



Cebu Pacific Air (CEB) Briefing

Routes Asia 2012

Chengdu, China

April 2012



Outline



Who is Cebu Pacific?

Business Proposition

Support Package Required



Who is Cebu Pacific?



CEB: The Philippines' Largest Carrier

Largest fleet in Philippines with 40 aircraft and average age of only 3.6 years

Market share of domestic passenger and cargo market of 47%

More than 300 flights a day connecting Southeast Asia to North Asia



International network of 19 destinations



Domestic network of 33 destinations

Carried 12 million passengers in 2011

Most flights and frequencies to the most destinations of any PH carrier

More than 60 million passengers carried since 1996

Strong 2011 Results

1

14.1% traffic growth
86.3% load factor

2

45.2% domestic
market share¹

3

21.6% international
passenger growth

4

13.76 block
hours/day²
7.91 turns/day

5

16.7% revenue growth;
3.1% average revenue
per pax growth

6

0.7% reduction in
cost ex-fuel per ASK

8

P12.33 billion cash³
1.20x adjusted
net D-E ratio

7

23.2% EBITDAR
margin
9.9% pre-tax core
net income margin



Note: All figures are for FY2011; growth figures are FY2011 year-on-year comparison
1Based on FY2011 CAB Data
2Average utilization for Airbus fleet only
3Includes financial assets at FVPL and available-for-sale investments



Business Proposition



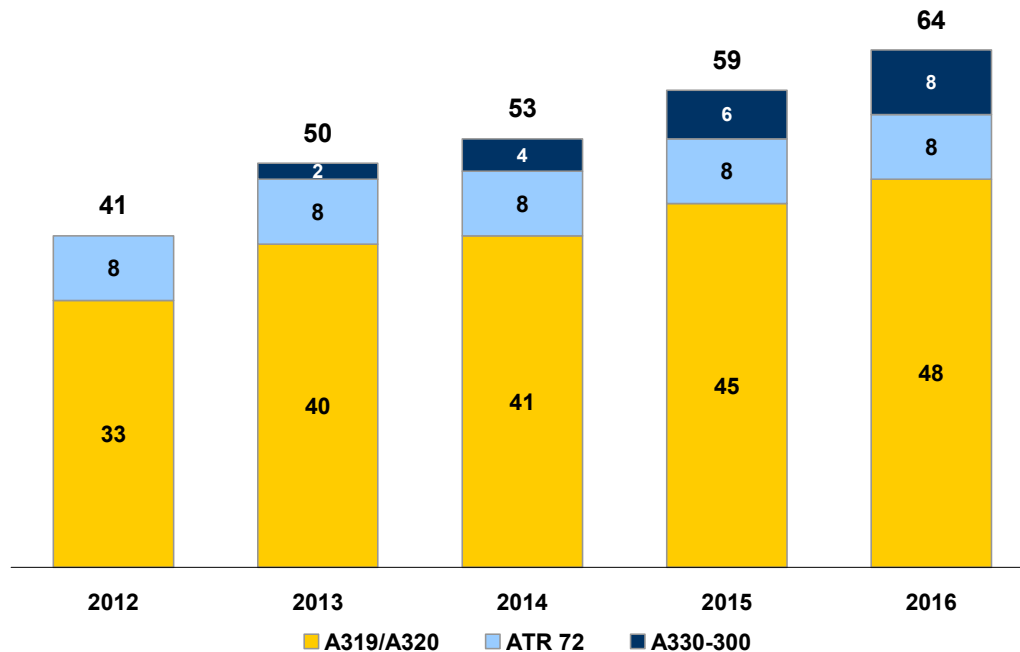
Business Proposition to Airports

• High volume business, driven by CEB's:

- Commitment to international expansion
- Ability to stimulate traffic ex-Philippines
- Low fare offerings
- Strong appeal to overseas Filipino workers
- Growing brand recognition
- Home base, the Philippines, an ideal vacation destination

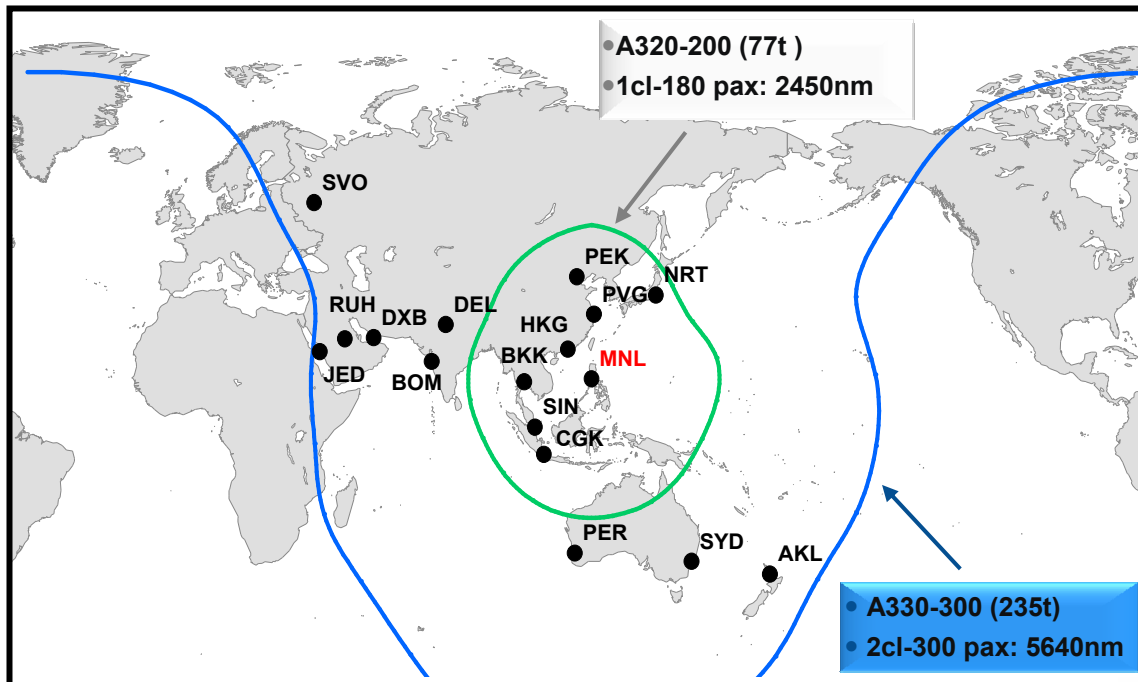
International Expansion

5-Year Fleet Expansion



- ❖ CEB will take delivery of six A320 aircraft in 2012 and seven in 2013, as the high growth phase of our short-haul business continues
- ❖ Starting mid-2013, CEB will introduce the A330-300 into its fleet, thus enabling it to serve destinations within 5,600 nm of the Philippines
- ❖ CEB also placed a firm order for 30 A321NEO aircraft, with deliveries commencing in 2017
- ❖ A large portion of the aircraft orders were made with an aggressive view on international expansion

Range Circles of CEB Fleet

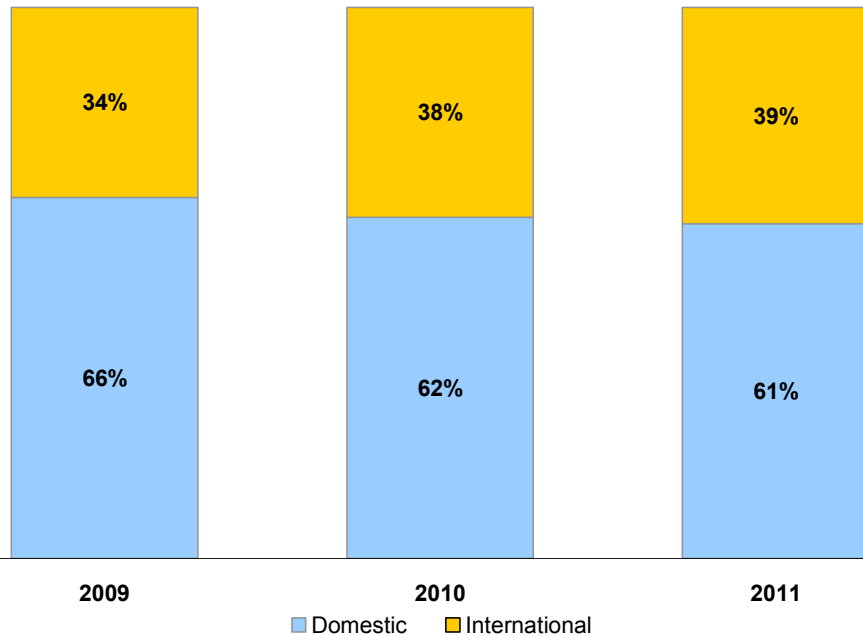


- ❖ The A320 fleet can fly directly from Manila to as far as Tokyo, Darwin, Guam and eastern India
- ❖ The A330-300 has the range for destinations such as Saudi Arabia, Hawaii and New Zealand
- ❖ The A321NEO, with a range of about 2,900 nm, will enable CEB to fly narrow-bodied aircraft to Perth and most of India

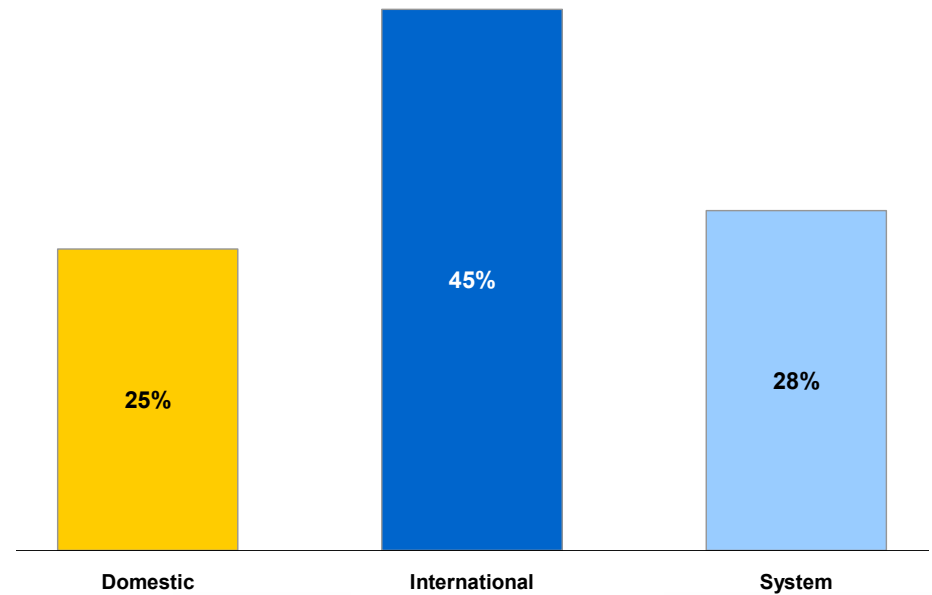


International Expansion

Segment Revenues



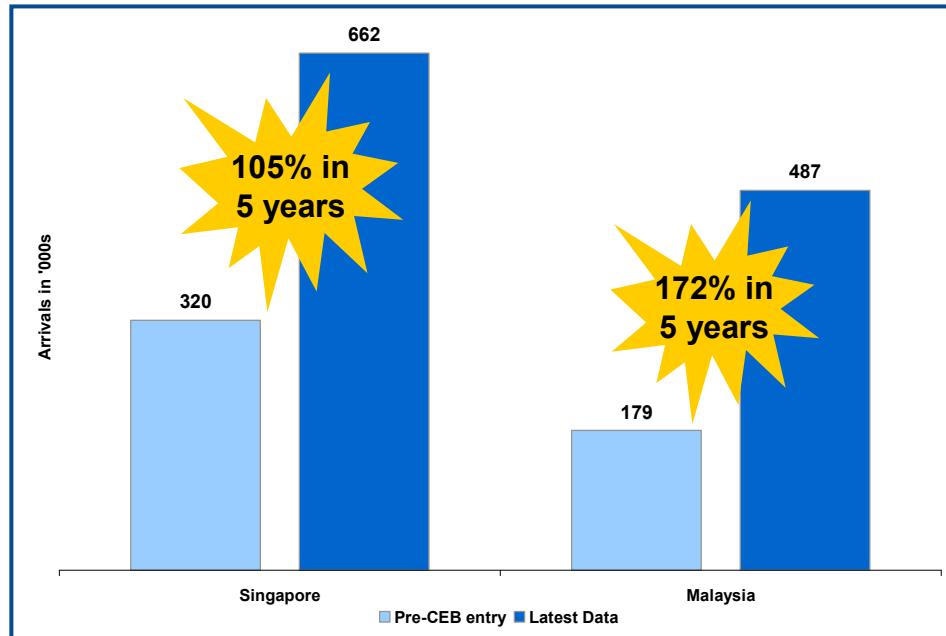
Passengers Carried: 5-Yr CAGR



- ❖ CEB is moving towards an even split of total revenues between its domestic and international business segments
- ❖ Passengers carried on international have grown at a much faster pace than domestic over the last 5 years

Traffic Stimulation ex-PH

Filipino Arrivals in CEB Destinations



- ❖ Filipino tourist arrivals in Singapore and Malaysia have both more than doubled within 5 years of CEB's entry
- ❖ Outbound tourism from the Philippines will continue to thrive:
 - Philippine population stands at 92 million as of 2010
 - An estimated 18 million are classified as middle class, with growing purchasing power and propensity to travel (thanks to our low fares)
 - The economy and disposable incomes are trending up due to sustained remittances from overseas and the fast-growing business process outsourcing industry

Low, Low, Low Fares

LifeFARE
Hong Kong to Kalibo (Boracay) NEW!
For as low as **CNY 428**

The advertisement features a yellow background with a beach scene on the right showing a person sunbathing and another person in a traditional boat. The text is in bold, black and red fonts.

LifeFARE
Busan or Incheon to Manila
For as low as **KRW 99,000**

The advertisement features a yellow background with a historical monument and a horse-drawn carriage on the right. The text is in bold, black and blue fonts.

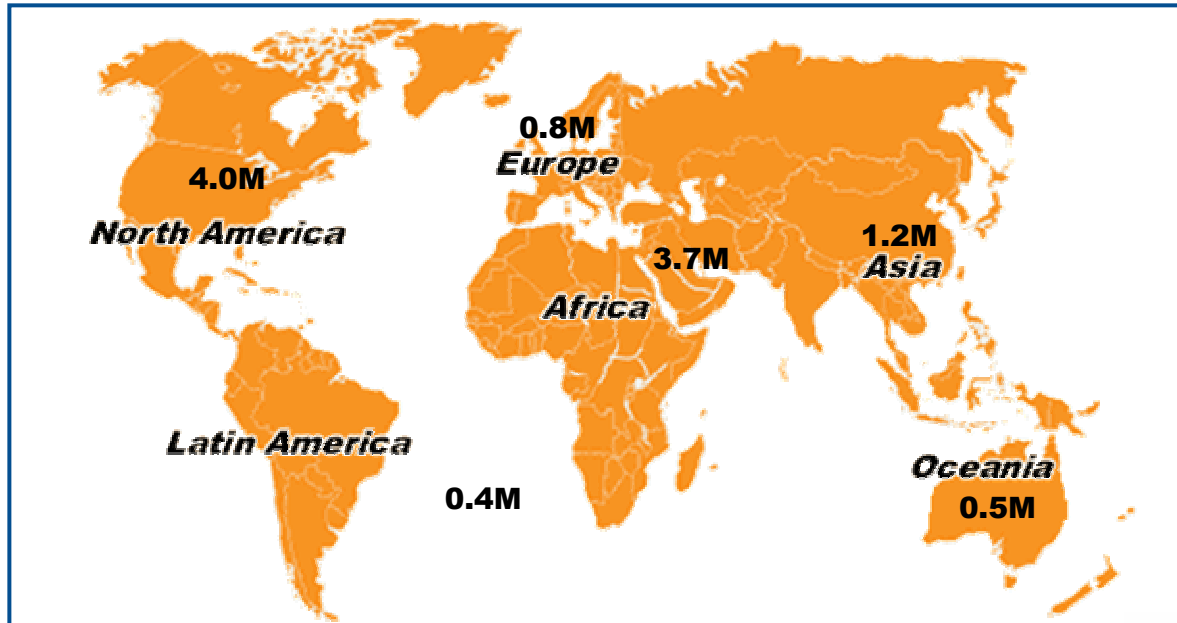
LifeFARE
Xiamen, shimmering, splendid!
For as low as **P 1,088**
Manila to Xiamen
Sale Period: Up to Apr. 1, 2012 or until seats last.
Travel Period: Jun. 1 - Aug. 31, 2012

The advertisement features a yellow background with a traditional Chinese building and a sunset on the right. The text is in bold, black and red fonts.

- ❖ Our low fare offerings represent exceptional value to consumers in more developed economies
- ❖ The heavy discounting trend will continue when we commence long haul flights – as low as USD 100 for a 10-hour flight

Overseas Filipinos

Overseas Filipino Population



- ❖ Over 10 million Filipinos live outside the Philippines
- ❖ Most overseas Filipinos come home at least once a year, thus creating substantial base demand for air services to the Philippines. But, as some carriers would caution...
- ❖ Traffic to/from the Philippines is mostly low yielding, a reflection of the relatively low per capita income of the population – which fits just fine into CEB's business model

Growing Brand Recognition



- ❖ Out of the box marketing initiatives have pushed CEB's brand of fun & affordable flying onto the global stage

Christmas Safety Demo Dance
(563,000 views)
<http://www.youtube.com/watch?v=xXY27Rwg8UQ&list=UU14uPbzarSwWN6WXS59Qd4A&index=3&feature=plcp>

Christmas in the air (18,000 views)
http://www.youtube.com/watch?v=p3DZ-_Ob1g&list=UU14uPbzarSwWN6WXS59Qd4A&index=2&feature=plcp

Cebu Pacific's Improv Comedy on Air (12,000 views)
<http://www.youtube.com/watch?v=LqoMhgeLePk&list=UU14uPbzarSwWN6WXS59Qd4A&index=1&feature=plcp>

CEBU PACIFIC



Philippine Tourism

- ❖ Friendly locals, pristine white-sand beaches, several cultural and historical sites amidst a low-cost environment make the Philippines an ideal vacation destination
- ❖ With under 4 million tourist arrivals in 2011, the Philippines lags behind its ASEAN peers Malaysia and Thailand but there is an on-going campaign which aims to double arrivals within five years
- ❖ The Philippines is also the nearest tropical country to North Asia (China, Japan and South Korea)



It's more fun in the
Philippines





Support Package Requirements



Operational Requirements

- ❖ Quick, low cost turnarounds. None of the following:
 - Boarding bridges (where practicable)
 - Common user terminals
 - Overtime charges for CIQ, night surcharges, etc.
- ❖ Round-the-clock airport operations: As our main base in Manila is congested at this time, we require maximum scheduling flexibility
- ❖ Multi-year discounts on airport fees, e.g. landing and takeoff fees, office space rentals, aeronautical fees, etc.
- ❖ Choice of service providers in the airport

LOW COSTS DRIVE LOW FARES!

Commercial Requirements

- ❖ Passenger growth incentive schemes, e.g. sharing of passenger service fees based on exceeding year-on-year growth targets
- ❖ Promotions budget to create awareness about CEB in the overseas community; tourism board promotions with CEB in the Philippines to increase awareness about the destinations
- ❖ For short-haul services, we are open to operate under charter agreements especially for North Asian markets
- ❖ Liberal regulatory environment that will not suppress promo fares and fare conditions

Summary

- ❖ CEB is largest carrier in Philippines with proven track record of growing markets and stimulating new passenger traffic
- ❖ CEB's rapid expansion of its narrow-body network continues: firm orders for 52 short-haul aircraft in the next decade
- ❖ Entry of wide-body A330 aircraft in 2013 opens up new destinations for us (10-11 hour flying range from Manila) that were previously outside our range
- ❖ The strongest airline brand in the Philippines is looking for partnerships with airport and tourism authorities to rapidly grow air traffic



Contacts



Contacts

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The End. Questions?

