

Regional & low-cost leadership



Presented to

Joe Leonard, AirTran Airways



Joe Leonard, AirTran Airways

Anyone can start a low-fare airline, and many have, but few low-fare carriers can come back from the brink of failure and grow to become one of their nation's most prosperous airlines, influencing the future of the sector as whole.

This is no easy achievement, but AirTran Airways chairman and chief executive Joe Leonard has done just that. He came to AirTran in 1999 as it struggled to recover from predecessor ValuJet's fatal crash in 1996, and as prime rival, Delta Air Lines, was ramping up at the Atlanta Hartsfield hub they both share.

Leonard promptly set about transforming AirTran from a carrier that offered low fares but also old aircraft and, at best, inconsistent service. Taking a bold risk on an aircraft model that some doubted, Leonard ordered a fleet of Boeing 717s to replace AirTran's McDonnell Douglas DC-9s. He then used this passenger-friendly aircraft type to showcase a new AirTran, with a business section, larger overhead bins for carry-on bags and free satellite radio at every seat to provide on-board entertainment. Leonard also oversaw a vigorous employee training programme that made AirTran a preferred carrier to many business travellers, as well as the price-conscious.

Airports around the USA court AirTran service. In what Leonard dubbed "a route map of democracy", AirTran invited people to vote online for their choice of new cities by clicking on a list of destinations the airline was considering. And where it couldn't grow itself, AirTran worked out a clever way to get passengers on a friendly connection while developing such connections to increase its own bookings. With an innovative cross-referral site which it developed with Denver-based Frontier Airlines, AirTran allowed passengers to obtain its frequent-flyer points for booking on Frontier to cities it does not serve, and Frontier made a parallel offer to its flyers. The arrangement has boosted traffic for both airlines without the

complications of a codeshare.

AirTran has had a seven-year run of profitability, and even though some annual earnings figures were slim, they were profits at a time when the rest of the industry was awash in red ink. AirTran maintained consistent quality throughout this time, ranking high in the Department of Transportation's monthly and quarterly performance reports and winning recognition from such business publications as *Entrepreneur* magazine. Joe Leonard was named the 2006 Tony Jannus Award recipient, joining executives from two noted US low-fares airlines, JetBlue Airways and Southwest Airlines.

AirTran's constant focus on cost control and its disciplined, reasoned and almost always profitable growth have earned it respect if not envy from other carriers. When it saw the need to moderate growth, AirTran quickly deferred delivery of the new 737-700s it had ordered to serve longer-distance routes. The carrier smoothed out delivery peaks while maintaining a strong growth rate. AirTran is now poised to reshape the sector with its proposed and likely merger with Midwest Airlines.

In fact the only reason Joe cannot be here in person tonight is that he has a presentation to the Midwest board scheduled for tomorrow morning.

Past winners

2006

Constantino de Oliveira Jr, GOL

2005

Tony Fernandes, AirAsia

2004

Phil Trenary, Pinnacle Airlines

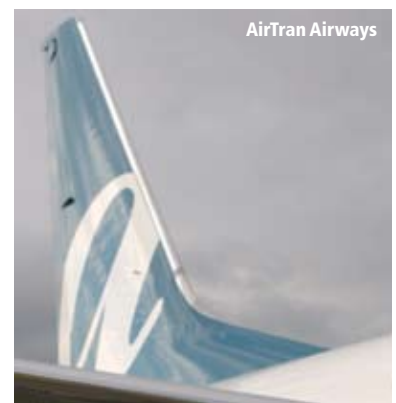
2003

Jim Ream, ExpressJet

2002

Jerry Atkin, Skywest Airlines

David Field



Sponsored by

UNISYS
imagine it. done.

"AirTran has had a seven-year run of profits"