

# Positioning Spring Airlines as Asia's largest and favorite Travel Service Provider



# A NEW CHAPTER...

First travel agency in China to  
receive approval from the  
Civil Aviation Administration of  
China (CAAC)  
to establish own airline  
(26 May 2004)





# Market Pioneer

- First Chinese Low Cost Carrier (Maiden Flight 18 July 2005)
- First Chinese airline to focus of direct online sales
- First Chinese airline to develop own sales, flight & departure systems



## Industry Leader

- Top Global Load Factor
- Profit per aircraft in top tier globally
- Never recorded an operating loss

# Our Parent Company

- Dominant player in the domestic travel market for 18 years straight

- 60 wholly-owned subsidiaries in China and abroad

- Over 4,000 employees

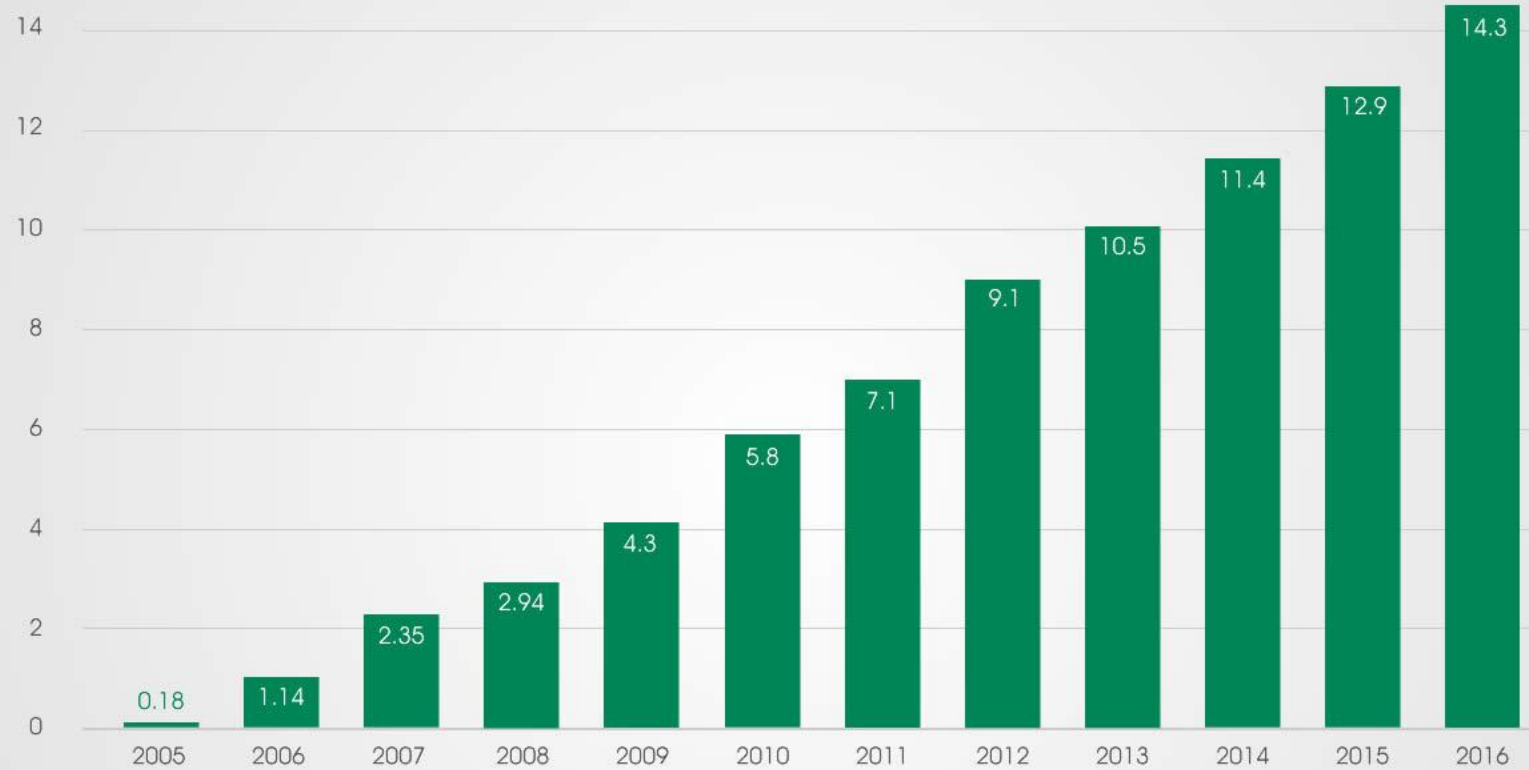
- Over 30,000 charter flights in the last seven years

- Shanghai's first 5A-rated travel company

- Ranked 7<sup>th</sup> top private enterprise in Shanghai



# Passenger Volume



2016 passenger volume: 14.31m (+29% y.o.y)

In 12 years of operation load factor consistently over 93%



• YOUNG • DYNAMIC • PIONEERING

A group of five Spring Airlines crew members (three men and two women) standing in a row, smiling. They are wearing dark blue uniforms with gold wing pins and yellow stripes on the sleeves. The woman on the far left is wearing a green vest and a colorful scarf. The woman in the center is wearing a pink traditional Chinese top. The background is a soft, out-of-focus airport setting.

## Brand Promise

Provide safe and punctual air travel,  
the best value airfares and premium service

Fleet 77

A320 73 B737 4

Routes 185

Dom >> >> ✈ 110

Int'l >> ✈ 75

Bases

Domestic



SHA SHE SJW YTY

PVG SZX KMG HRB

International



KIX CJU NRT NKM BKK





# Spring into Japan

2015 Establish first international bases in Osaka, Nagoya and Jeju

Rapidly build network connecting Japan with Chinese primary and secondary cities

Highest per capita spend of Chinese visitors at Japanese airports

Establish subsidiary Spring Airlines Japan based at Tokyo Narita

Spring Hotel Ventures In Nagoya (Spring Sunny) & Osaka (Karaksa Spring Hotel)





# Spring into SE Asia

10 August 2012

PVG - BKK

6 June 2013

PVG - HKT

6 June 2013

PVG - CNX

May 2015

KHN - BKK

CTU - BKK

October 2015

LYA - BKK

FOC - BKK

December 2015

CAN - BKK

November 2015

BHY - BKK

YGT - BKK

HRB - BKK

LHW - BKK

INC - BKK

March 2016

TSN - BKK

1 July 2016

NGB - BKK

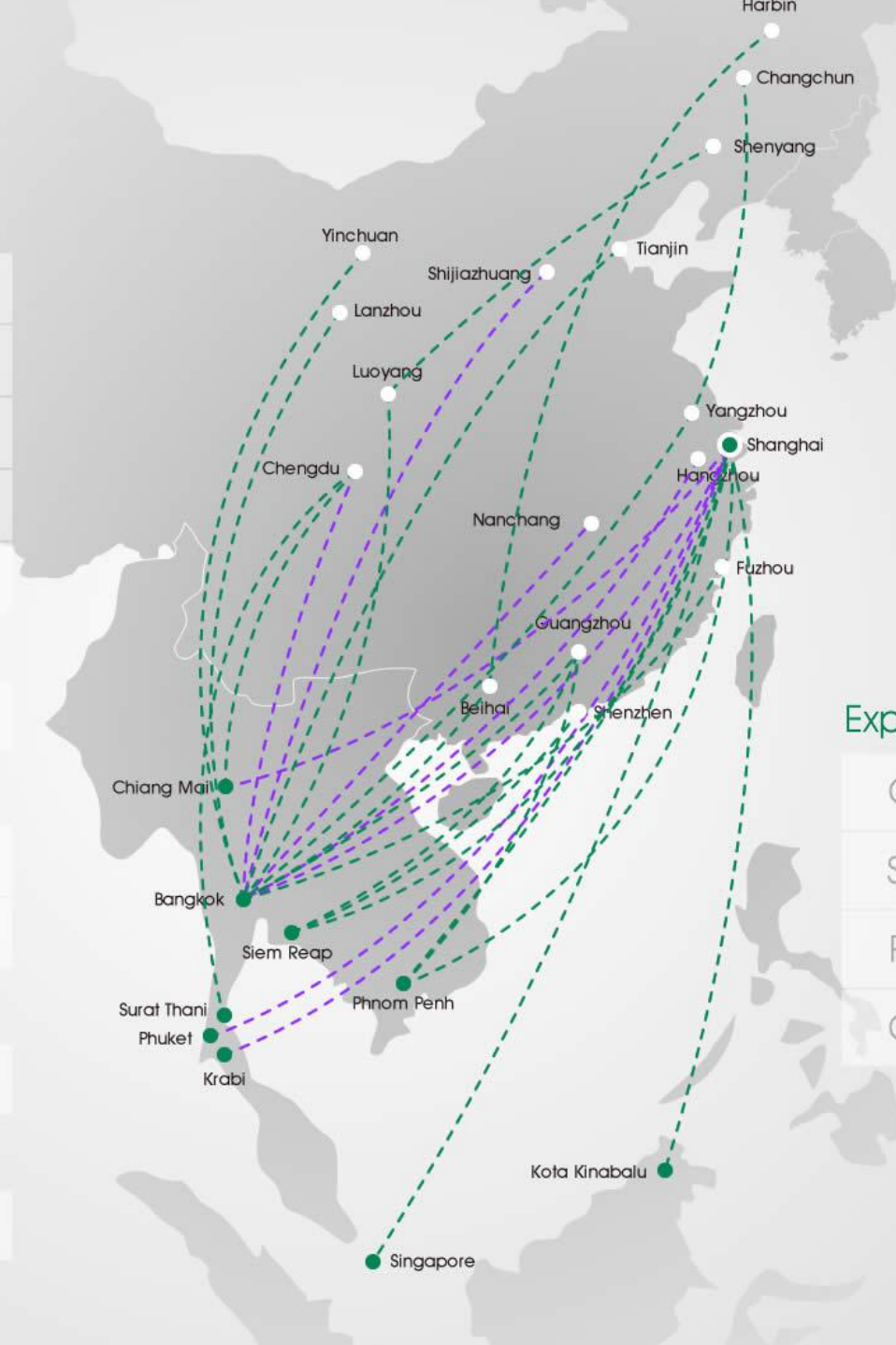
CZX - BKK

3 July 2016

YGT - HKT

7 July 2016

TNA - BKK



Expanding SE Asia Network 2016-2017

CAN - REP

CAN - PNH

SZX - REP

SZX - PNH

PVG - REP

PVG - PNH

CAN - REP

PVG - SGN



# OUR GROWING FLEET OF BEAUTIFUL AIRBUS A320 AIRCRAFT





# One Aircraft Type & Class

## One Class Cabin

- 186 seat configuration (34 more than the industry average)
- Given Spring's high load factor, the average Spring Airline flight carries 48 more passengers than that of a full service competitor and uses 18% less fuel per ton of payload.

## Since August 2016 Spring has been ranked China's Most Punctual Airline for 6 months

Rank	Airline	No. Flights	Punctuality %	Av. Delay (mins)
1	Spring	8857	89.00	11.58
2	China Express	5865	88.71	11.06
3	Shandong	14395	86.87	12.49
4	Xiamen	16721	85.71	12.63
5	Tianjin	11205	84.44	15.18
6	Juneyao	8068	85.18	13.47
7	China Southern	59793	84.24	16.58
8	Hainan	20287	83.55	16.00
9	Air China	37676	83.50	18.20
10	Sichuan	14611	83.14	16.90
11	China Eastern	59008	82.84	16.11
12	Beijing Capital	8204	81.54	17.58
13	Shenzhen	19418	80.90	19.01
14	Shanghai	9968	80.81	17.47



# FINANCIAL RESULTS 2016

- Revenue: CNY8429 million (USD1269 million), +4.1% y.o.y
- Net profit: CNY950.5 million (USD143.1 million),
- Passengers: 14.2 million, +9.6%;
  - Domestic: 10.1 million,
  - International: 3.6 million,
  - Regional: 584,900

# FINANCIAL RESULTS 1Q 2017

- Total operating revenue: CNY2571 million (USD373.2 million), +23.1% year-on-year;
- Net profit: CNY303.3 million (USD44.0 million)
- Total assets: CNY19,021 million (USD2761 million)

\* Based on the average conversion rate at CNY1 = USD0.145138



(10K CNY/HR)	2015	2016	2016 Industry Average	+/-
Operating Costs	3.15	3.28	3.77	-13%
Management Expenses	0.09	0.08	0.15	-44%
Sales Costs	0.10	0.12	0.24	-52%
Financial Expenses	0.10	0.11	0.33	-67%

SOURCE: CAAC FINANCIAL BUREAU



# Infrastructure Investment & Diversification



Flight Simulator Training Center in Shanghai Pudong Free Trade Zone  
Training capacity for fleet of up to 150 aircraft (Operational 2014)

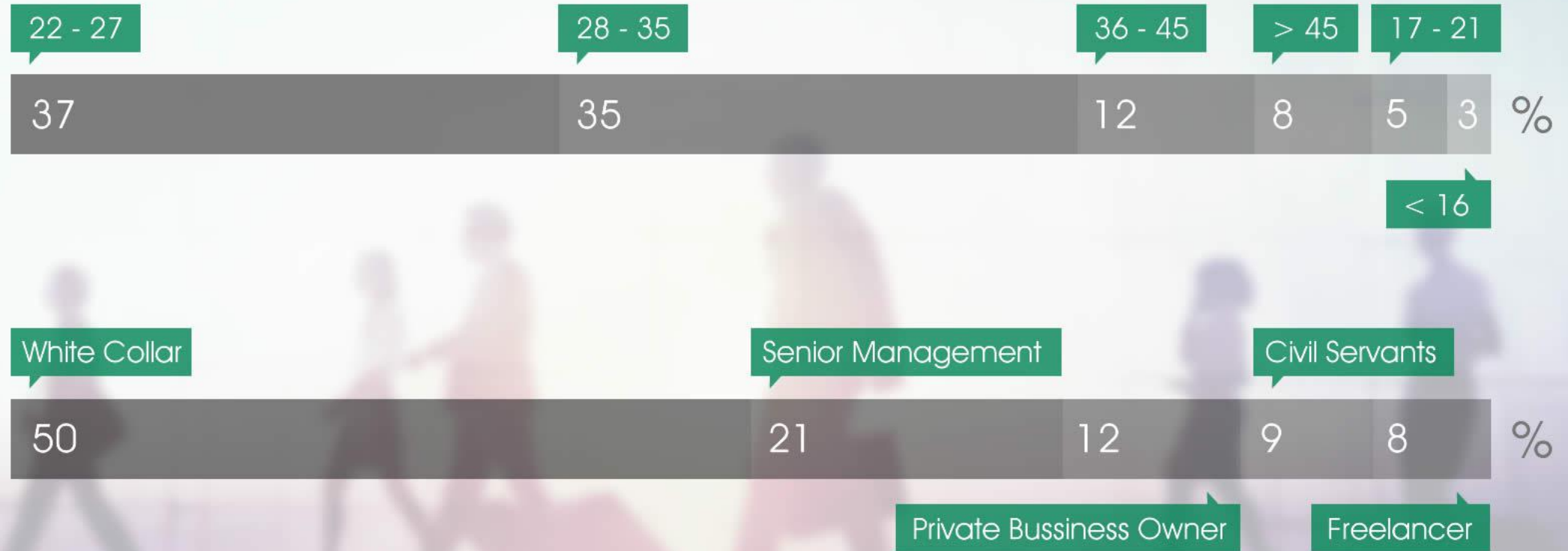


# Investing in Safety

- Young state-of-the-art fleet
- Sole airline selected by CAAC to trial newest SEMS system
- In top percentile of Chinese investors in aviation safety
- Airbus Award of Excellence 2011
- 100% CAAC (East China Bureau) Safety Audit 2012
- Since 2008 out of 19 new airlines only Spring earned CAAC's top safety award



# Spring Market Segmentation



- Direct sales over 85% with 60% of total sales via mobile platforms
- Most socially engaged Chinese airline with over 7m follower and generating over 70,000 ticket sales on social platforms in 1H 2016

# Price Sensitive

- Fully unbundled fares including “seat-only” fare classes
- Broadest range of ancillary products including baggage, insurance, priority boarding, meals, VIP shuttle, High Speed Rail tickets, car rental
- Largest range of payment options

Average ticket prices 43% below industry average, passing onto customers saving of **CNY 10 Billion.**





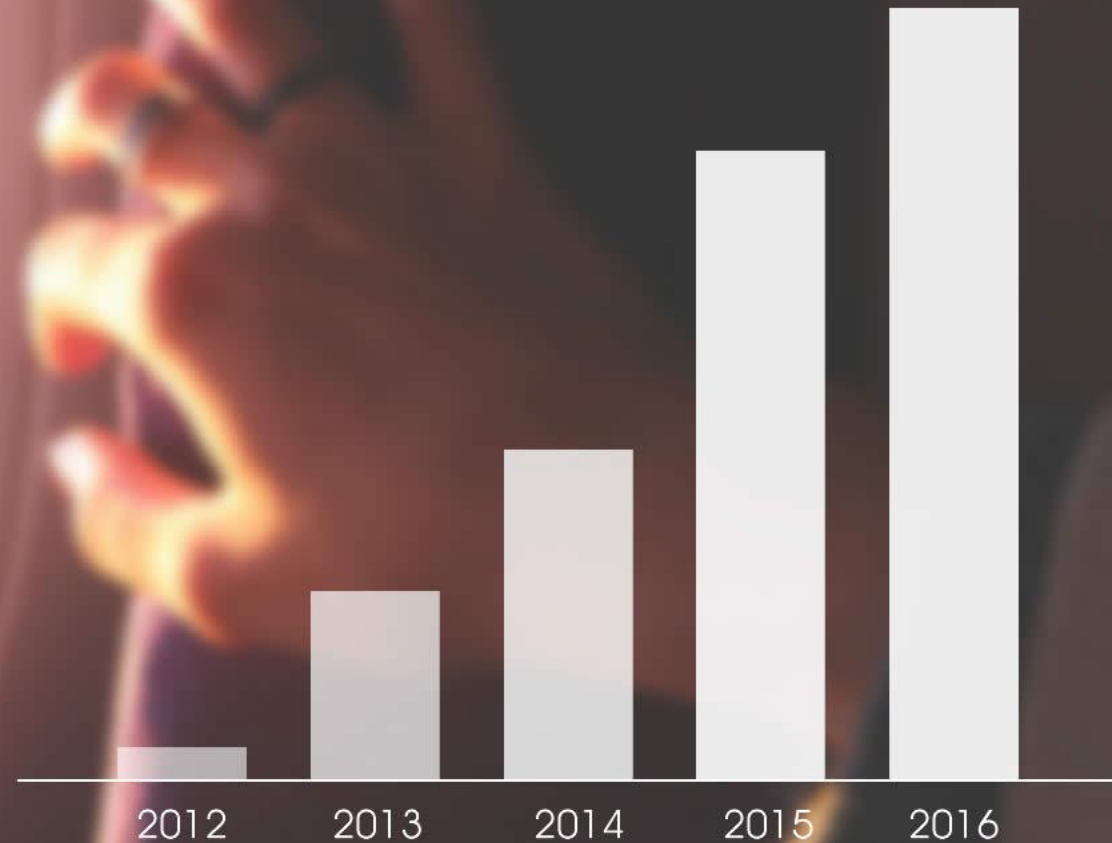
# Time Sensitive

Premium *SpringPlus* Seat class offering:

- Ticket flexibility
- Extra legroom
- Priority check-in & boarding
- Extra baggage allowance
- Shuttle service
- Full meal service

Attract Gen Y and business passengers  
with *SpringPass* FFP

*SpringPlus* premium seat sales



# Sustainable Innovation

 Spring Airlines



BEST LOW COST AIRLINE  
IN CHINA 2016



Asia Pacific  
Low Cost Airline of the Year