



“Making Intra Regional Travel Affordable, Accessible and Profitable”

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Our Network

- The network covers most of the Caribbean islands from the Dominican Republic in the North to Guyana in the South
- Twenty two destinations including two French speaking islands (Guadeloupe and Martinique), two Spanish speaking destinations (Santo Domingo and Puerto Rico), the Dutch island of Curacao and the unique French and Dutch island of St. Martin/St. Maarten)

Route Map





Network Analysis

- Operate two Main Hubs – Antigua (ANU) and Barbados (BGI)
- Operates an average of 125 flights daily
- Provides an average of 6000 seats per day.
- 2008 moved more than 1m sector passengers.



LIAT's World

- Small population base.
- Generally low per capita income and limited disposable incomes.
- Economic contraction in most economies since 2008.



LIATs World

- Traditional emphasis on extra-regional tourism – both inbound and outbound.
- Open skies airline arrangements.
- Operational restrictions at some ports.
- Competition on most routes.
Competing carriers include AA/Eagle, CAL, Winair, BVI Airways and BA.



Network Analysis – Notable Statistics

- Almost half of the LIAT flights are below a distance of 100 Nms.
- 95% of the flights are below 400 Nms.
- Over 80% of the flights are below 200 Nms.



Network overview

- LIAT Route structure based on:
- Facilitating same day connections throughout the airline's network,
- Enabling business, leisure, VFR and Visa travel within the region
- Facilitating connections to Europe, North & South America on international airlines through hubs like Antigua, Barbados, St Marten & San Juan.



Network overview

- LIAT largest mover of passengers in most of its destinations.
- LIAT provides largest share of airport activity and airport revenues in most of its destinations.

LIAT.com

The screenshot shows the LIAT.com website interface. At the top left is the LIAT logo. The navigation bar includes links for Home, My Account, My Bookings, and Log In. Below the navigation bar are tabs for Home, Flights, Hotels, and Vacations. The main content area is divided into several sections:

- Book Flights:** A search form with fields for From, To, Departure Date, and Passengers. It includes a "Book Flights" button.
- Book Hotels:** A section featuring a "Special Hotel Rates" badge and a price of \$89.
- JUST GO:** A promotional banner with three offers: \$62, \$38, and \$114, each with a "Book Now" button.
- LIAT News Updates:** A section with sub-headings for "Commercial Alliance" and "Latest Releases".

On the right side of the page, there is a vertical sidebar with several buttons: Travel, My Personal Addressing Community, Corporate, Travel Agents, Register, Travel Team, LIAT.com, and ZING.

At the bottom of the page, there is a footer with links for Home, Flights, Hotels, Vacations, My Account, My Bookings, Privacy Policy, and About Us. The copyright notice reads: Copyright © 1997 - 2007 LIAT. All Rights Reserved.



Connection Points To/From Various Airlines

- British Airways
 - ANU, BGI, POS
- Air France
 - FDF, PTP, SXM
- Virgin Atlantic Airways
 - ANU, BGI
- Air Caraibes
 - PTP, SXM



Connection Points To/From Various Airlines

- American Airlines
 - ANU, BGI, SLU, SXM, SJU, SDQ
- Continental Airlines
 - ANU, SXM, SJU, POS
- Delta Airlines
 - ANU, BGI, SJU
- Caribbean Airlines
 - BGI, POS



Connection Points: Various Airlines

- Jet Blue
 - BGI, UVF, SDQ, SXM, SJU
- Air Canada
 - BGI, ANU
- West Jet
 - BGI, ANU, SXM
- US Airways
 - SJU, BGI, ANU, UVF



Connections from some of the Caribbean 'Hub' Points

- San Juan (SJU)
 - ANU, BGI, DOM, GND, NEV, SKB, SLU, SVD, POS
- St. Maarten(SXM)
 - ANU, DOM, EIS, NEV, SKB
- Antigua (ANU)
 - AXA,DOM, EIS, NEV, SKB, SXM, SLU,
- Barbados(BGI)
 - CIW, GND, SLU, SVD, POS, GEO



Accessibility

- Interline e-ticketing arrangements with eleven carriers including Air Canada, British Airways, Caribbean Airways, Virgin Atlantic.
- Code-share ?



Affordability

- Aviation sector characterized by high fixed and operating costs.
- LIATs route network with large number of short flights particularly capital intensive per seat mile.
- Primary costs include labour, maintenance, fuel, and airport charges.



Affordability (cont'd)

Airline costs also affected by:

- Virtual monopoly supply lines.
- Regulatory requirements for safety and security e.g. training and technology requirements.



Affordability (cont'd)

- Efforts to address high costs requires partnership among all tourism stakeholders.
- Critical players are airlines, hotels, tourism and airport authorities.
- Various models exist for cooperation including revenue guarantee agreements.



Affordability (cont'd)

- LIAT consistently partners with national tourism authorities and others to foster reduced fares where possible.
- LIAT also partners to facilitate reduced travel costs for promotional activities.
- LIAT “Just Go” Fares featured on LIAT.com provides travelers with available low fare options on specific flights.



Affordability (cont'd)

- Successful examples of partnership arrangements within the region.
- Present economic crisis restricts participation/involvement?
- Greater efficiency in aircraft performance can contribute to enhanced cost efficiency. Fleet renewal?



Profitability (cont'd)

- Airline industry globally and regionally characterized by high degree of commercial difficulties.
- Airlines in all regions – including traditionally strong “flag” carriers - have faced and/or continue to face major financial challenges.
- Estimated 30+ carriers have disappeared from Caribbean landscape over last thirty years- from Prinair to EC Express to Caribbean Star to Air Jamaica to BWIA.



Profitability (contd)

- Shareholder expectation that LIAT fulfill its twin mandate to provide safe and reliable transport + operate profitably.
- Route to profitability followed restructuring efforts begun in 2006/2007 including take-over of certain assets of Caribbean Star.



Profitability (cont'd)

- LIAT a private company with mixture of public and private sector ownership.
- Primary ownership – BGI, ANU, and SVD
- Airline has recorded operating profits in 2008 and 2009 and net profit in 2009.



Profitability (cont'd)

- LIAT fare structure presently composed of base fare, fuel surcharge and government taxes and charges.
- Aim to simplify fare structure.
- No intention for further de-bundling of fares.



Profitability

- Plans for diversification of revenues through ancillary and related services – dedicated aircraft for cargo service, QUIKPAK, mail-box – to reduce present dependence on passenger travel.



Specific Regional Initiatives

- LIAT obliged to pay government charges via IATA in US currency.
- Use of a single E.D. card.
- Review of security procedures for transiting pax at hub airports.
- CTO sponsored consultation on inter-regional facilitation?



Conclusion

- LIAT the principal airline for inter-regional Caribbean travel.
- Commercial philosophy which embraces meaningful partnership and cooperation with travel industry partners including tourism authorities, hotels, and airlines.
- Long term genuine commitment to sustainable development of Caribbean communities and peoples.



THANK YOU