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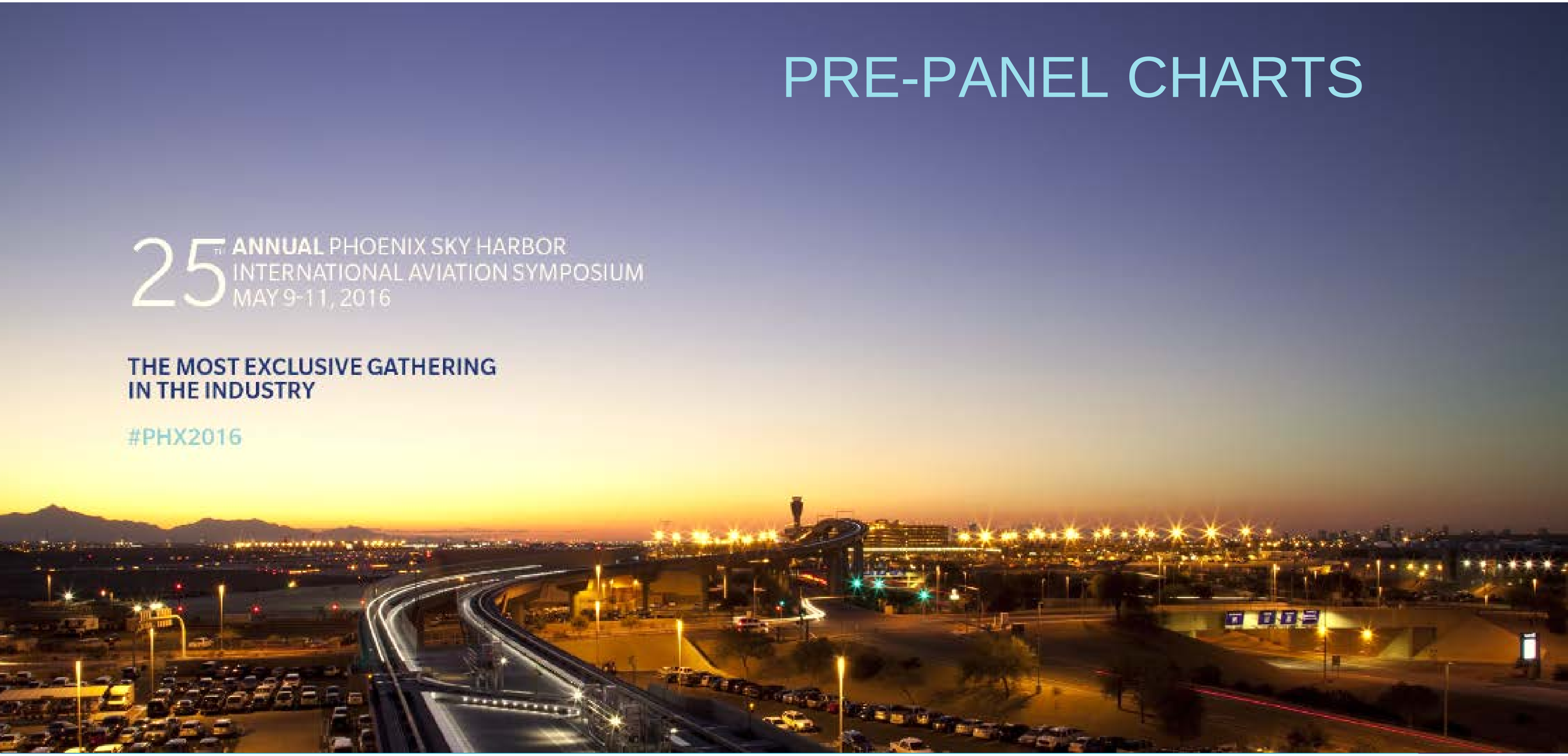
PRE-PANEL CHARTS



MARSH & McLENNAN COMPANIES

CONFIDENTIALITY

Panel 1

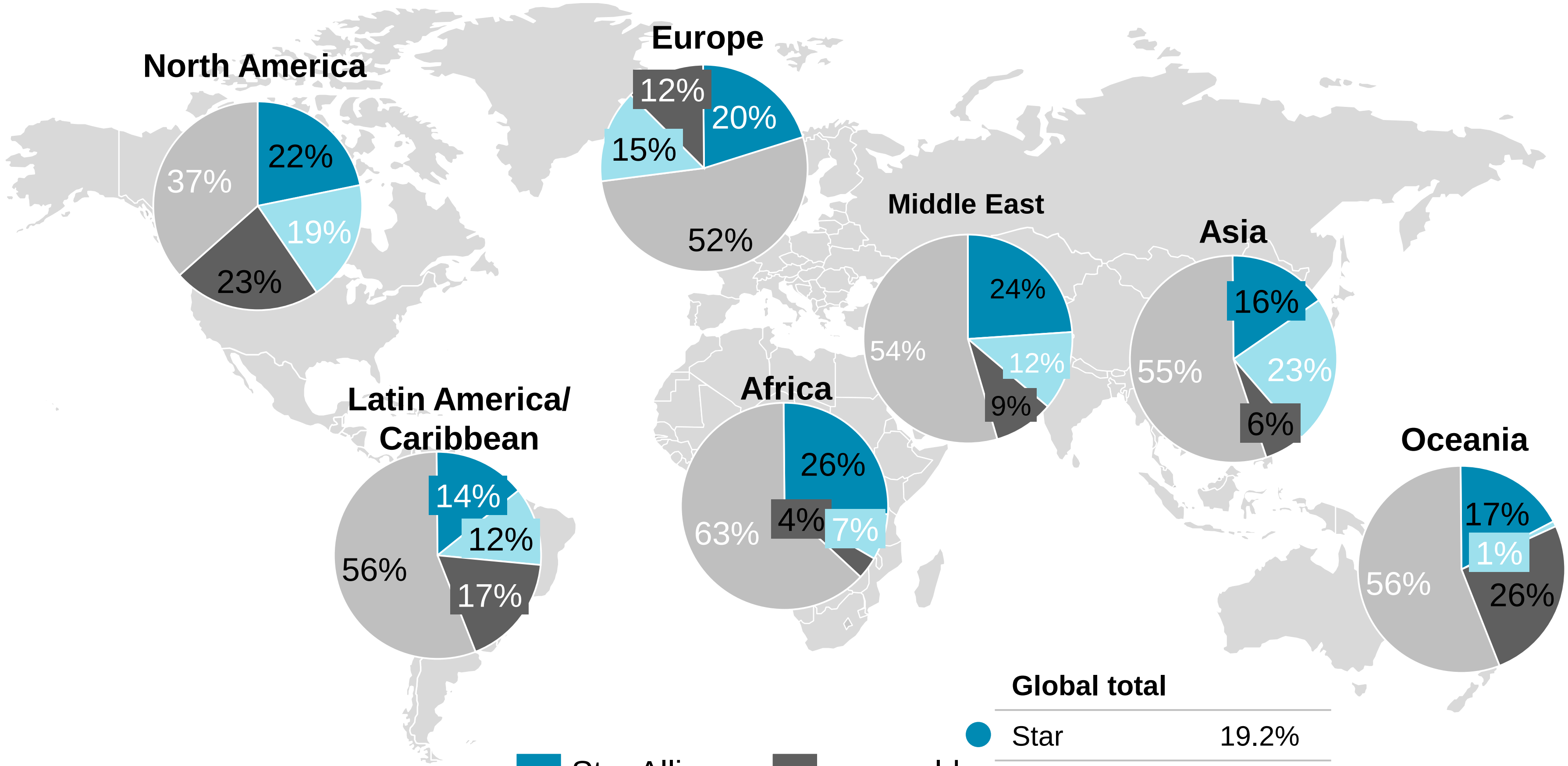
The Future of Partnerships: From KL/NW to the Ongoing Subsidy Battle, What's Next?

- *Is an "alliance" enough or is a portfolio of relationships required?*
- *How are bilateral relationships changing the alliances?*
- *Can they still grow? Will the LCCs join the party? Will foreign ownership limits ever be lifted?*

Alliance share of departures by region in May 2016

Monthly scheduled departures by alliance and by region

May 2016



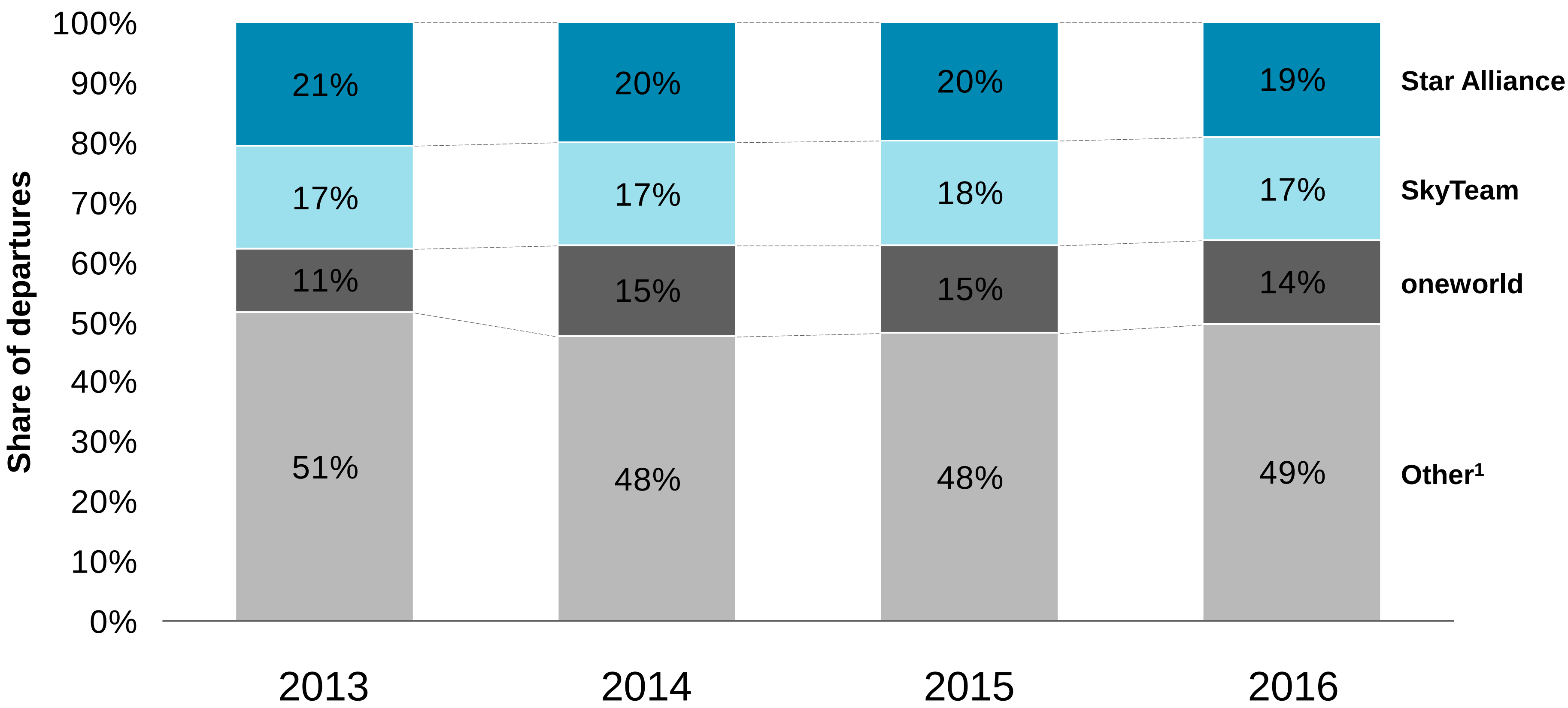
Global total	
Star	19.2%
SkyTeam	17.3%
oneworld	14.0%
Other[1]	49.5%

Note: (1) Other = unaligned airlines and airlines in other alliances
Source: PlaneStats.com > schedule > monthly operations for May 2016

Alliance capacity shifts

Monthly scheduled departures by alliance

May 2013 – 2016



Note: (1) Other = unaligned airlines and airlines in other alliances

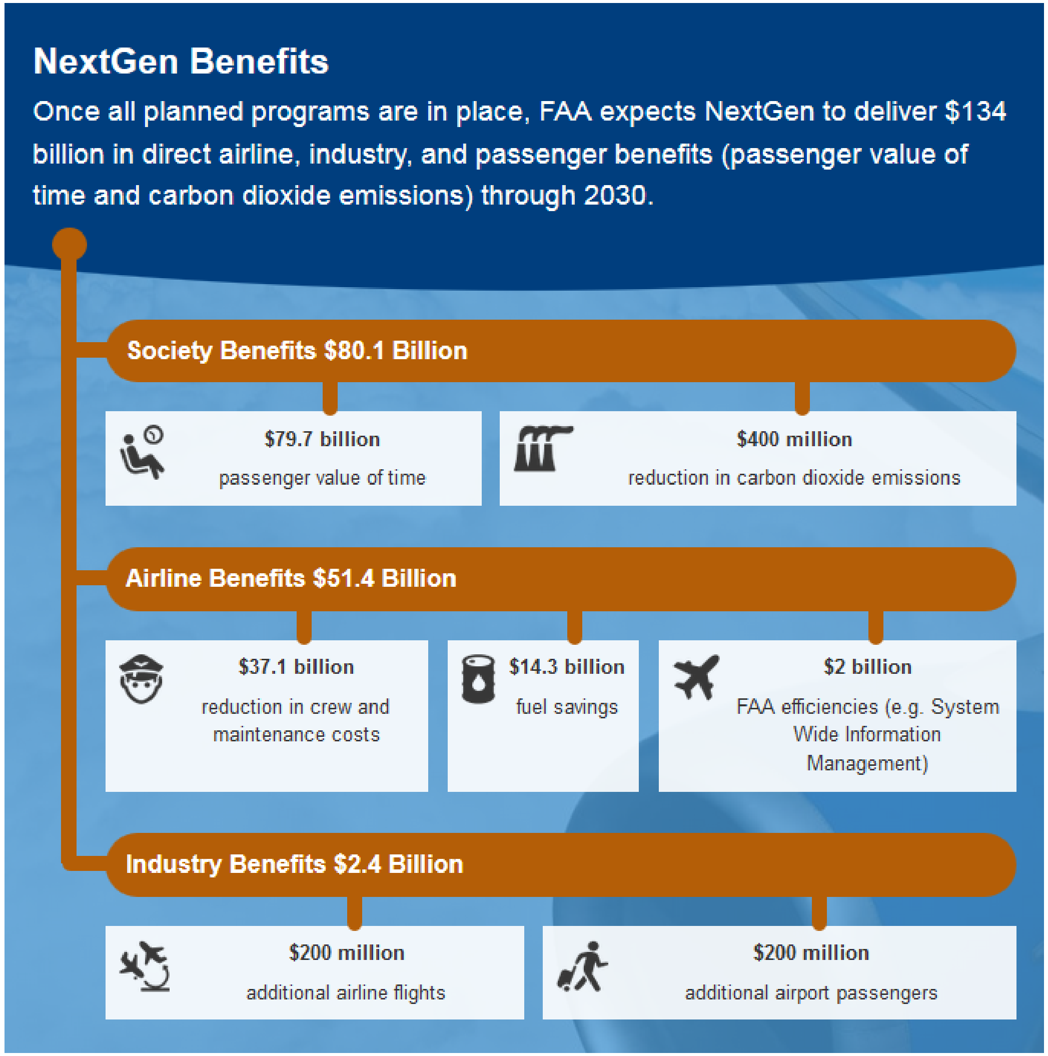
Source: PlaneStats.com > schedule > monthly operations for May 2013, 2014, 2015, 2016

Panel 2

Improved Reliability and Infrastructure: What's the Answer?

- *On time performance is at an all-time high, but is it here to stay given nextGen and European ATC challenges, airport infrastructure, employees, aging and updated fleets and regulatory oversight?*
- *Are we ready for the return to peak traffic volumes?*

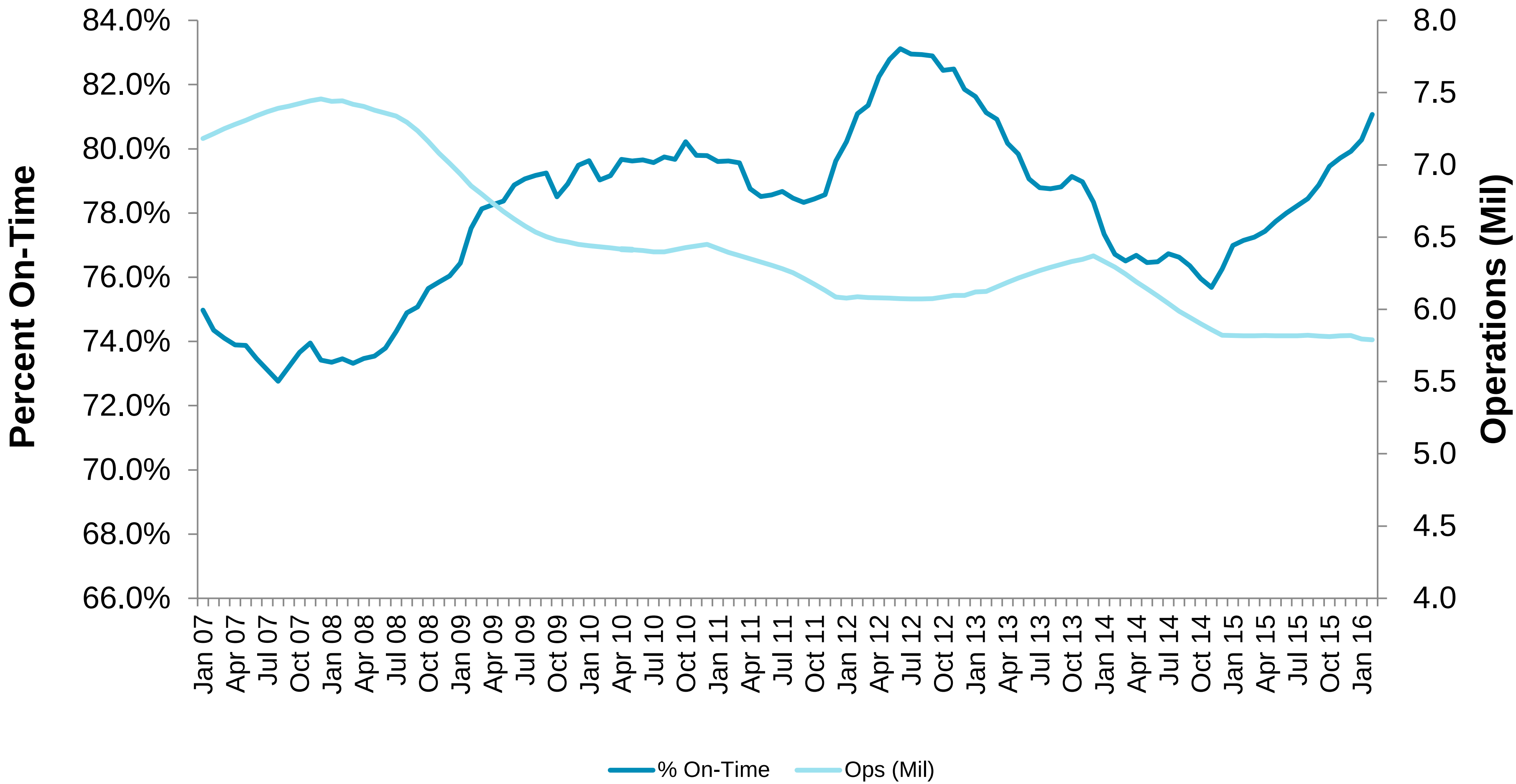
The FAA estimates NextGen will save airlines $51.4 billion through 2030



Source: US Federal Aviation Authority (FAA)

US domestic on time performance trend

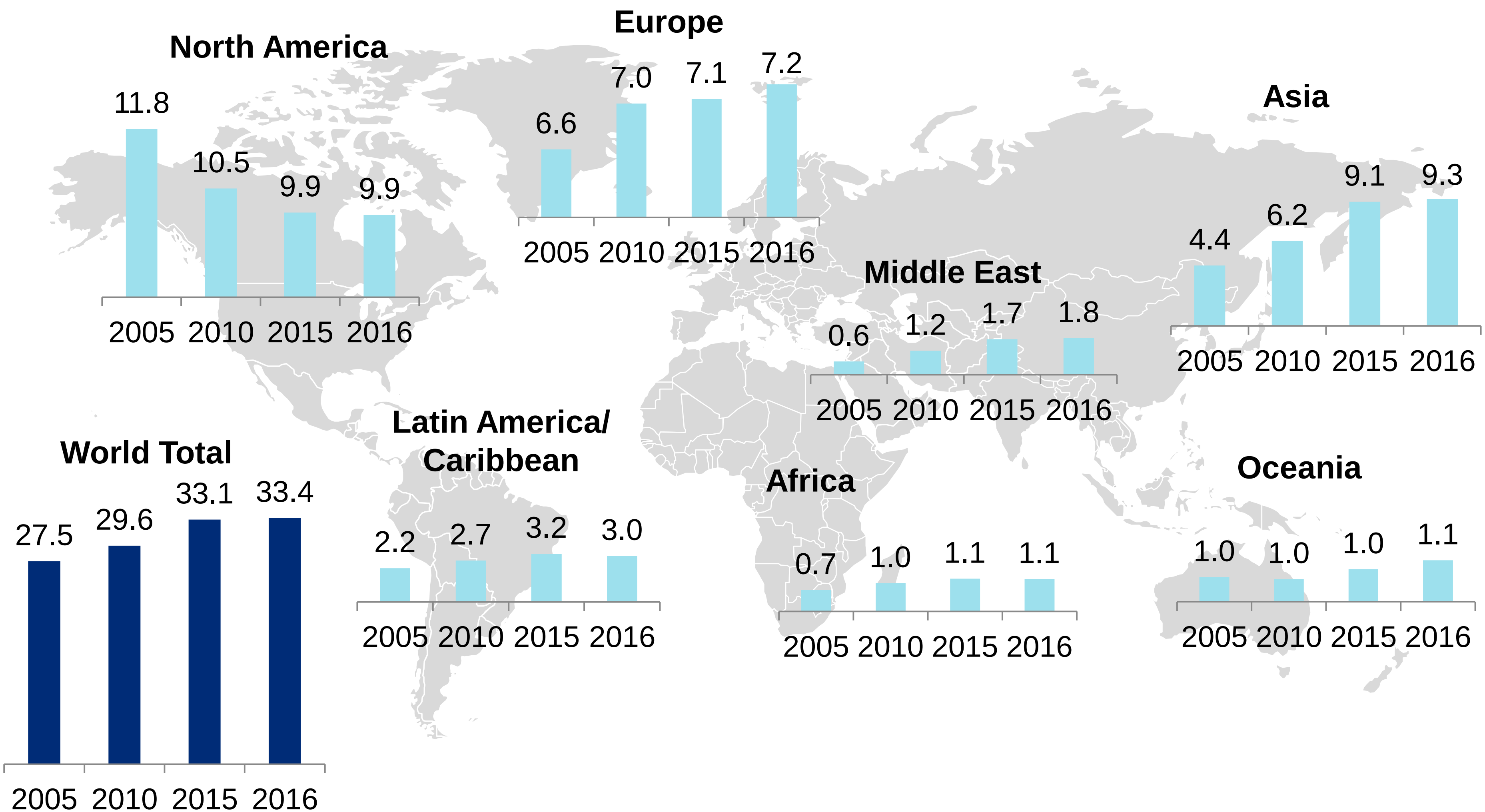
Rolling 12 Month Average



Note: On time data from US domestic operations only. Delayed flights include arrivals later than 15 minutes of scheduled time, cancellations and diversions.
Source: PlaneStats.com > on time performance

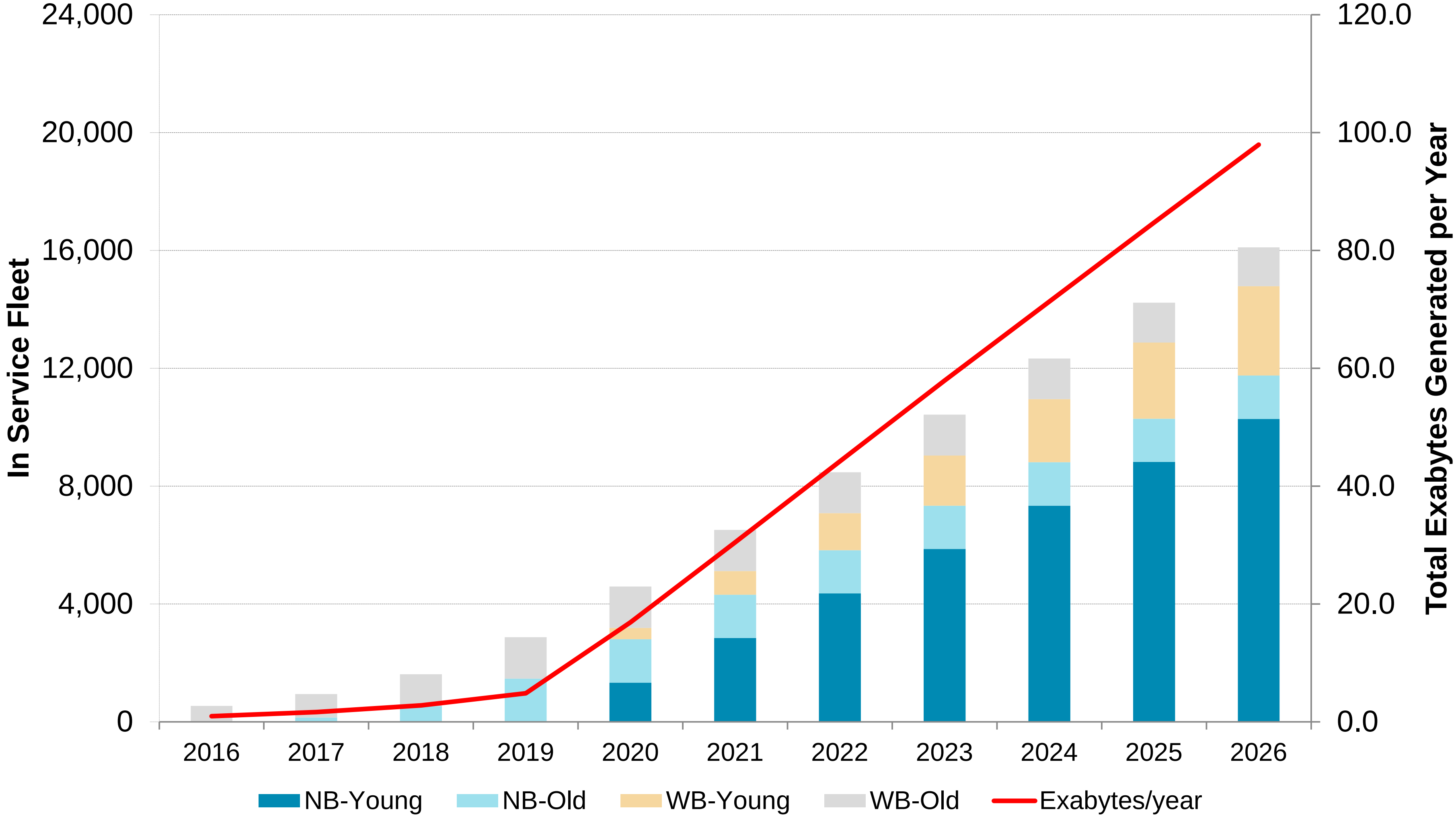
Annual scheduled departures by region

Departures in Millions



Source: PlaneStats.com > schedule > monthly operations

In 2026, we project the global fleet will generate 98 exabytes of data or 98 million terabytes

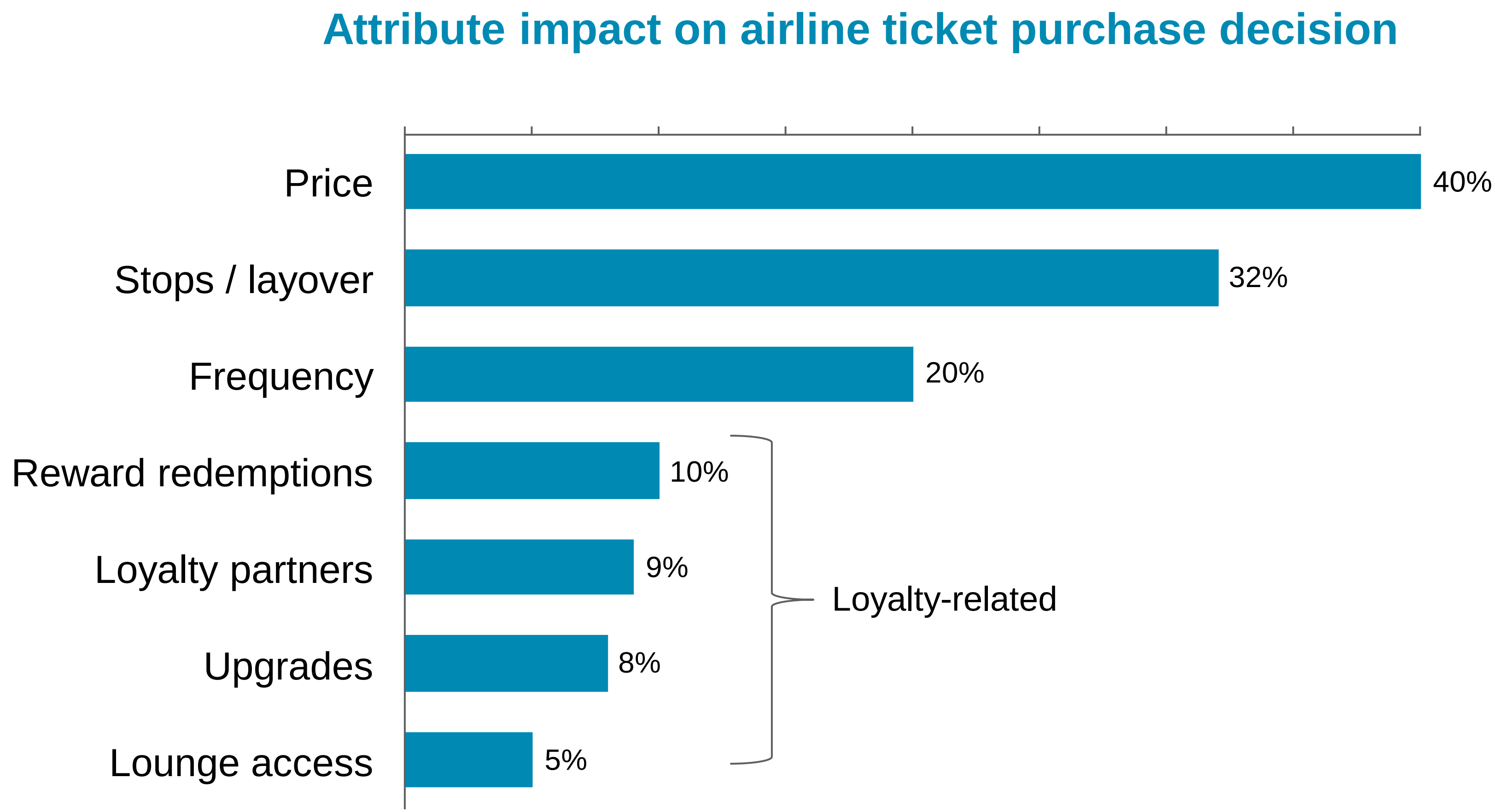


Panel 3

The Battle for the Customer: What Do Customers Really Want and How Will They Buy in the Future?

- *What is the vision for customer engagement in 2025?*
- *Is the battle in the air, on the ground or elsewhere?*
- *Amenities are returning and loyalty programs are changing. What can a carrier do to create true differentiation in a sustainable way?*
- *Which new players could alter the economics of distribution?*
- *Are there new technologies that hold great promise for improving the customer experience?*

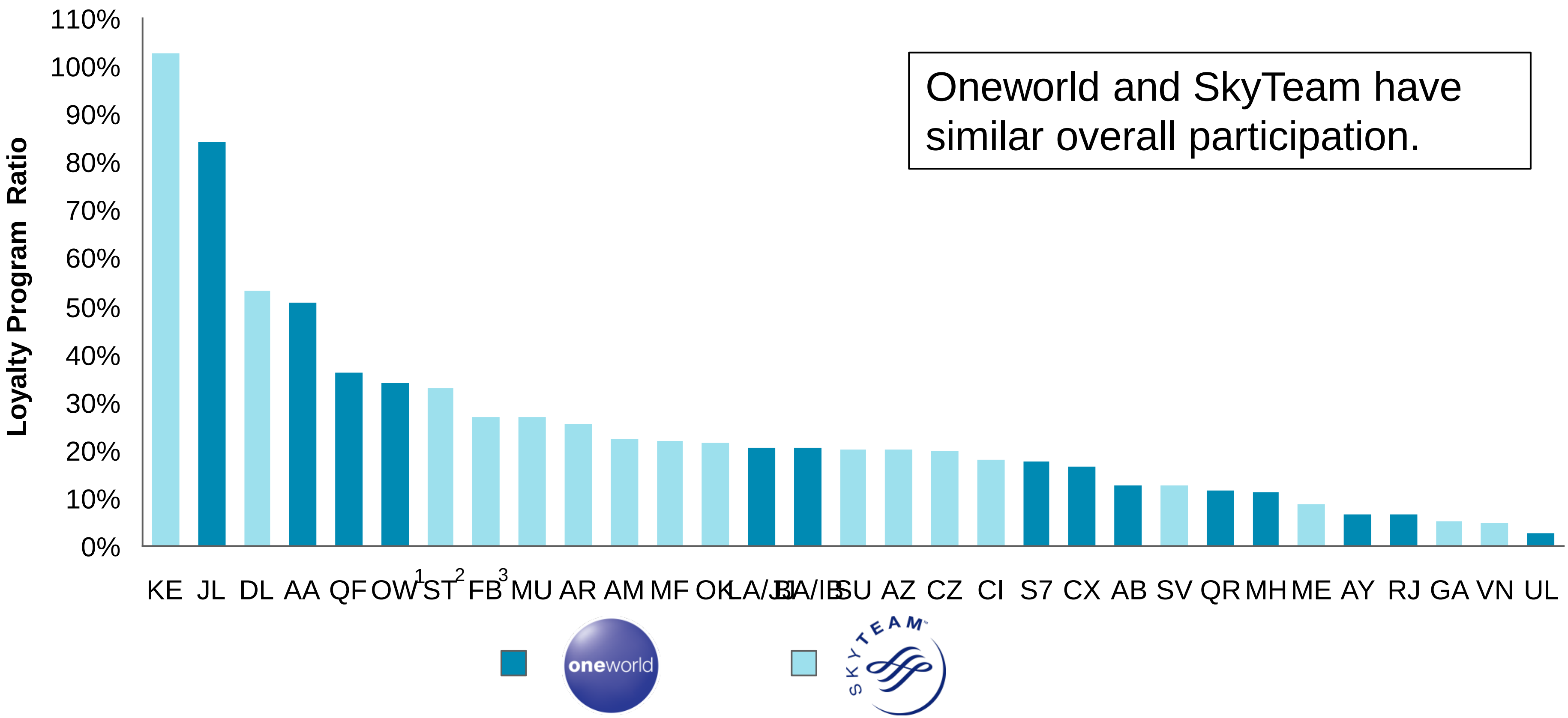
Price matters, but so do other things



Source: Oliver Wyman Strategic Choice Analysis® customer research

Airline loyalty program membership is spread across alliances

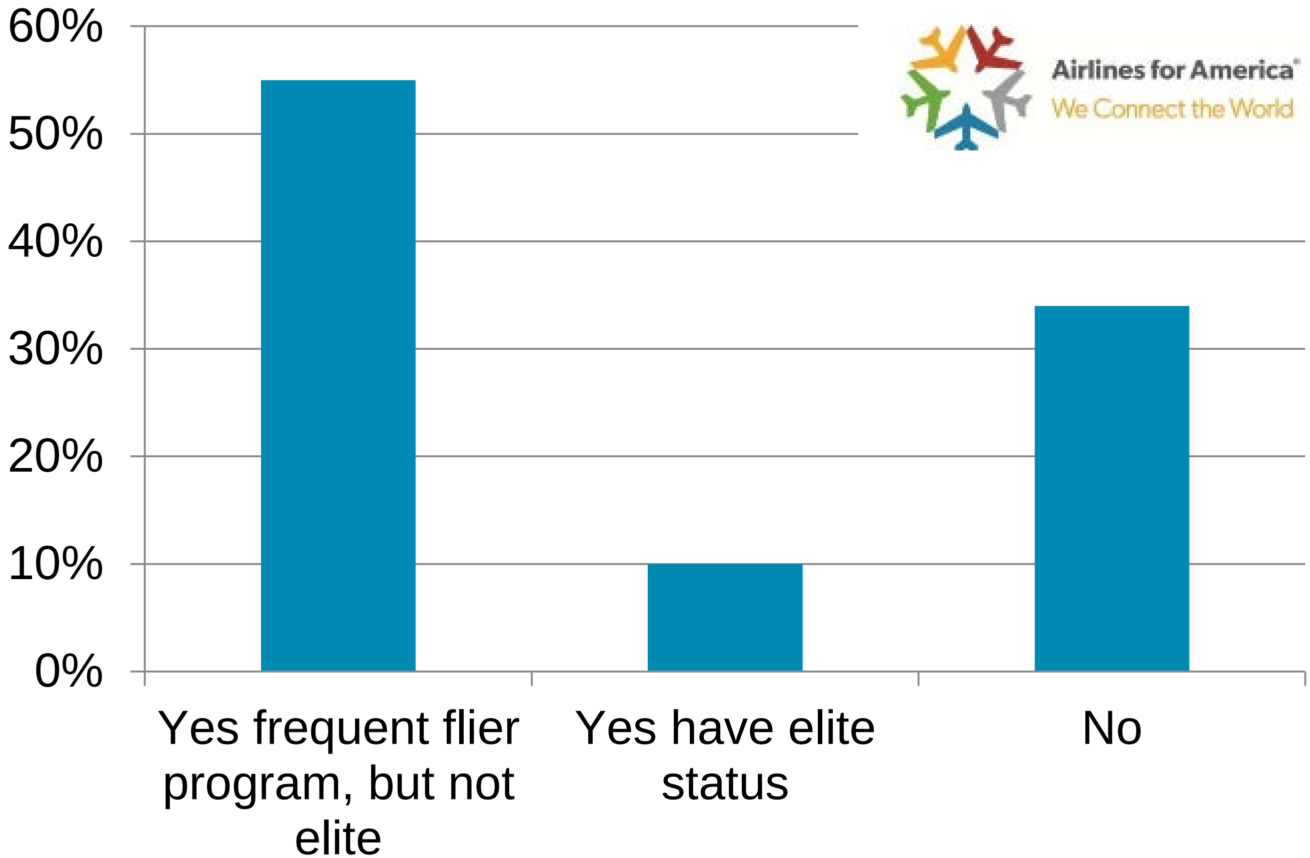
Ratio of airline loyalty program members to annual passengers
SkyTeam and oneworld, 2015



Notes: 1. OW = oneworld; 2. ST = SkyTeam; 3 = Flying Blue, which includes AirEuropa, Air France, Kenya Arways, KLM, and Tarom; based on reported data
Source: Company reports

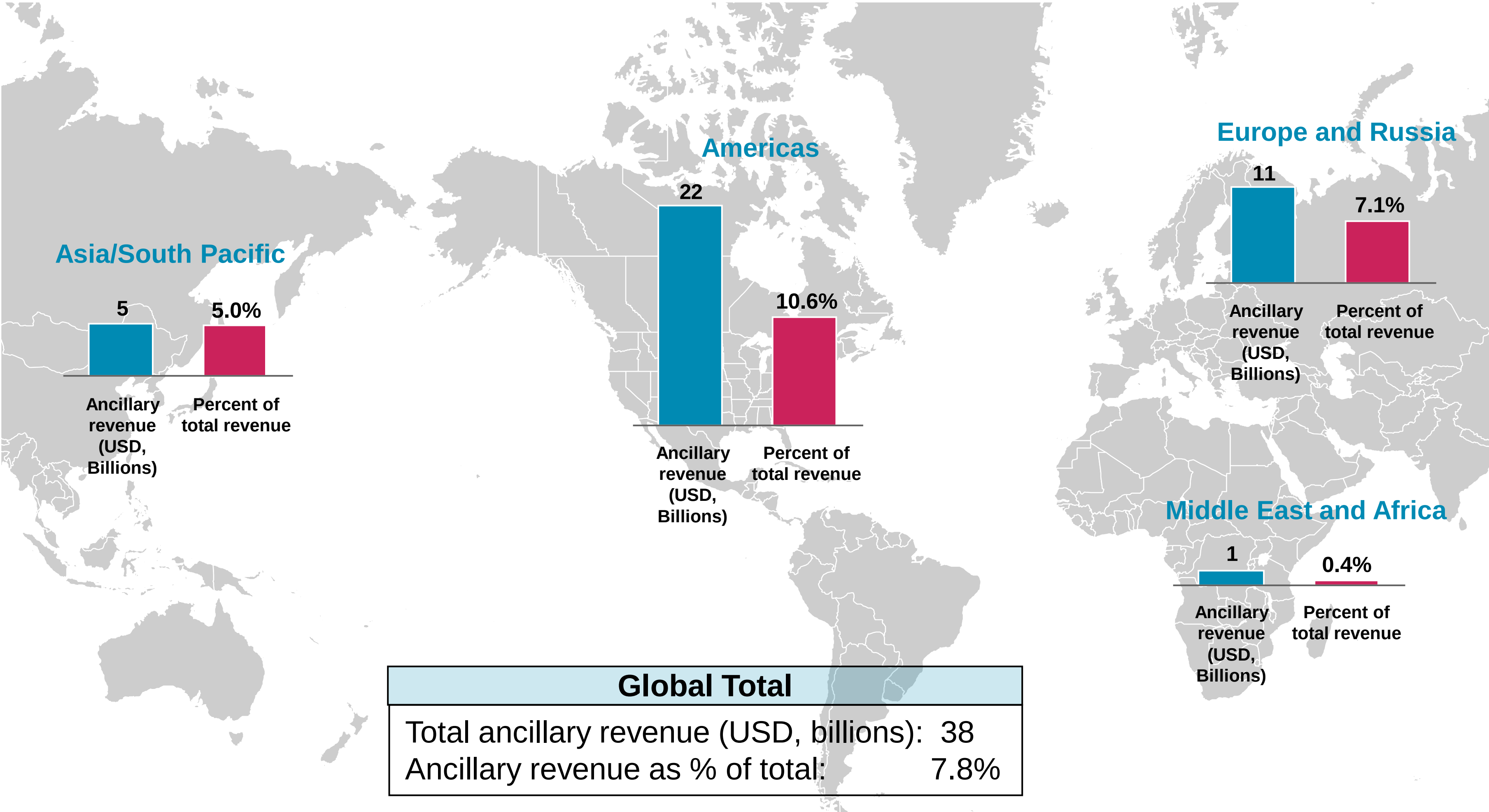
A4A Survey: Two-thirds of 2015 flyers surveyed are a member of an airline frequent flyer program

Are you currently enrolled in any frequent flyer program and do you have any status giving you extra privileges?



Source: A4A

Ancillary revenue around the world in 2015
(including frequent flyer program)

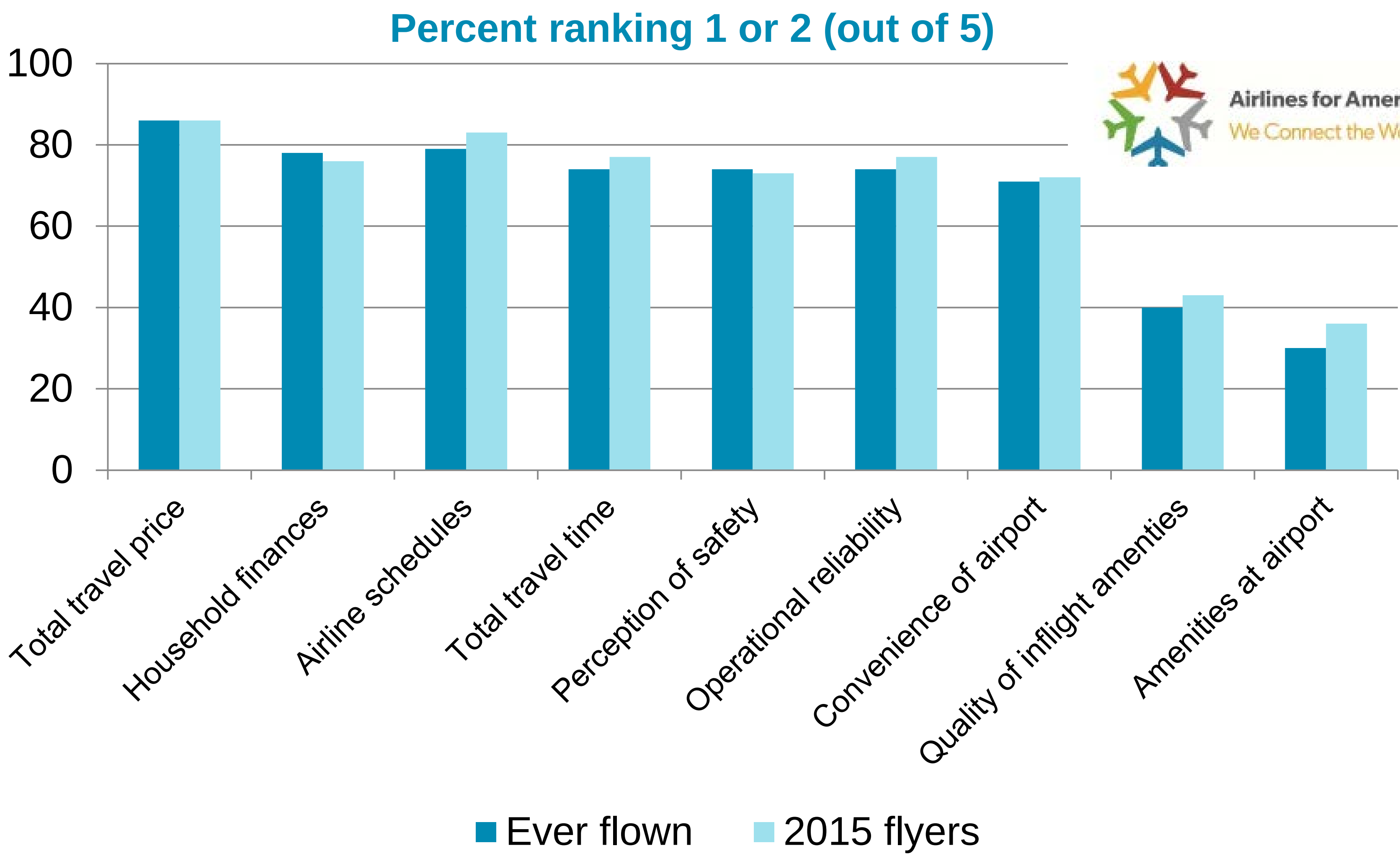


Global Total	
Total ancillary revenue (USD, billions):	38
Ancillary revenue as % of total:	7.8%

Source: 2015 CarTrawler Yearbook of ancillary revenue

Travel decision factors

How important are each of the following when you are making the decision to travel by airline (versus another mode of travel or versus not going at all)?



Source: A4A

Panel 4

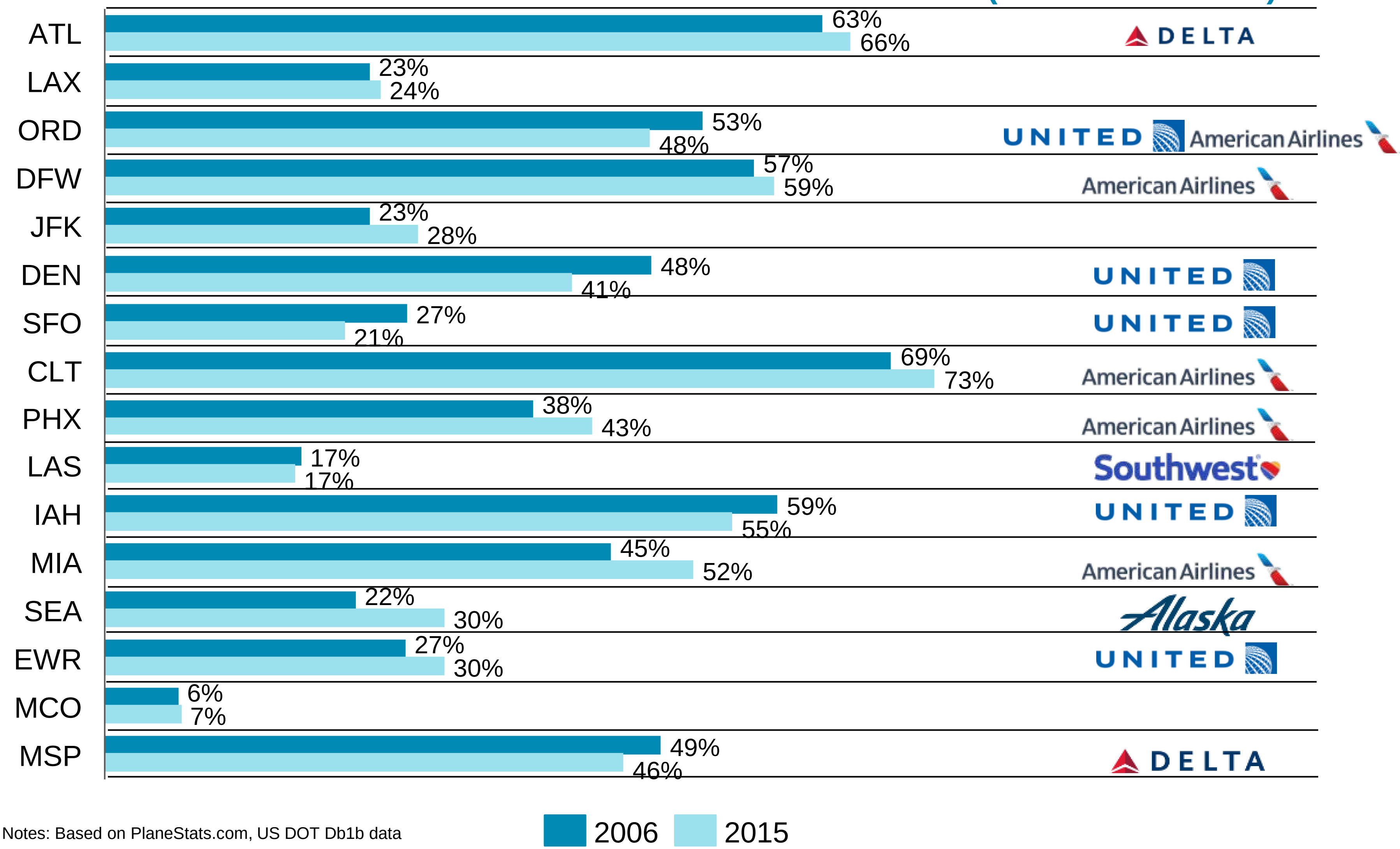
Hubs, Bases and Focus Cities: Different Networks for Different Designs

- *What's the difference and when should an airline (or airport) aspire to each?*
- *How will flows evolve?*
- *Are there lessons from the US for Europe or vice versa?*
- *How is re-hubbing, re-banking, new aircraft technology, etc. affecting networks? Are LCC international services a game changer?*
- *Will the airline within an airline model be successful in Europe?*

Top 15 US airports and connecting traffic

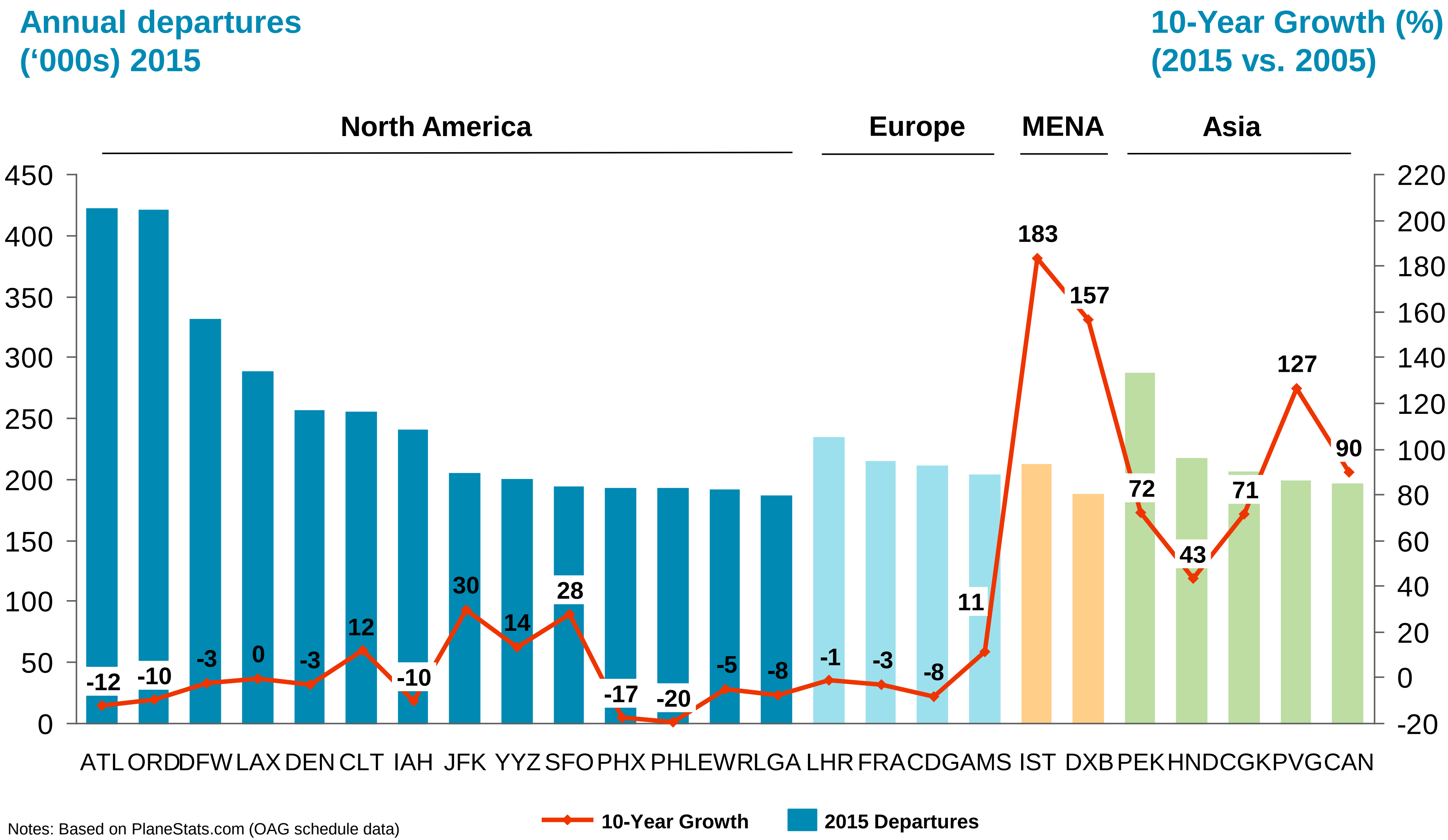
Connecting passenger percentage

Hub dominance (> 33% seat share)



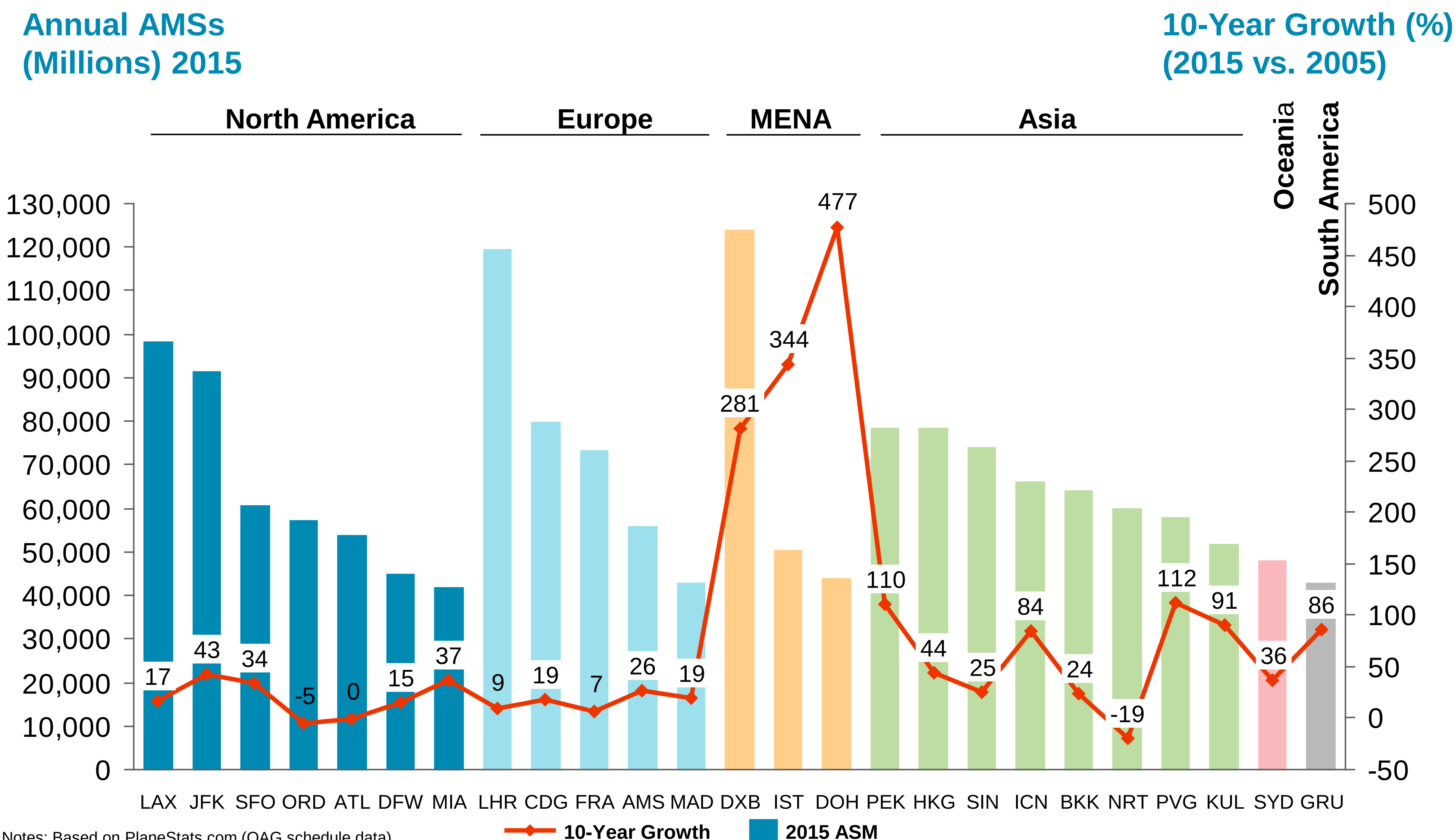
Notes: Based on PlaneStats.com, US DOT Db1b data

Top 25 airports worldwide (by departures) with 10-year growth trend



Notes: Based on PlaneStats.com (OAG schedule data)

Top 25 airports worldwide (by ASM) with 10-year growth trend



Notes: Based on PlaneStats.com (OAG schedule data)

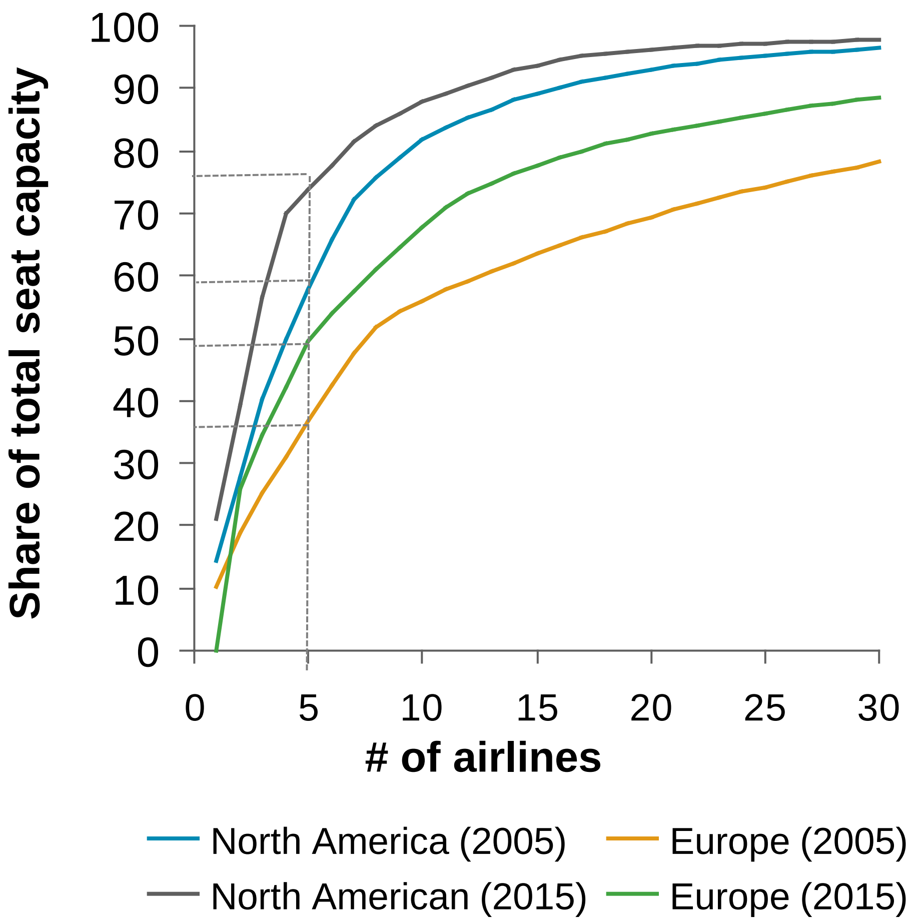
Panel 5

25 Years of Lessons Learned: From Open Skies to Bankruptcies to ULCCs to Consolidation

- *Were we right?*
- *How did it end?*
- *A look back at the biggest issues from prior symposiums including labor, alliances, mergers, foreign investment and new technology to name a few.*

The North American and European airline market concentration trend

Capacity distribution by airlines, within North America & Europe



Within North America

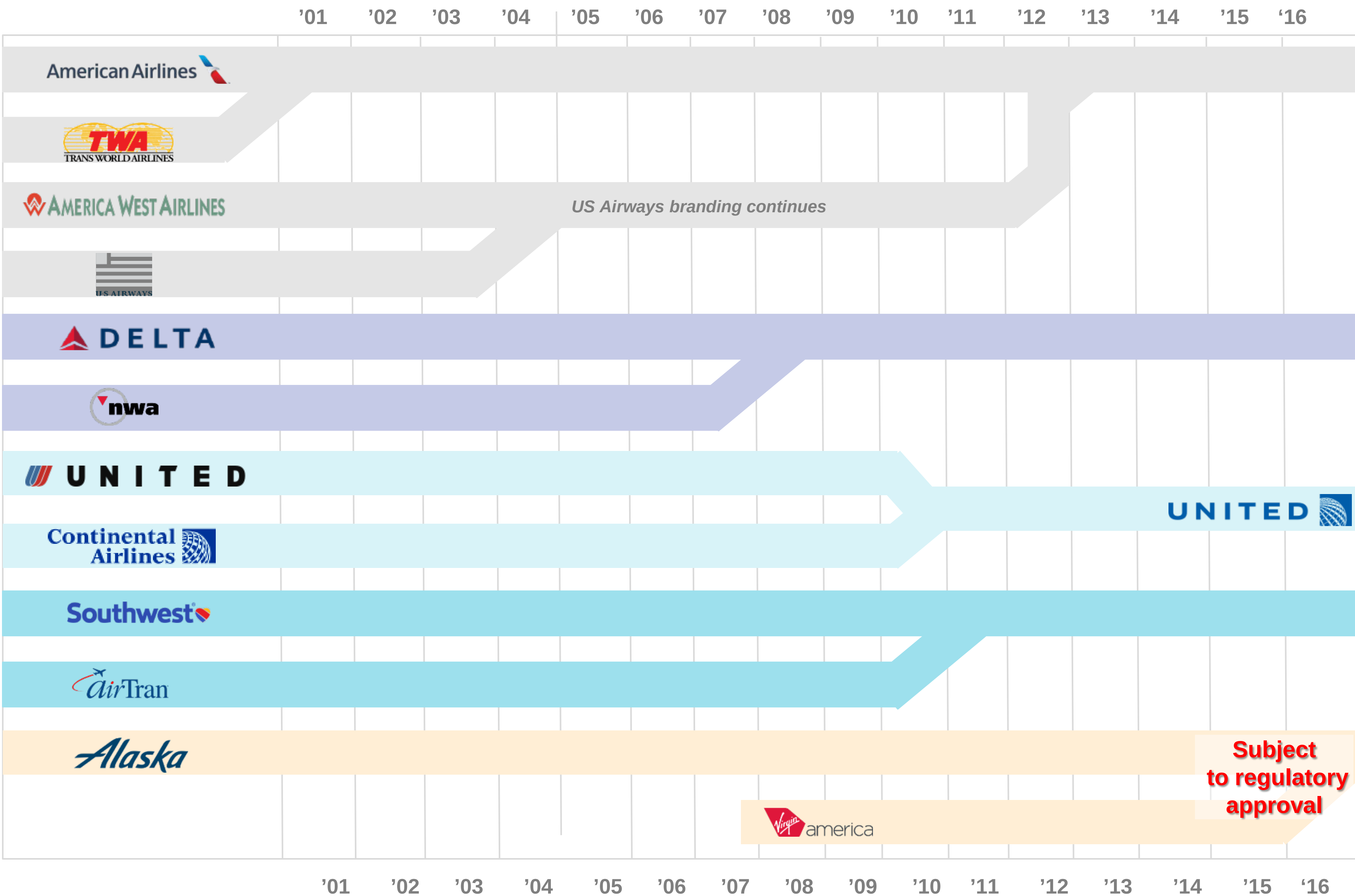
- In 2015 the top 5 North American airlines accounted for 74% of seat capacity (vs. 58% in 2005)
- Seat capacity reduced by 4% over the 10 year period

Within Europe

- In 2015 the top 5 European airlines accumulated 48% of the seat capacity (vs. 37% in 2005)
- Seat capacity increased by 25% over the 10 year period

Notes: Based on PlaneStats.com (OAG Schedule data). Not including flights outside the region.

US carriers have led the wave of consolidation



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Inclusive of key industry and governmental data sets, paired with our own proprietary research and algorithms, it is easy to use and very flexible to analyze things like airline schedules, fleet composition, cost data, passenger loads, MRO data, and more.

For more information, please contact Khalid Usman at khalid.usman@oliverwyman.com or see www.PlaneStats.com.

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Ratio of Airline Loyalty Program Members to Annual Passengers
SkyTeam and Oneworld, 2014

Click The Image For Full Detail

Korean and JAL have the largest number of loyalty participants relative to annual passenger totals. Airline loyalty program membership is spread across alliances. Oneworld and SkyTeam have similar overall participation.

The above analysis relates to panel discussions at the 2015 Phoenix Sky Harbor International Aviation Symposium. Go To Symposium Home.

2015 PHOENIX SKY HARBOR INTERNATIONAL AVIATION SYMPOSIUM

Oliver Wyman is proud to support the Annual Phoenix Sky Harbor International Aviation Symposium. This exclusive industry event brings together a diverse mix of senior executives from major US and international carriers, senior US and international transportation officials, and other industry luminaries from around the globe. The group will gather in Phoenix to discuss issues facing the industry. Topics include airline strategy, revenue pipeline, alliances and partnerships, labor issues, hassles of air travel and other hot ticket items. The symposium will continue the popular tradition of the final chief executive panel, where notable chief executives discuss what is on their minds.

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