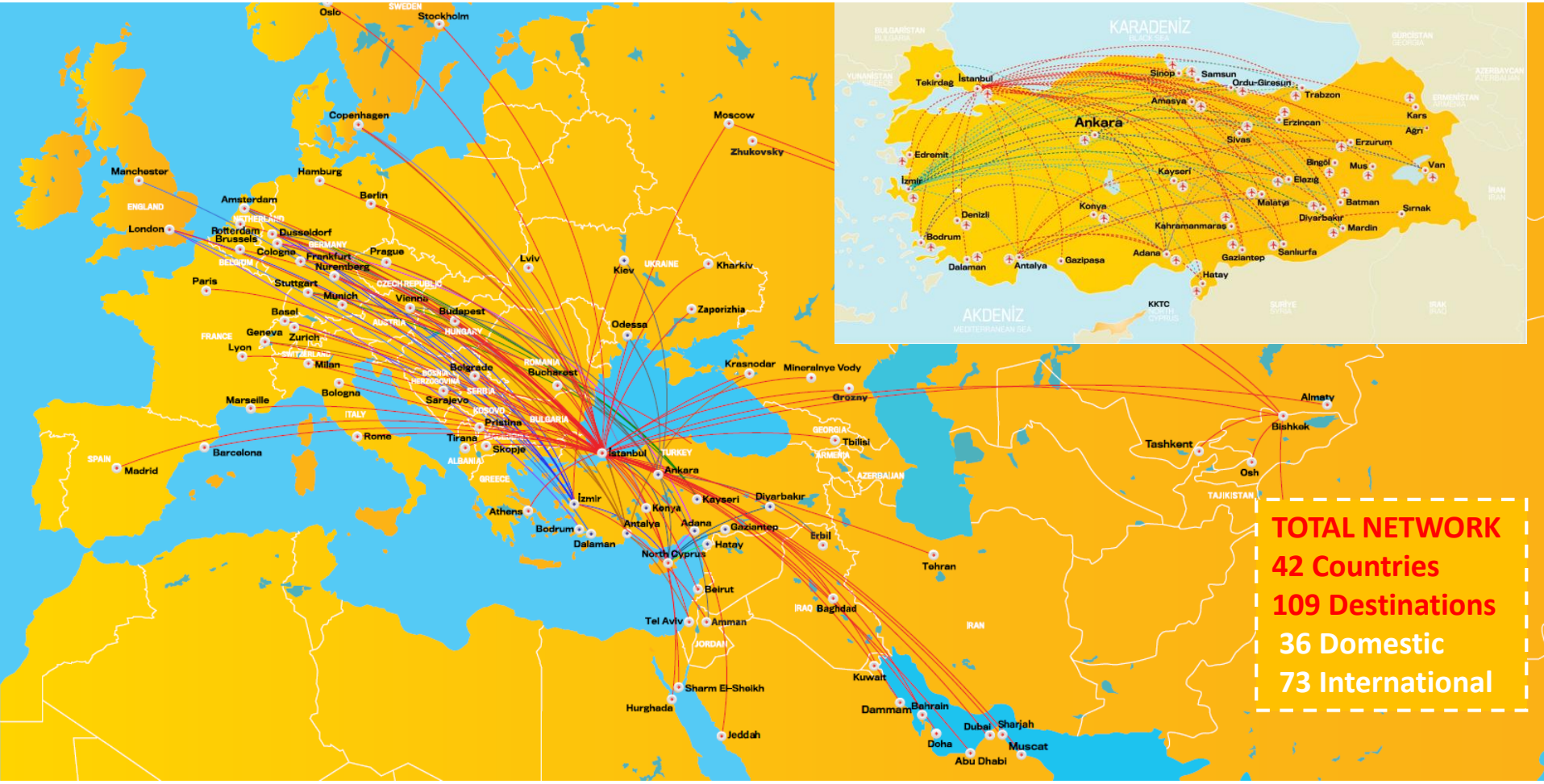
109

Destinations (36 domestic, 73 international)

TODAY



PEGASUS NETWORK



NUMBER OF PEGASUS GUESTS

Number of Guests

2017 FY:

27.82 Million

2018 H1:

14.39 Million

**From 2005 until
the end of 2018 H1**

Number of Guests
Flown

Over 160 Million



66% of our guests flown for under 100 TL on our domestic routes
47% of our guests flown for under 50 Euro on our international routes



DIFFERENT ANCILLARY PRODUCTS & SERVICES



Pre-order Meal



Pegasus Flex



Extra Baggage



Pegasus Cafe



Visa Service



Seat Selection



Hotel Reservation



Tours & Attractions



Smart Flight Package



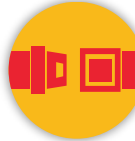
SMS Update



Lounge Service



IFE- Inflight Entertainment System



Travel Insurance



Pegasus Bol Bol Credit Card



Airport Parking at Low Prices



Don't Miss The Price Price Freezing

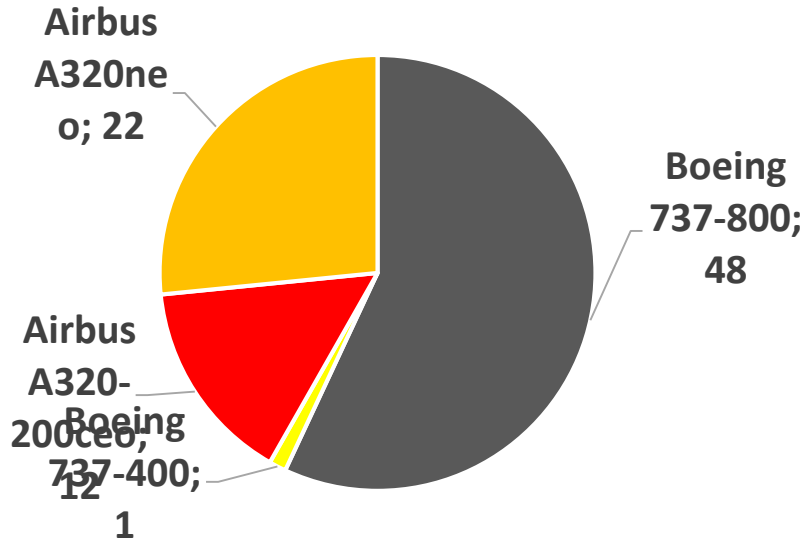


Pegasus BolBol Loyalty Program



Car Rental

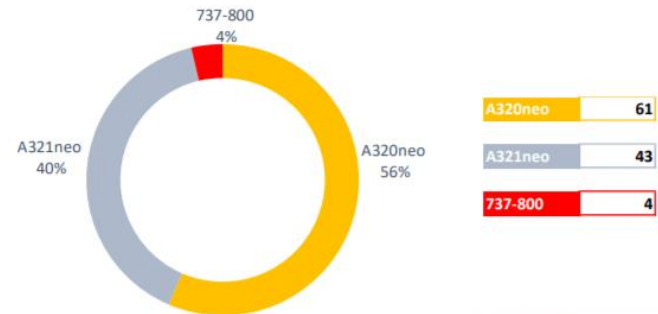
OUR FLEET DEVELOPMENT



**Total Fleet Number:
83 aircraft**

- ✈ The youngest fleet in Turkey and one of the youngest among LCCs: **5.6 years**.
- ✈ Fleet to reach 81 aircraft by 2018YE. 7 A320neo and 3 737-800s have been delivered as of August 1 st; 2 737-800 will phase out in 2018 4Q.
- ✈ Fleet to reach **81 aircraft** in 2018 with 10 new A/Cs

FLEET (AS OF 2024YE)



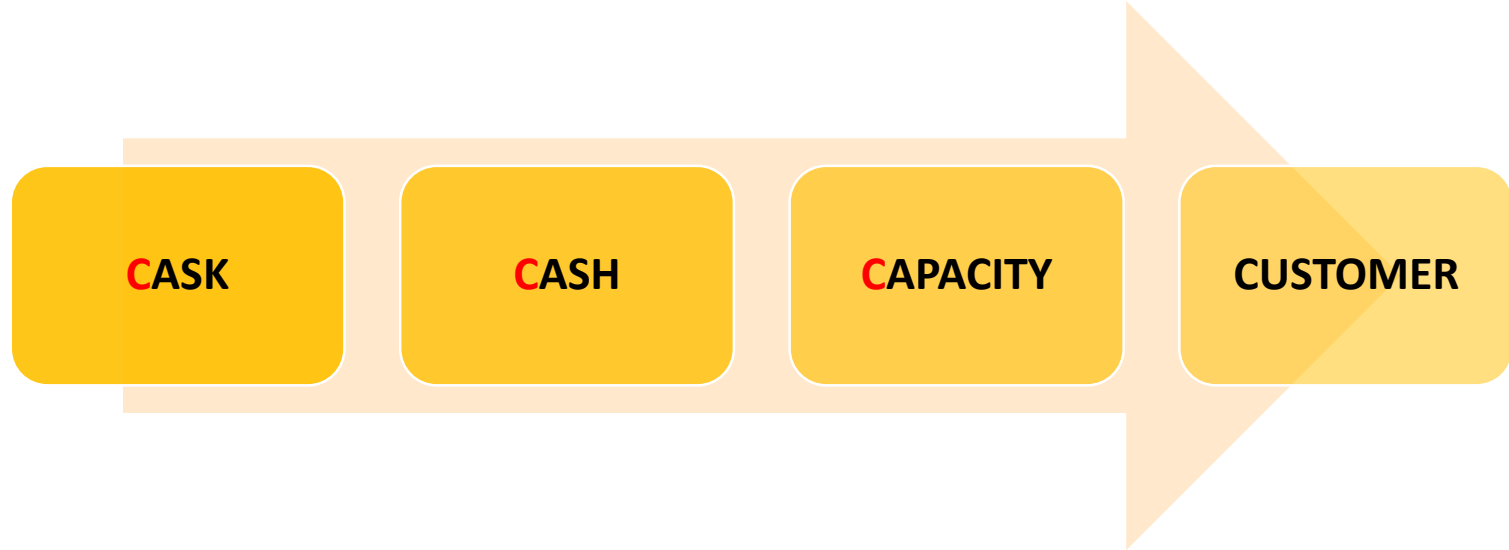
WE CONTINUED TO UTILISE OUR FLEET EFFICIENTLY

	2017
Landings	177,392
Number of seats (Million)	32.9
Number of guests per cycle	157
Average Daily Aircraft Utilisation Rate (Block Hours)	12,1

Each seat is sold about
7 times in a day



WE CONTINUED OUR EFFECTIVE MANAGEMENT WITH OUR 4Cs

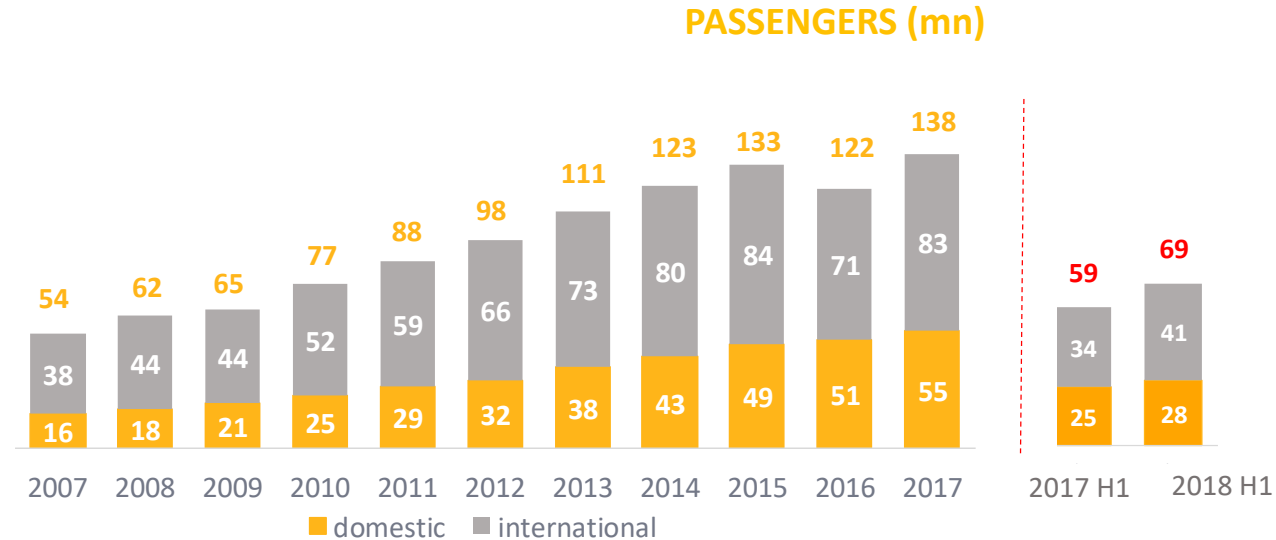


TURKISH AVIATION FIGURES - TOTAL PASSENGER FIGURES FOR THE PAST DECADE

In 2003, almost **30 million** passengers flew on both domestic and international routes. This figure grew rapidly from 2004 onwards, with the new actions.

Turkish Aviation Sector had total of **138 million** passengers by the end of 2017.

The sector grew **1.5 times** for the past decade, measured by total passenger numbers. This growth rate would have been **just 1.2 times** if Pegasus had not entered the market.



STABLE GROWTH WILL CONTINUE WITH THE THIRD AIRPORT

The third airport is essential for the growth of Turkey's aviation sector and economy



It will make a major contribution to the Turkish economy through employment and passenger traffic. Passenger traffic is predicted to reach **120 million** annually at the new airport by 2025.

69% of those passengers are expected on international routes and **31%** on domestic routes.

**WHY
INVESTMENT
MATTERS?**

Istanbul has
an important
strategic
position
in global air
transportation

We didn't start aviation in Turkey
but we transformed it!



Thank you



The future of payment



Juan Ivan Martin

Head of Innovation

International Air Transport Association (IATA)

Carlos Carriedo

General Manager

Amex Corporate Payments





The aviators of tomorrow

Diversity = Opportunity



Jeffery Tobias Halter

President

YWWomen

Teresa Busto

VP Airbus Group & Director of the Illescas Factory

Airbus

