Introduction of the A380

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Air France (AF) has eight A380 aircraft in its current fleet
- AF is the first European carrier to operate the A380
- Inaugural flight from Paris to New York City took place on Nov 20th, 2009
- Aircraft deliveries: 1 in 2009, 3 in 2010, 2 in 2011 and 2 in 2012

The fleet plan assumes an additional four aircraft, for a total of 12 A380s
- +2 aircraft in 2014 (10 aircraft)
- +2 aircraft after 2016 (12 aircraft)

AF seating configuration for the A380 has 516 seats divided among four classes of service
- 4 class product = First / Business / Premium Economy / Economy
- Seats by class of service are 9 / 80 / 38 / 389 for First / Business / Premium Economy / Economy, respectively
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A380 Allocation: High Volume Routes

• Potential routes for deployment must offer high volumes in Business and Economy: Either multi-time channel routes, or golden slot flights (e.g., night flight in Asia, like Singapore)

• Some good candidates have been identified for the future, but airport infrastructures are not yet ready to accommodate the aircraft (e.g., Brazil)
The A380 allows two flights to be replaced by a single flight, while keeping a similar number of total seats and mix between classes of service. Rationalization leads to massive cost improvement of €15M per year, while capacity/mix remain stable. AF allocation strategy was mainly focused on these rationalization opportunities: New York City (JFK), Washington DC (IAD), Los Angeles (LAX), Johannesburg (JNB), Narita (NRT), Montreal (YUL).
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Operational Concerns

• **A380 operations not yet mature**: small fleet and start-up issues
  - Air France and Airbus are working together to address these issues
  - Perceived irregularities are magnified due to the aircraft’s large capacity

• **Wing crack issue**: no impact on flight safety – exact fix still to be determined
  - Airbus confirms that these cracks do not affect the flight safety
  - Modification program will be executed upon approval by European safety authorities;
    All aircraft, not just AF A380s, will require modification
  - Exact fix is not yet defined

• **A380 operations are complex in terms of infrastructure**: airport adaptations are required and only few airports in the world can accommodate the aircraft

• **But A380 operations are also a value maker for an airport** as a proof of its professionalism
A380 is valued by customers (comfort on board: silent and space in the cabin)

- Booking behavior is reflecting this preference:
  - Faster rate of bookings
  - Higher Load Factor in all cabins
  - Higher proportion of passengers ready to pay a high fare
The combination of premium on demand and aircraft deployment on strong time channels drives solid financial results.

On routes where the A380 has been introduced to replace two flights, A380 profitability exceeds the performance of other flights on the route.

But moving to a larger capacity aircraft (e.g., B773 to an A380) without rationalization is a different story (+70% of growth): some routes show potential to grow this way, but growth has to be carefully monitored (e.g., Singapore).