

**Mammoth Yosemite Airport
(MMH)
Air Service Workshop
July 2018**



Presentation Overview

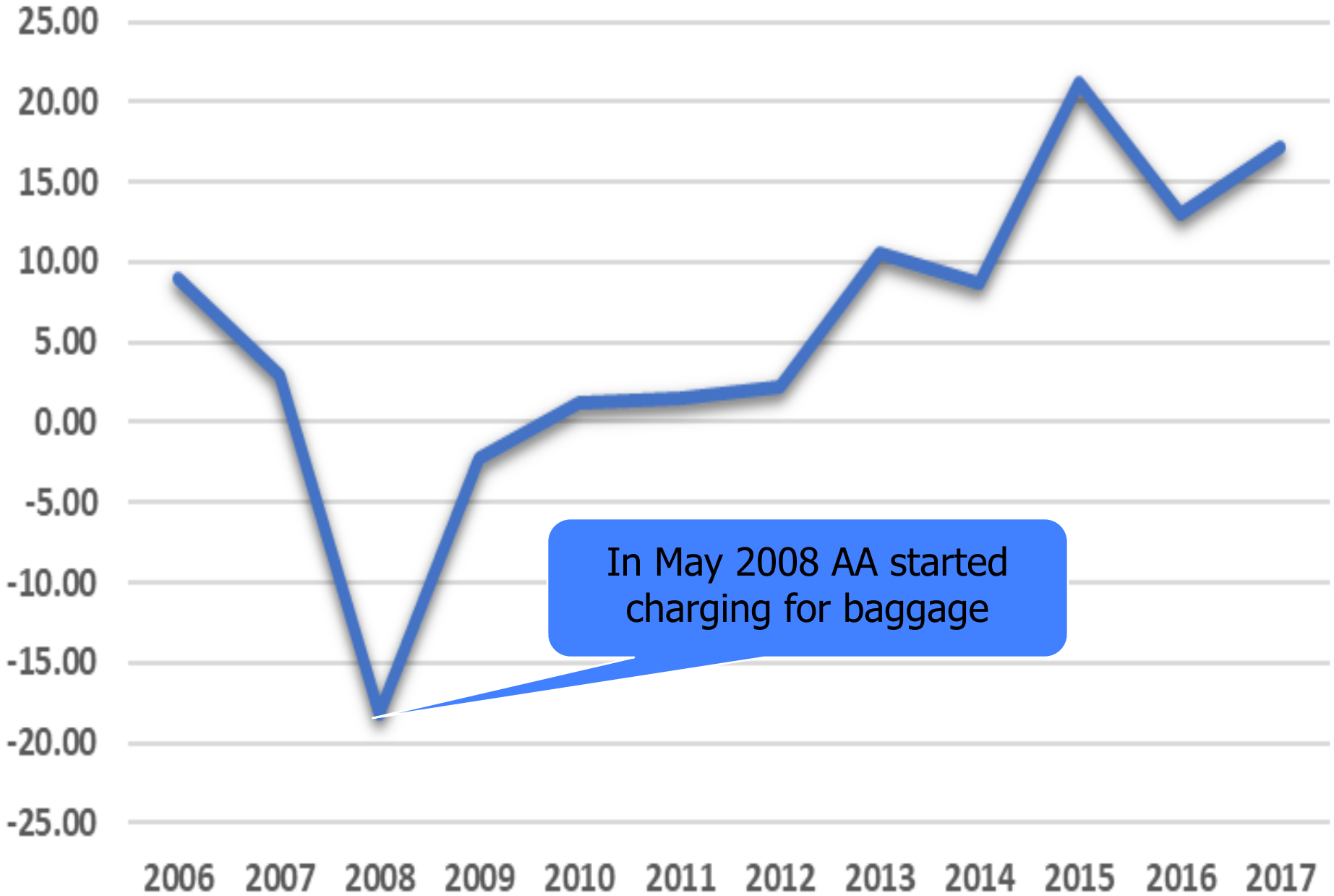
- Introductions
- US Airline Industry Overview
- MMH Air Service Overview
- 2018-19 MMH Service in place
 - SFO
 - LAX
- 2018-19 MMH Air Service Options
 - Legacy Carriers
 - Business Class Jet Operators
- Recommendations

US Airline Industry Overview

- Since 2010 the net profits in the airline industry have been in the black and increased up to 2016 but have rebounded in 2017
- Fuel costs remain low up until 2018
- Airline ticket and ancillary revenues are increasing
- Ancillary revenue are 18-20% of carriers' gross
- Pilot shortages continue



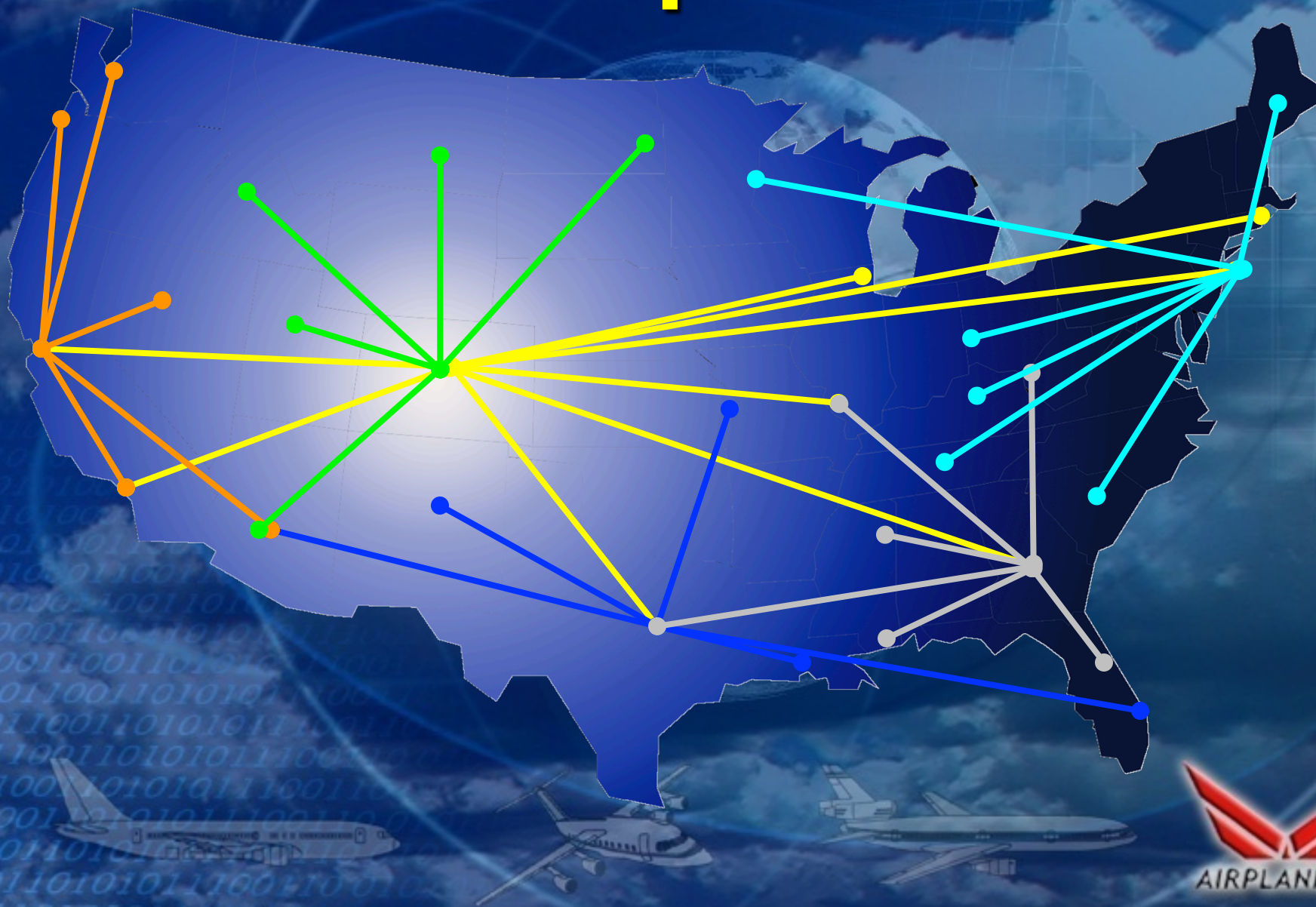
US Carrier Net Operating Profit (in Billions)



Airline Service Network Systems

- ✈ Hub and Spoke – Airline designated hub airport with spoke cities connecting to other spoke cities
- ✈ Point to Point – Non hub airport with flights to another non hub airport

Hub and Spoke in U.S.



Point to Point



Key Points for Success

- Broad based community marketing and financial support of a program
- Design the service that targets the correct non-stop city with the correct number of seats
- Key market data points
 - Location of IKON Passholders
 - Location of Mammoth Second Homeowners
 - Location of Mammoth Visitors
 - Origination and Destination Air Data
- Airline negotiations



Alaska and MMH Overview

- Met with Alaska at headquarters in Sept 2017
 - "For the foreseeable future the Q-400 aircraft remains in our fleet serving all regions of the network"
- Change of Network Planning management
- Feb 1st Conference call regarding aircraft availability and new opportunities in SFO
- Late April enquired about some rumors
- May 12th Called AA and UA regarding LAX/SAN
- May 18th AS terminated LAX Q-400 service
- Immediately contacted DL regarding LAX/SAN
- June 21st UA commitment to LAX

Additional Service Options

- UA LAX was the top priority – Considered additional winter service
- UA SFO had been loaded in early June – Considered additional winter service
- New UA DEN winter service
- Point to point service on the business class jet operators of JetSuiteX, Contour and California Pacific Airways with service BUR, CLD, OAK, PHX, SAN, SJC and SNA.



Benefits of United Serving both LAX and SFO



LAX and SFO Domestic Traffic

→ LAX –

- AA, DL, UA and WN airlines have 17-19% of the market share
- AS, B6, F9, G4, HA etc. airlines split up the remaining 24% of the passengers

→ SFO –

- United serves 93% of the domestic airports being served by all airline at SFO
- UA has 44% of the passenger market share

UA/LAX is a Great Option

- United is a major player at LAX -
 - 49% of all domestic markets available at LAX
 - 20% of all domestic available flights at LAX
 - 17% of all domestic available seats at LAX
- The United subsidy cap amount is 27.8% lower than Alaska for similar MMH service
- United has served MMH since Dec 2009
- United has a LAX-SFO (14) and SFO-LAX (14) flights with no longer than 90 minutes between flights
- Better United LAX operation is in one terminal
- More connecting flights in LAX
- United's cost per round trip is less than Alaska

Current 2018-19 MMH Program

→ United Airlines

→ SFO

→ Seasonal daily flight 12/19/18 – 3/30/19

→ CRJ-700 Aircraft – 64 coach and 6 first class seats

→ LAX

→ Daily year round flight starting 12/1/18

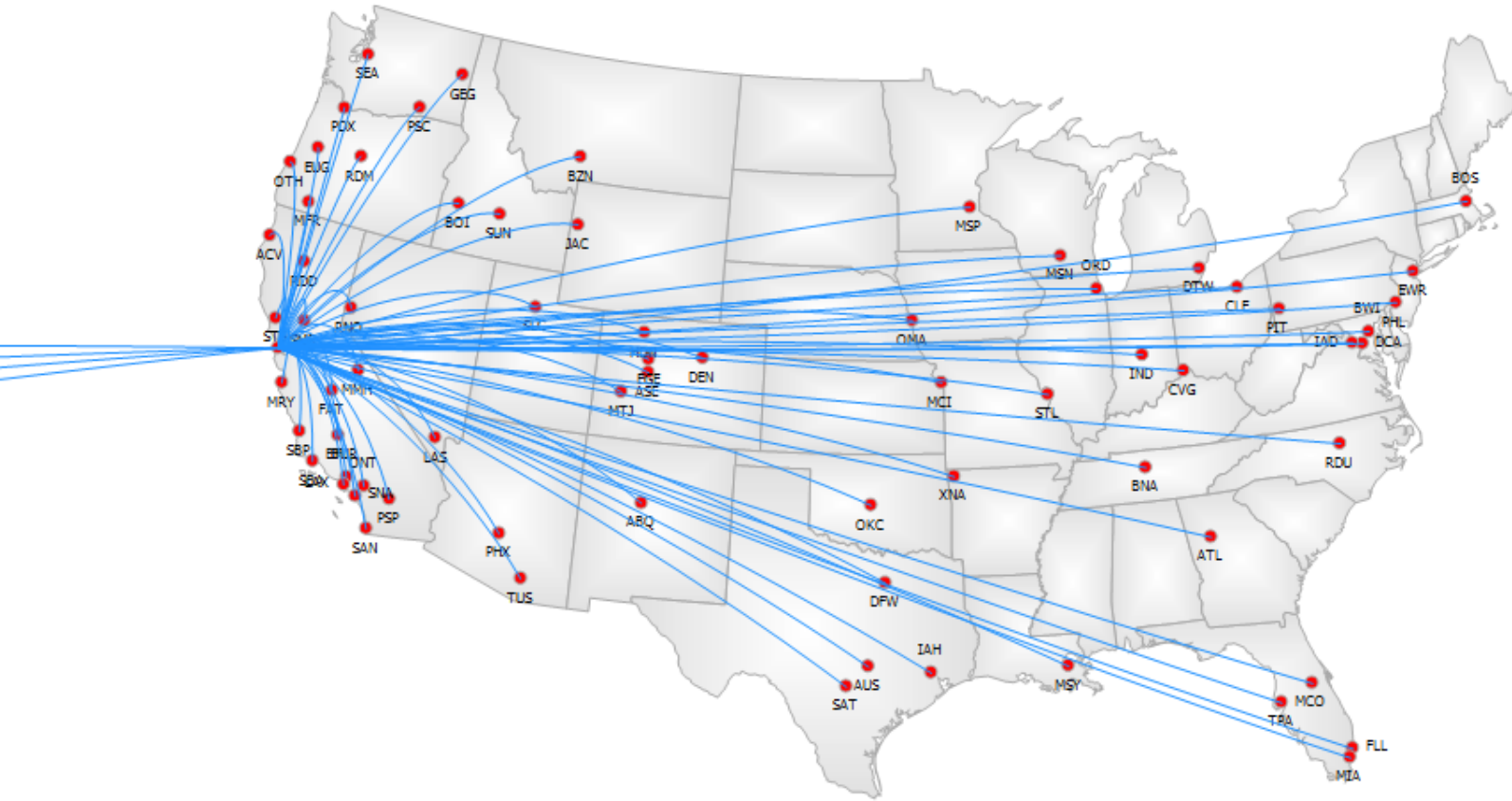
→ CRJ-700 Aircraft – 64 coach and 6 first class seats



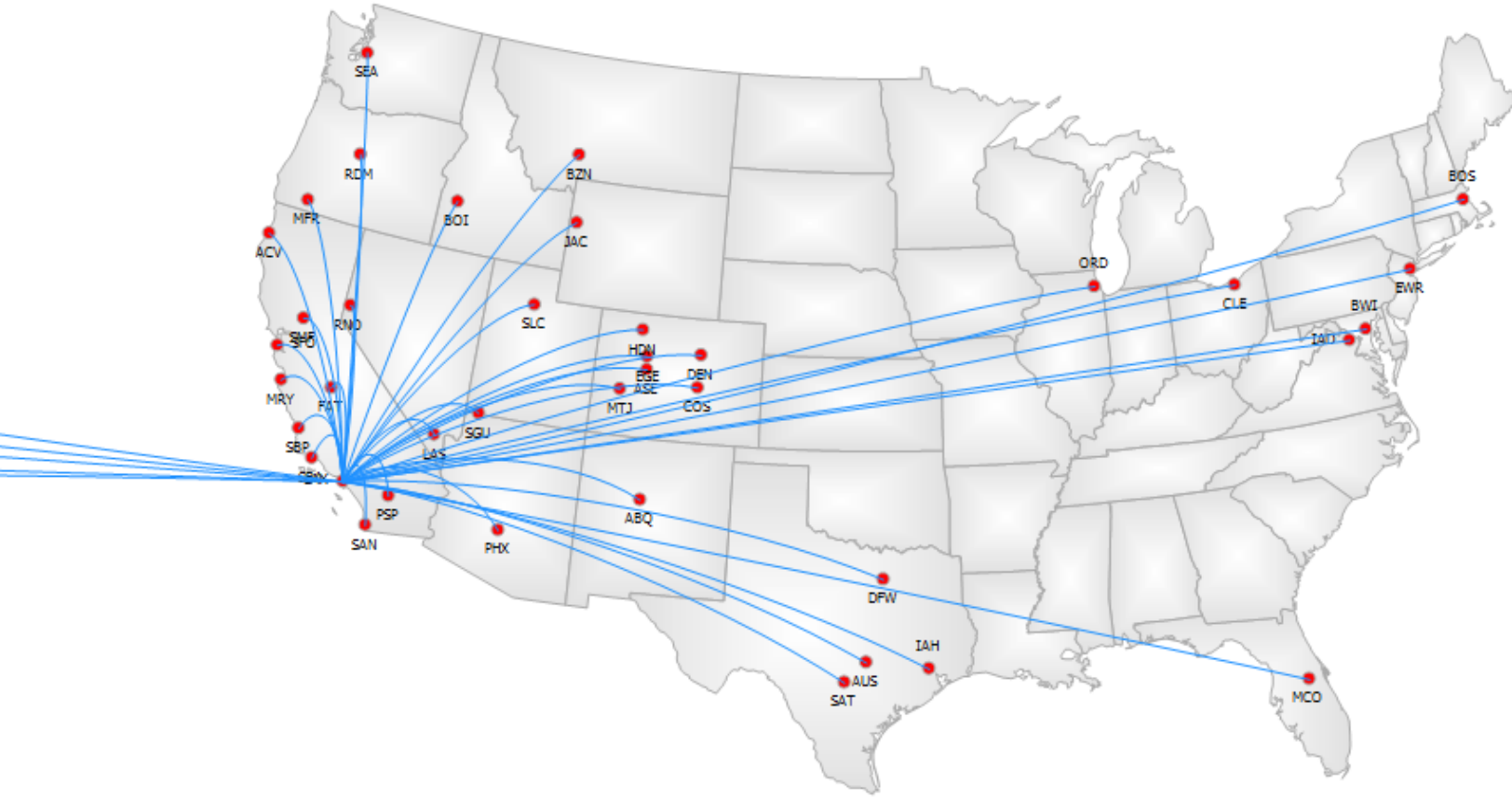
United LAX and SFO Hub and Spoke Connectivity



UA SFO Non-Stop Markets 2019 01

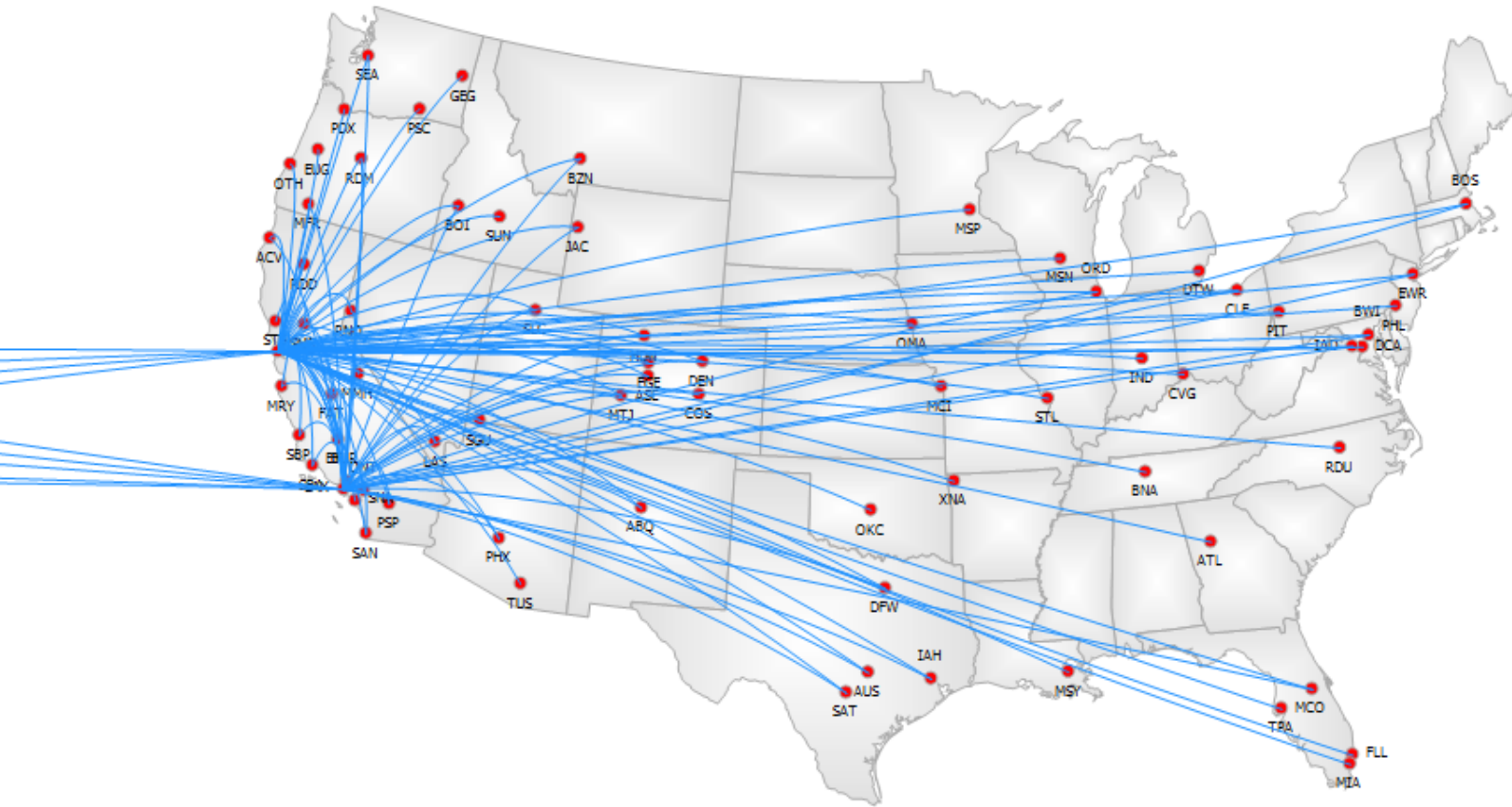


UA LAX Non-Stop Markets 2019 01



UA SFO and LAX Non-stop Markets 2019 01

UA



Additional United Options

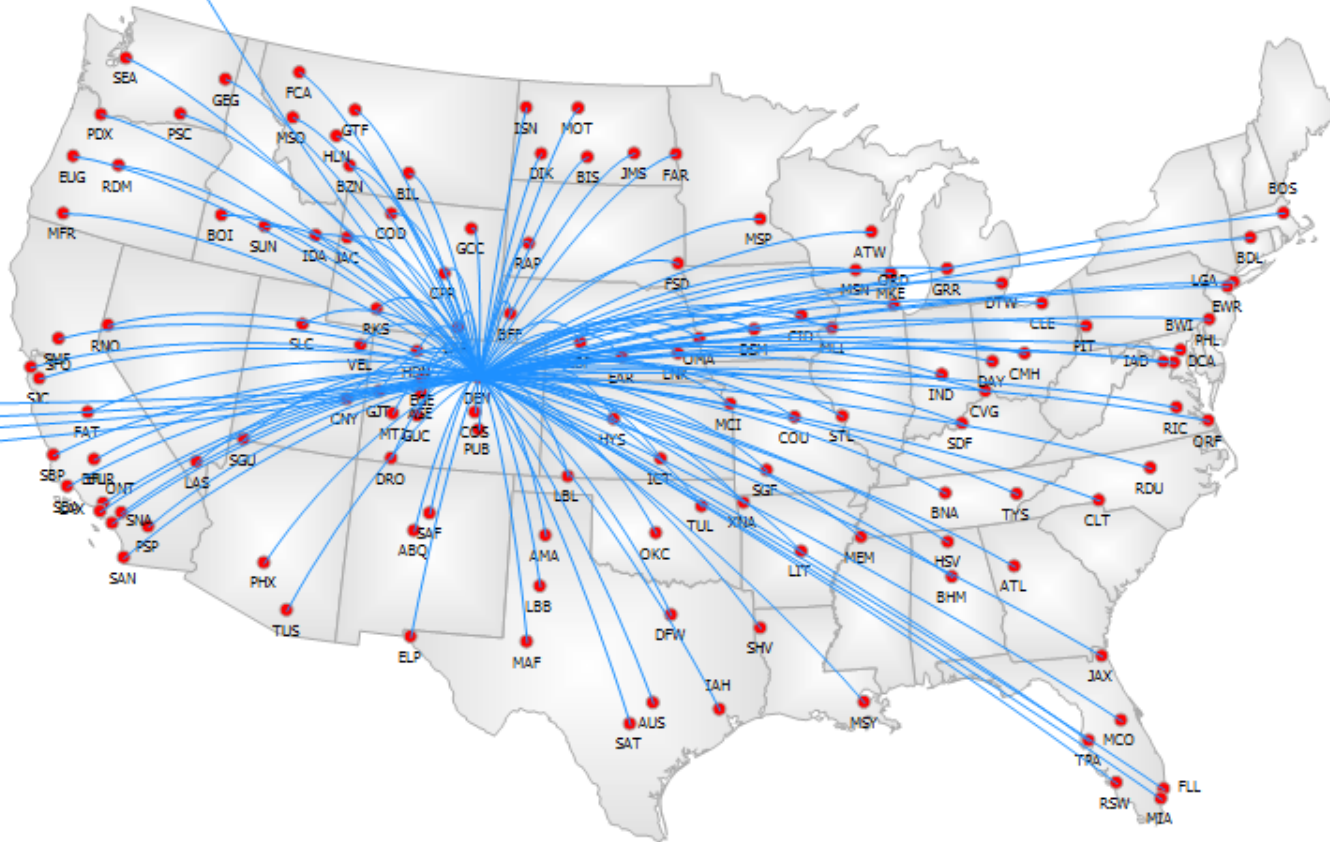
- UA SFO second daily seasonal flight **or** a UA LAX second daily seasonal flight
 - CRJ-700 Aircraft 70 seats
 - Complements the current daily flight with increased connections
- UA DEN daily seasonal flight
 - CRJ-700 Aircraft with 70 seats
 - The DEN non-stop will offer connecting service to numerous Midwest and East coast cities
 - United's 2nd largest hub
 - DEN is 4th busiest domestic airport in the US



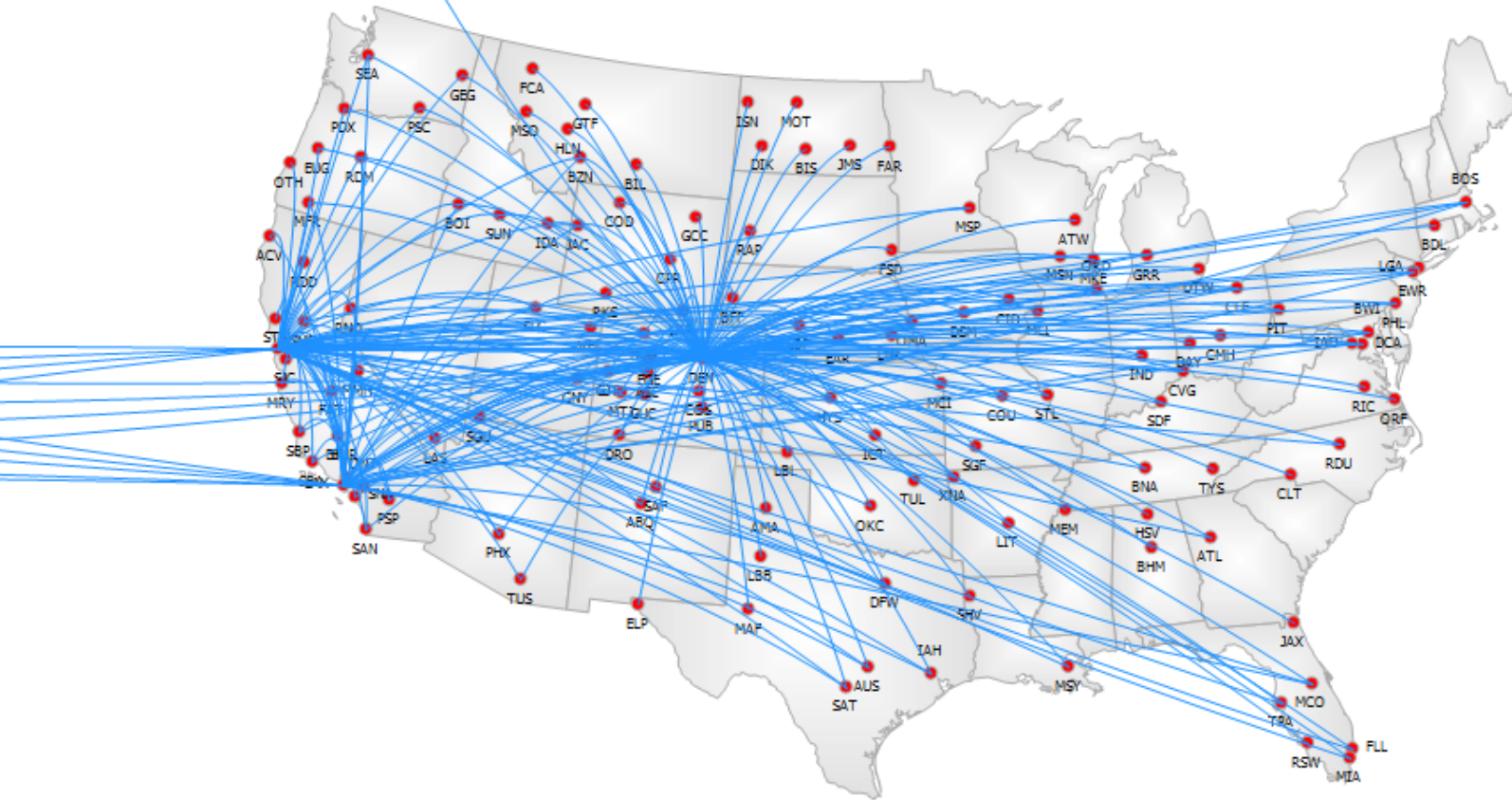
UA DEN Non-stop Markets 2019 01

Airlines

UA



UA DEN, LAX and SFO Non-stop Markets 2019 01



Business Class Express Jet Options

- JetSuiteX - 4X weekly seasonal service using an ERJ-145 configured to 30 seats to BUR, CLD, OAK, SBA, SJC, or SNA
- Contour Air - 4X weekly seasonal service using an ERJ-145 configured to 30 seats to OAK or PHX
- California Pacific Air (CPA) – 4X weekly seasonal service using an ERJ-145 configured to 50 seats to SAN or CLD



2018-19 Legacy Carrier Recommendations

- UA LAX Daily year round flight
- UA SFO Daily seasonal flight
- UA DEN Daily seasonal flight



2018-19 Business Class Jet Recommendations

→ JetSuiteX

- 4X weekly service from BUR, SNA, and OAK
- Mid-Dec to the end of March

→ Working JetSuiteX and CPA on service from CLD or SAN

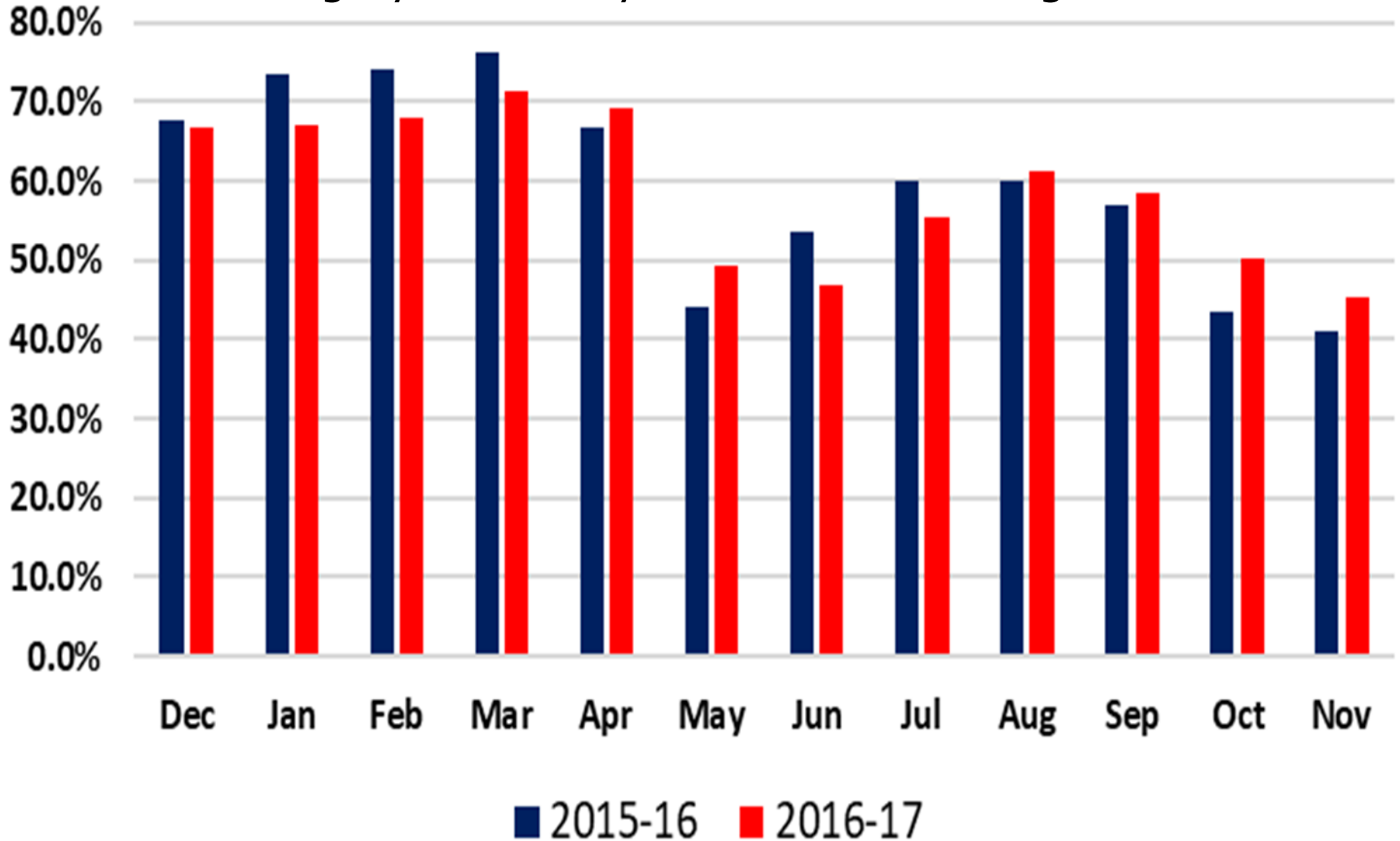


MMH Seat Count YOY by Season

2017-18 Inbound Seat Count				2018-19 Inbound Seat Count				
Market	Winter	SSF*	TOT	Market	Winter	SSF*	TOT	%
LAX	17176	14060	31236	LAX	10570	12880	23450	
SFO	7280		7280	SFO	7140		7140	
SAN	6156		6156	DEN	7140		7140	
BUR	<u>1890</u>		<u>1890</u>	BUR	1740		1740	
	32502	14060	46562	SNA	1740		1740	
*May 1 to Nov 30				CLD/SAN	1740		1740	
	Winter YOY			OAK	<u>1740</u>		<u>1740</u>	
	-2.1%			TOT	31810	12880	44690	-4.02%
				*May 1 to Nov 30				
				Verbal or written commitment				

AS LAX Load Factor YOY by Month

US Legacy Carriers System Load Factor Avg is 83%



Questions and Comments

