

# Management Presentation

March 2012



# Forward looking statements

This presentation as well as oral statements made by officers or directors of Allegiant Travel Company, its advisors and affiliates (collectively or separately, the "Company") will contain forward-looking statements that are only predictions and involve risks and uncertainties. Forward-looking statements may include, among others, references to future performance and any comments about our strategic plans. There are many risk factors that could prevent us from achieving our goals and cause the underlying assumptions of these forward-looking statements, and our actual results, to differ materially from those expressed in, or implied by, our forward-looking statements. These risk factors and others are more fully discussed in our filings with the Securities and Exchange Commission. Any forward-looking statements are based on information available to us today and we undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise. The Company cautions users of this presentation not to place undue reliance on forward looking statements, which may be based on assumptions and anticipated events that do not materialize.



# Unique business model and results

- Highly resilient and profitable
  - Profitable last 36 quarters <sup>(1)</sup>
  - \$127mm EBITDA <sup>(2)</sup> in 2011
  - 2011 Return on Capital 15.3% <sup>(2)</sup>
- Strong balance sheet
  - Rated BB- and Ba3 <sup>(3)</sup>
  - \$320mm unrestricted cash <sup>(4)</sup>
  - \$146mm debt
  - Owned fleet
  - Debt/EBITDA 1.2x<sup>(2)</sup>
- Management owns >20%

Built to be different
Leisure customer
Small cities
Little competition
Low cost aircraft
Low frequency/variable capacity
Bundled products
Closed distribution
Low costs
Highly profitable

(1) Excluding non-cash mark to market hedge adjustments and 4Q06 one time tax adjustment

(2) See GAAP reconciliation in Appendix

(3) Rated BB- by Standard & Poor's, rated Ba3 by Moody's

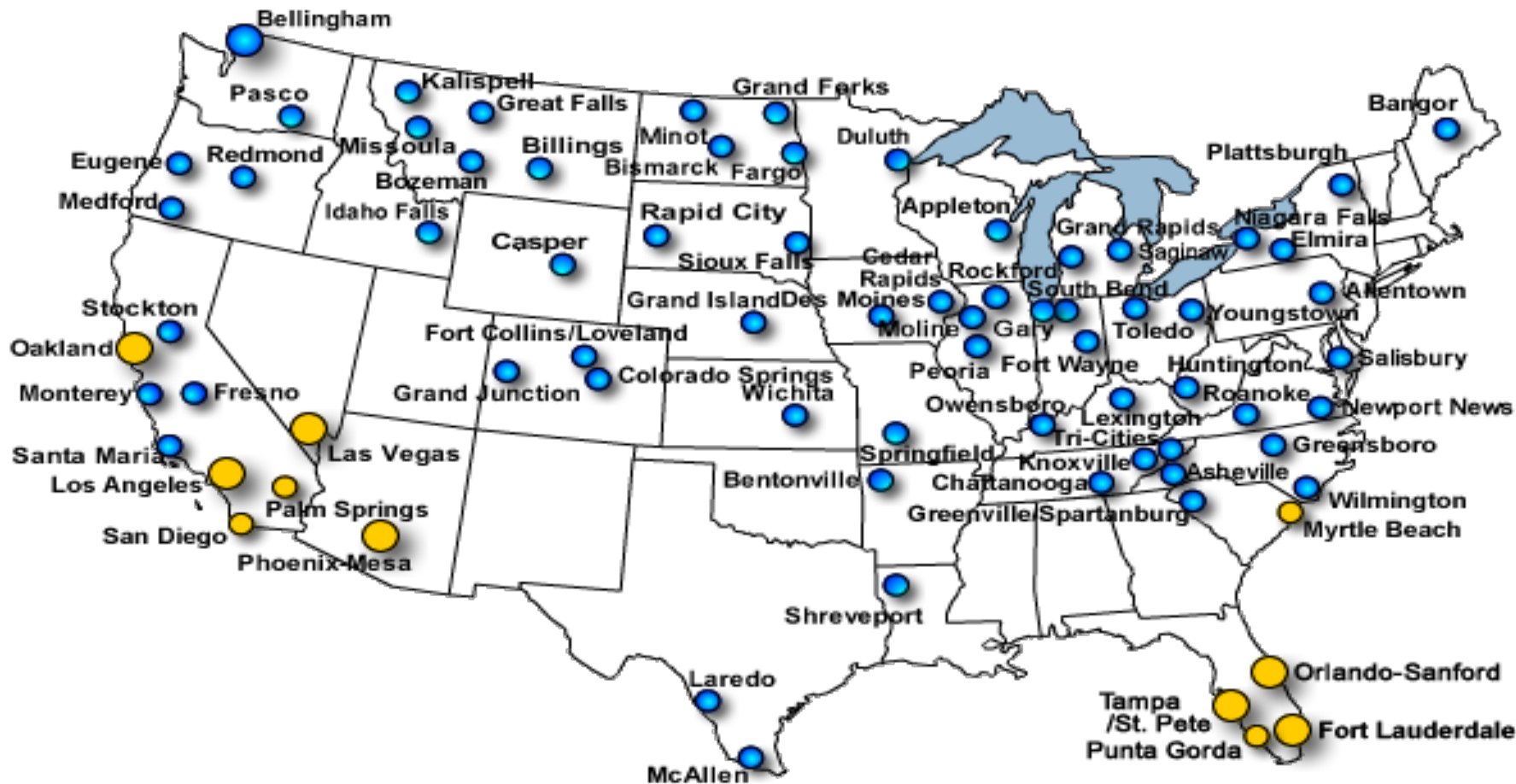
(4) Unrestricted cash includes investments in marketable securities



# Leisure customer in small cities

- Taking people where they want to vacation
- Stimulation of demand - non-stop flights, low prices
- Prior to ALGT, small cities had few good options
- Leisure - more resilient than business, proven repeatedly
- Packages – air + hotels, cars, etc.
- Variable capacity to match seasonal demand patterns
- Small cities require less frequency due to size of market

# Nationwide footprint



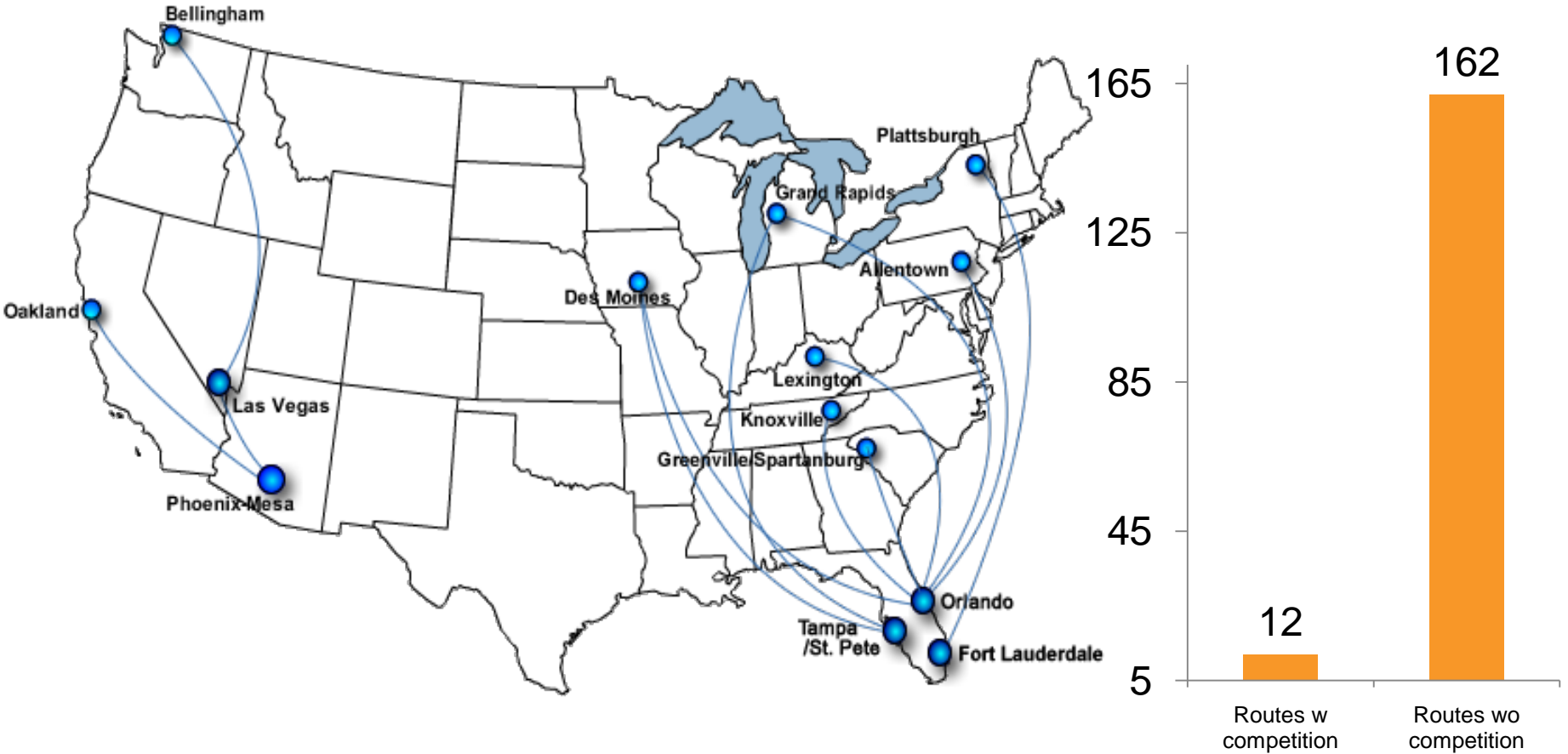
Yellow dots – leisure destinations  
Blue dots – small cities  
Large dots - bases

Projected through April 30, 2012  
174 routes, 59 operating aircraft  
64 small cities, 11 leisure destinations



# Little competition

Uniquely built to profitably serve small city markets



# Low cost aircraft

- Owned fleet – 63<sup>(1)</sup> owned aircraft
- MD-80
  - 53 in operating fleet, expect to operate 59 EOY
  - \$3mm total for purchase + induction
  - \$2.4mm EBITDA/ aircraft 2011<sup>(2)</sup>
  - Increasing capacity to 166 seats, 11% increase in seats
    - 10 166 seat AC Feb 1, still on track for completion EOY
- 757
  - One in operating fleet, 3 leased out through 2/3Q12
  - Committed to purchase 2 more in 1Q12, in service 2Q12
  - \$15mm total for purchase + induction
  - 217 seats, 8 hour range

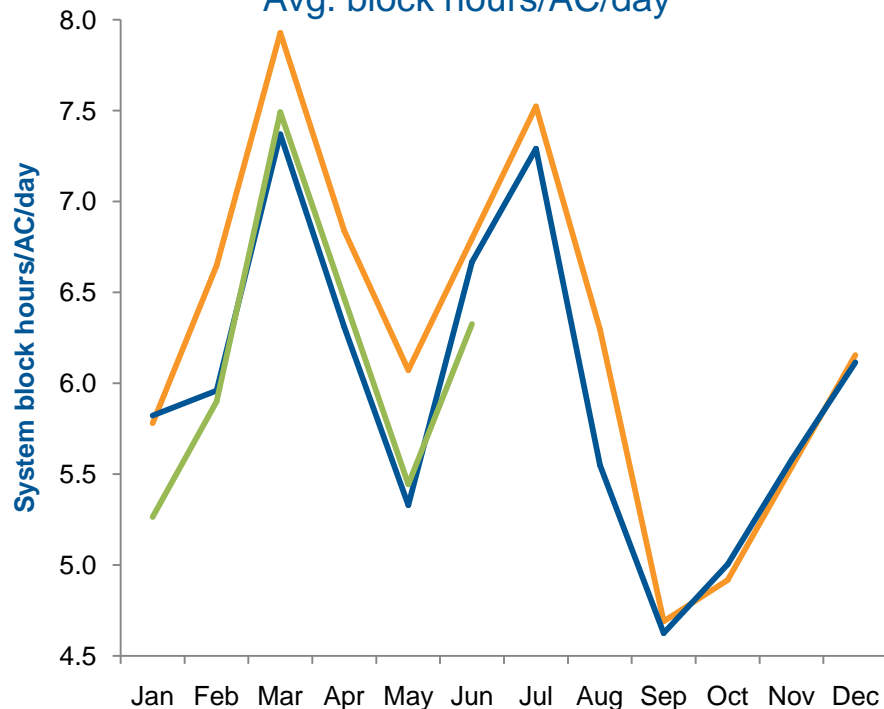
1 – Expect to finalize purchase of 2 757s in 1Q12 which will take owned aircraft to 65

2 – see GAAP reconciliation in appendix

# Capacity management

## Leisure = seasonality

Avg. block hours/AC/day



— 2010 — 2011 — 2012E

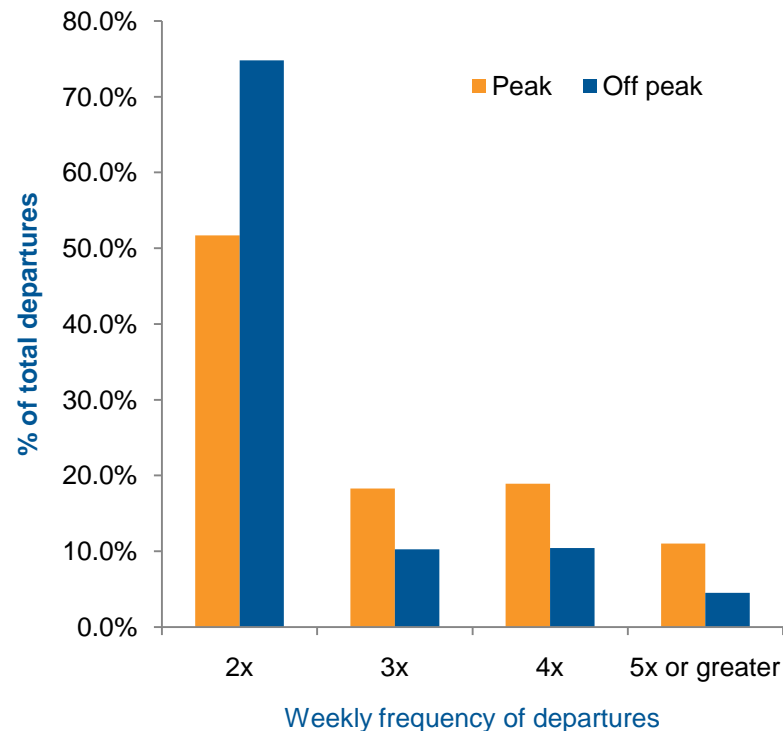
**2010      2011      1H 2012E**

Avg Sched AC      46      50      57

Peak = sample peak travel time from week of June 13 – Aug 8 2011, sample off peak = Aug 15 – Sept 19 2011

## Small cities = low frequency

Weekly market frequency





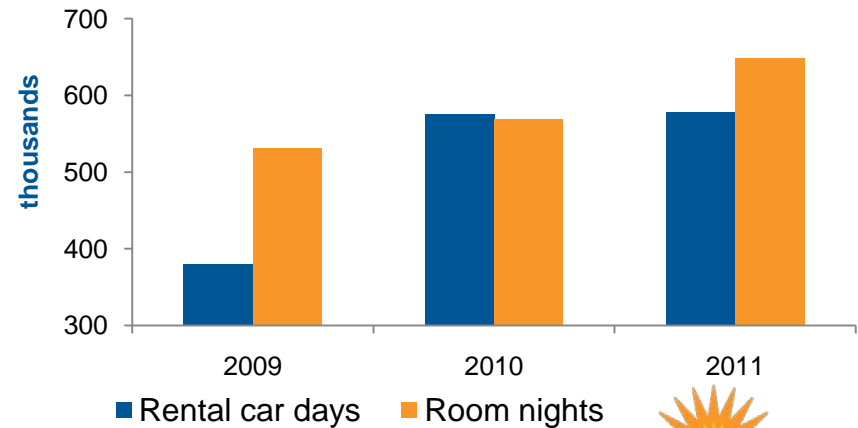
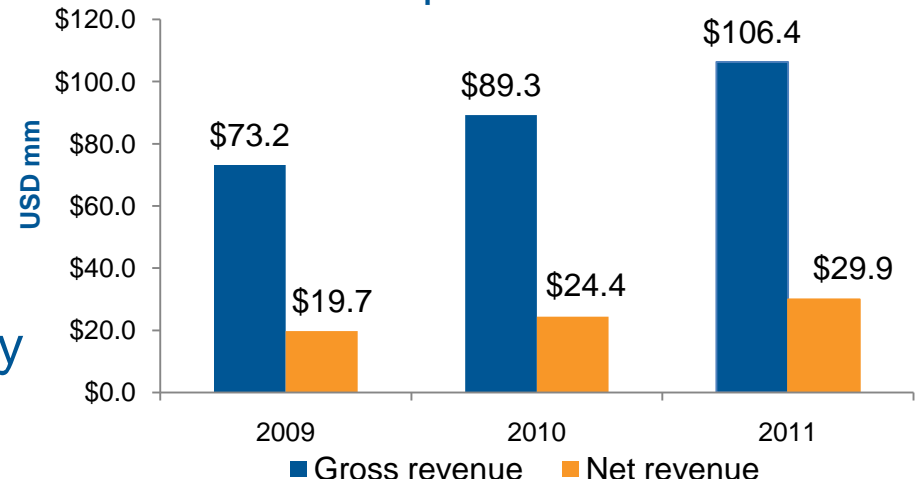
# Ancillary revenue – third party products

- Bundled vacation packages
- Very high margins
  - 38% 2011 pre-tax income
- Wholesale price for hotel & car, we manage margin, no inventory risk

Growth	YoY 2010	YoY 2011
Gross revenue	+22%	+19%
Net revenue	+24%	+23%
Room nights	+7%	+14%
Rental car days	+52%	0%

Gross revenue is Non GAAP

## Ancillary revenue - third party products



# Our website is our only store

The screenshot shows the Allegiant website homepage. At the top, the logo reads "allegiant Travel is our deal." with a "Travel Advisory!" link. Navigation tabs include "Book Vacation", "Hotels", "Cars", "Cruises", "Destinations", and "Activities". A secondary navigation bar contains "Travel Tools", "Flight Status", "Check-In", and "My Allegiant®".

The main content area features a "Flight + Hotel" search form with fields for "From", "To", "Round", "Where We Fly", "Departure Date", "Return Date", "Adults", "Children", and "Rate". To the right of the form is a blue box with the text: "Save a bundle when you bundle. Air + Hotel = BIG Savings!".

Below the search form is a "Top Hotel Deals" section with tabs for "Las Vegas", "Los Angeles", "Orlando", "Phoenix", and "Tampa". It displays several hotel cards with star ratings and names like "Bellagio", "Flamingo Las Vegas", "Paris Las Vegas", "Encore at Wynn Las Vegas", and "The Cosmopolitan of Las Vegas".

At the bottom, there are sections for "Travel Tools" (including a "Where Do We Fly?" map), "my allegiant" account management, and "Allegiant Travel Deals" with a sign-up form. The footer contains a grid of links for "TRAVEL WITH US", "COMPANY", "TRAVEL TOOLS", "HELP", and "FOLLOW US" (with social media icons for Facebook, Twitter, and YouTube).

We pledge the **best** travel deals.

Travel is our deal.™

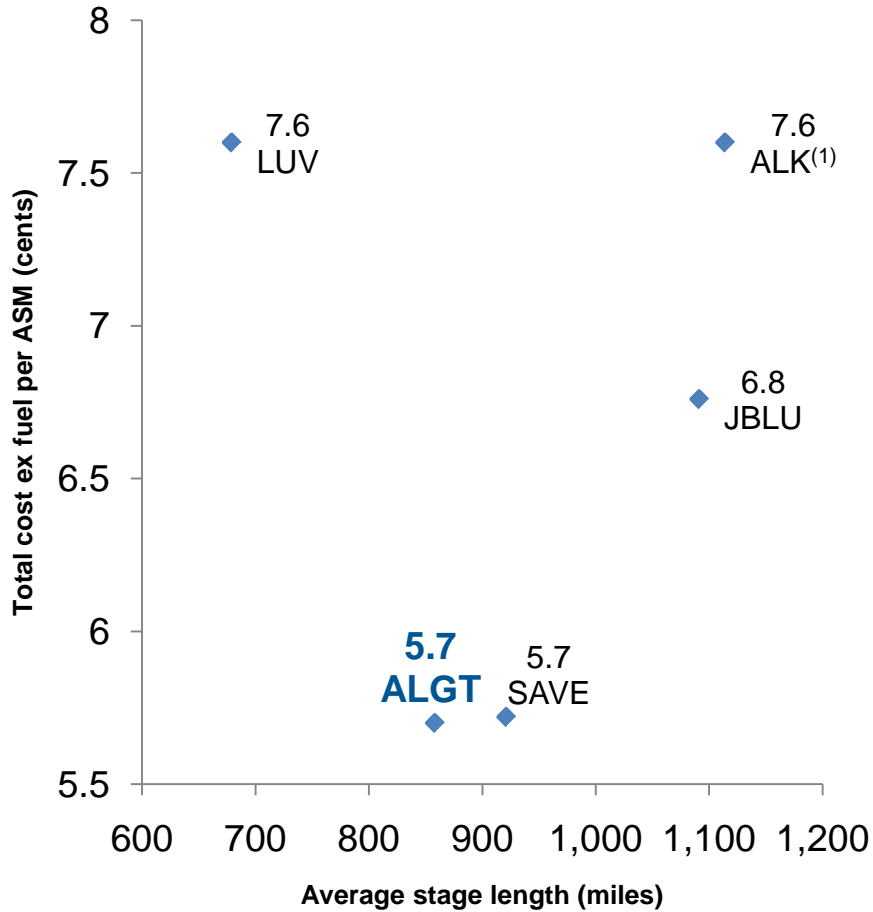
We are committed to saving you money on more than just airfare.

- 22m unique visitors – 2011 – \$0.89 advertising/pax
- 35% new visits
- 6.6 avg page views
- Avg ~ 5.5 min on site
- 89% of 2011 sales were through the site

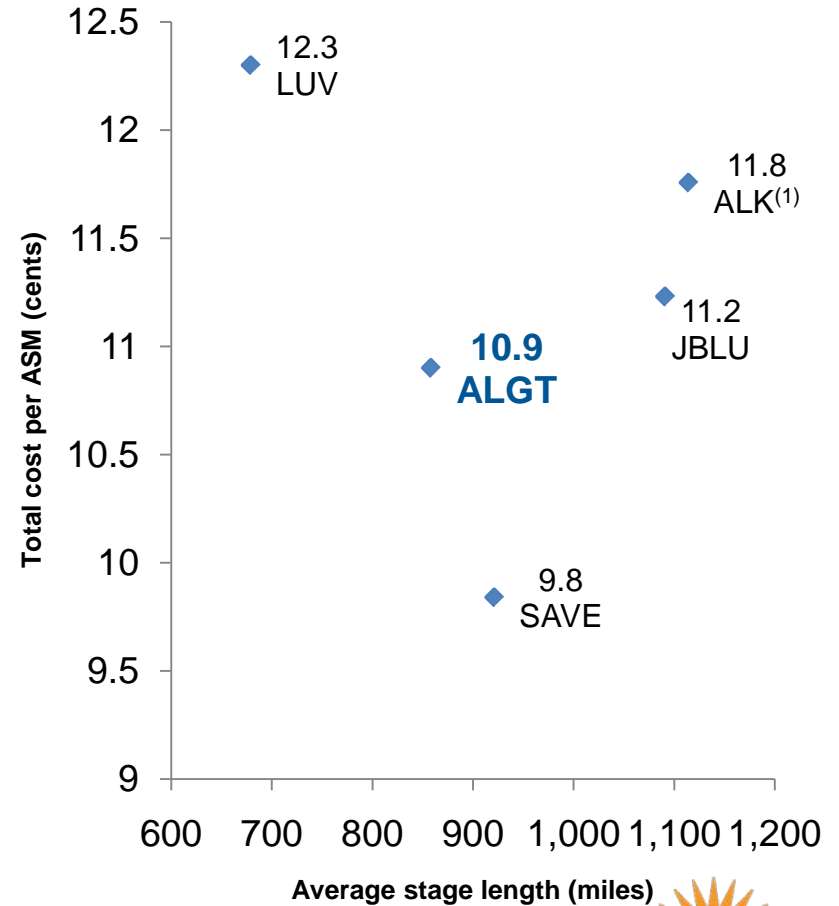


# Excellent cost structure

Operating cost ex fuel/ASM (CASM ex) vs stage length



Operating cost/ASM (CASM) vs stage length

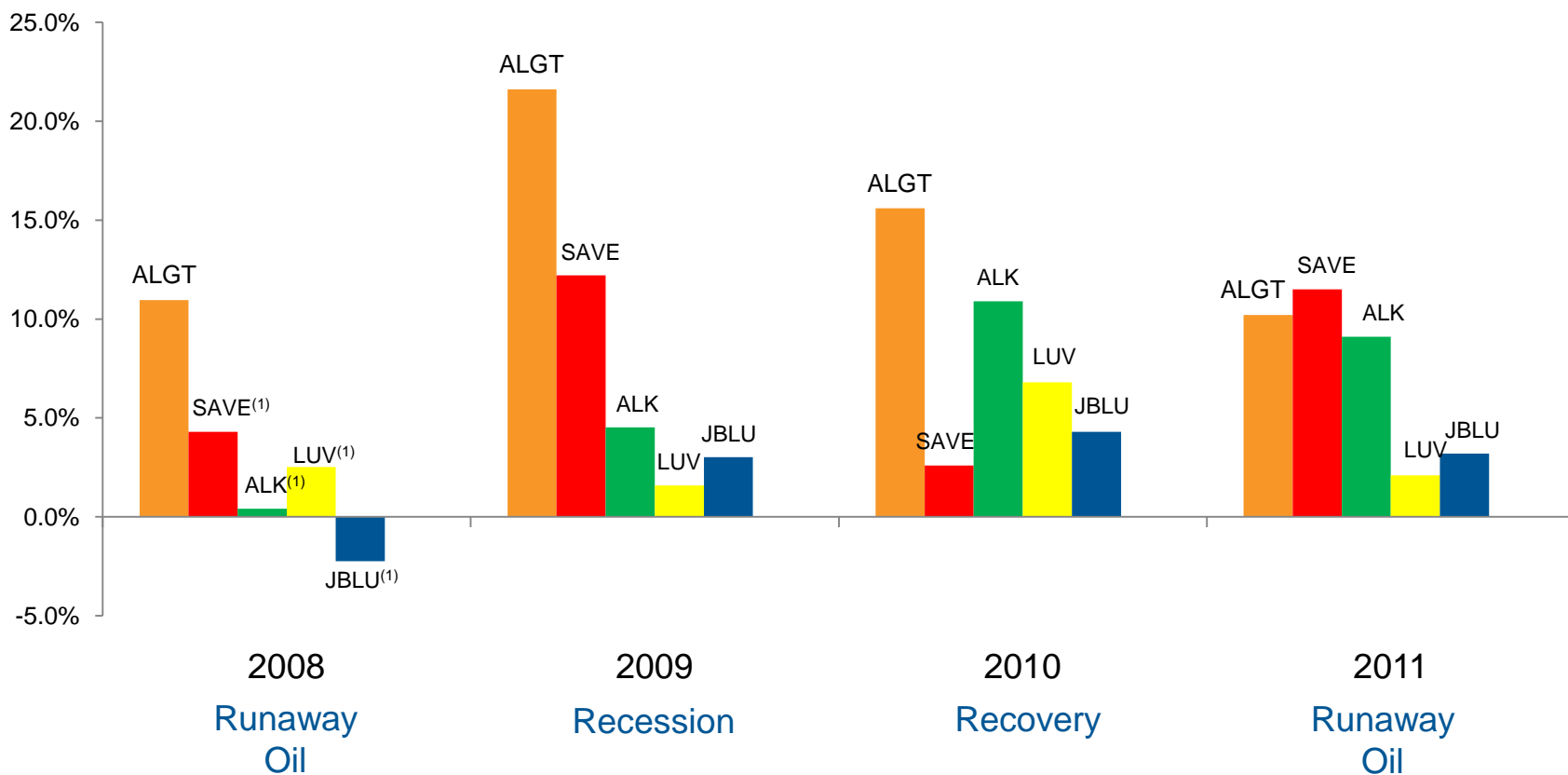


(1) ALK is mainline statistics

LUV = Southwest Airlines, ALK = Alaska Airlines, JBLU = JetBlue Airways, SAVE = Spirit  
Time period – 2011, ASM – available seat miles,



# Best pre-tax margins



Avg AC in period

36

43

49

52

Avg scheduled service fuel price

\$3.22

\$1.90

\$2.43

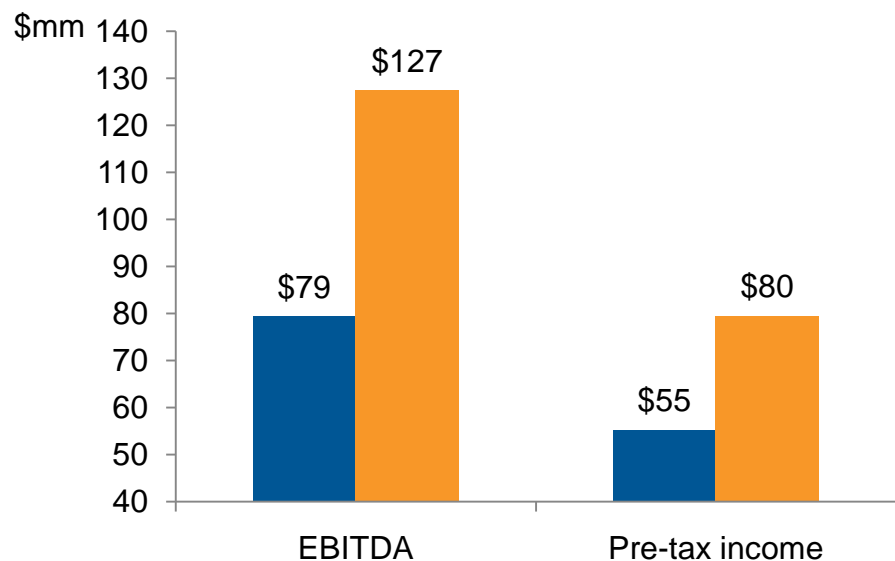
\$3.30

(1) LUV = Southwest Airlines; JBLU = JetBlue Airways; SAVE = Spirit Airlines, ALK = Consolidated Alaska Air Group excluding special items



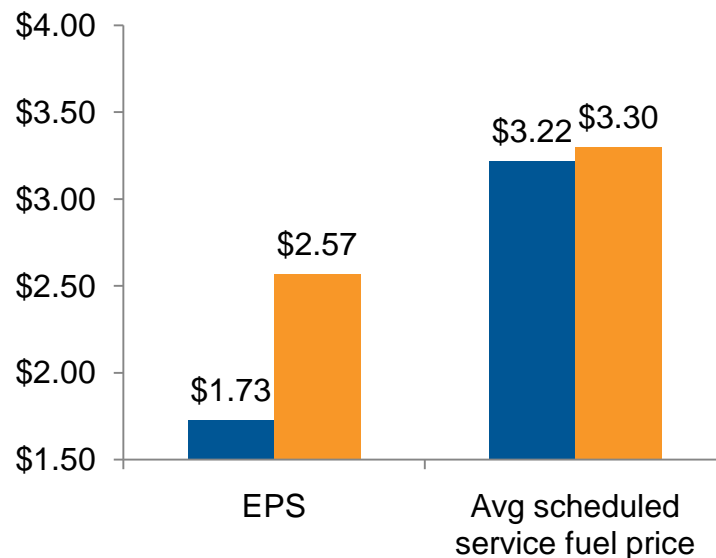
# Better equipped to handle higher fuel

	2008	2011	% change
System ASMs (billions)	4.4	6.4	46%
Average aircraft	36	52	43%
Avg fare – scheduled service	\$84.97	\$89.15	5%
Avg ancillary - total	\$29.42	\$36.35	24%
Avg fare - total	\$114.40	\$125.51	10%
Pre-tax margin	11.0%	10.2%	



EBITDA – see GAAP reconciliation in appendix

■ 2008  
■ 2011



# Revenue 4Q11

	4Q10	4Q11	YoY	\$ change
PRASM (cents)	7.98	8.91	12%	
TRASM (cents)	11.42	12.45	9%	
Avg fare – scheduled service	\$81.62	\$91.66	12%	\$10.04
Avg ancillary - total	\$35.24	\$36.39	3%	\$1.15
Avg total fare	\$116.86	\$128.05	10%	\$11.19
Fuel expense per passenger	\$45.16	\$54.04	20%	\$8.88
YoY PRASM changes in different market types <sup>(1)</sup>			YoY change in PRASM	% of markets
Markets with no change in capacity			12.9%	29%
Markets with increase in capacity			6.2%	53%
Markets with decrease in capacity			28.6%	18%

1 – Period covered 4Q10 vs 4Q11

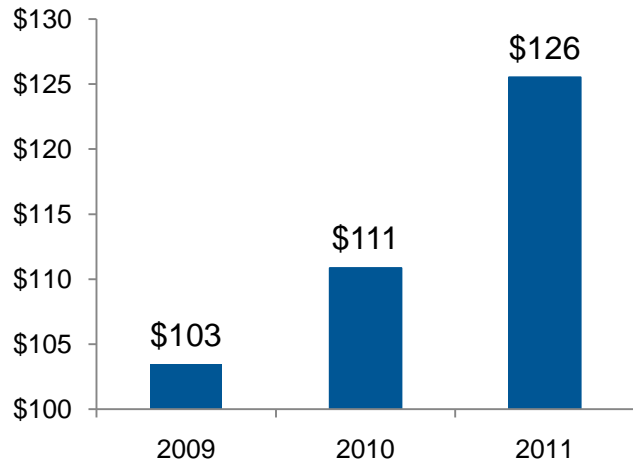
PRASM = scheduled service passenger revenue per scheduled ASM

TRASM = total scheduled service revenue per scheduled ASM

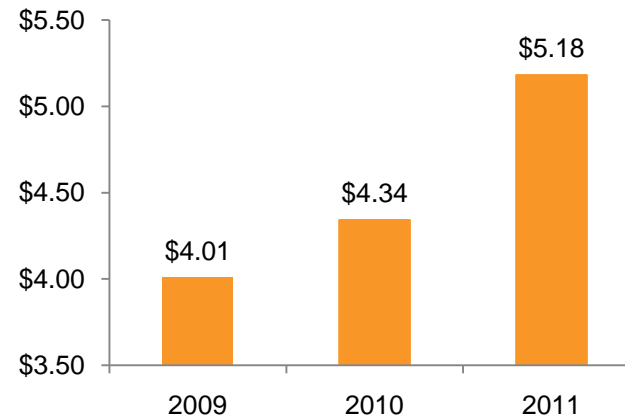


# Revenue momentum

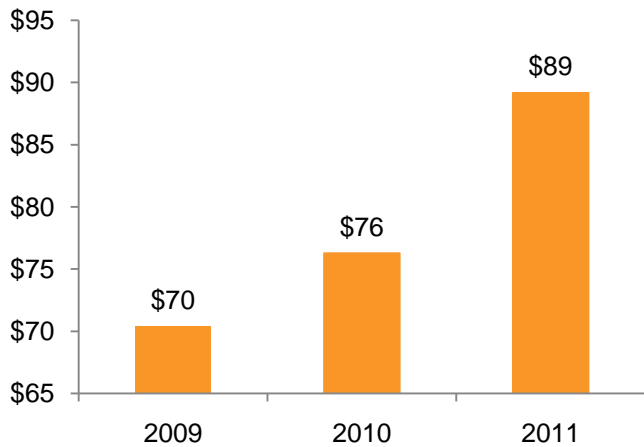
### Average fare - total



### Average fare - ancillary third party products



### Average fare - scheduled service



### Average fare - ancillary air-related charges



All revenue is revenue per scheduled passenger



# 757 update

- Hawaii
  - ETOPS application submitted
  - Anticipate Hawaii service mid-2012
- 1 operating on existing and new routes
- 4 by 2H 2012, 6 by 1H 2013



# DOT compliance

- Web site was modified Jan 25 to meet consumer rule #2
  - All fare displays include all taxes and fees
  - All optional fees are “Opt-in”, requiring customer selection
- Initial version was deployed for 24 hr test Jan 12
  - Learnings resulted in web improvements to Jan 25 release
  - Impact on ancillary sales was optimized thru testing and tuning

# Guidance

- 1Q 12 PRASM +1 to 3%
- 58 MD-80s and 1 757 operating in 1Q 12
- Schedule currently selling through mid August 2012
- 1Q 12 CASM ex fuel 0% to 2%

	<b>1<sup>st</sup> Quarter 2012</b>	<b>2<sup>nd</sup> Quarter 2012</b>
System departures	11 to 13%	13 to 17%
System ASMs	17 to 19%	22 to 26%
Scheduled departures	14 to 16%	16 to 20%
Scheduled ASMs	21 to 23%	25 to 29%

Guidance subject to change



# Appendix

# GAAP reconciliation

## EBITDA calculations

\$mm	2011	2010	2009	2008	2007
Net Income	49.4	65.7	76.3	35.4	31.5
+Provision for Income Taxes	30.1	37.6	44.2	19.8	19.2
+Other Expenses	5.9	1.3	1.6	.7	-3.6
+Depreciation and Amortization	42.0	35.0	29.6	23.5	16.0
<b>=EBITDA</b>	<b>127.4</b>	<b>139.6</b>	<b>151.8</b>	<b>79.4</b>	<b>63.1</b>
Total debt	146.0	28.1	45.8	64.7	72.1
+7 x annual rent	<u>7.7</u>	<u>12.0</u>	<u>13.5</u>	<u>19.7</u>	<u>21.0</u>
Adjusted total debt	153.7	40.1	59.3	84.4	93.1
<b>=Adjusted Debt to EBITDA</b>	<b>1.2x</b>	<b>0.3x</b>	<b>0.4x</b>	<b>1.1x</b>	<b>1.5x</b>
Average aircraft in period	52.3	47	43	36	28
<b>=EBITDA per aircraft</b>	<b>2.4</b>	<b>2.9</b>	<b>3.6</b>	<b>2.2</b>	<b>2.3</b>
Interest expense	7.2	2.5	4.1	5.4	5.5
<b>= Interest coverage</b>	<b>17.7x</b>	<b>55.4x</b>	<b>37.2x</b>	<b>14.7x</b>	<b>11.4x</b>





# GAAP reconciliation

## Return on capital employed calculation

\$mm	2011	2010	2009	2008
+ Net income	49.4	65.7	76.3	35.4
+ Income tax	30.1	37.6	44.2	19.8
+ Interest expense	7.2	2.5	4.7	5.4
- Interest income	1.2	1.2	2.5	4.7
<b>EBIT</b>	<b>85.5</b>	<b>104.6</b>	<b>122.7</b>	<b>55.9</b>
+ Interest income	1.2	1.2	2.5	4.7
Tax rate	37.9%	36.4%	36.2%	35.9%
<b>Numerator</b>	<b>53.9</b>	<b>67.3</b>	<b>79.6</b>	<b>38.9</b>
Total assets prior year	501.3	499.6	424.0	405.4
- Current liabilities prior year	166.6	158.6	131.0	128.0
+ ST debt of prior year	16.5	23.3	25.3	18.2
<b>Denominator</b>	<b>351.2</b>	<b>364.3</b>	<b>318.3</b>	<b>295.6</b>
<b>= Return on capital employed</b>	<b>15.3%</b>	<b>18.5%</b>	<b>25.0%</b>	<b>13.1%</b>

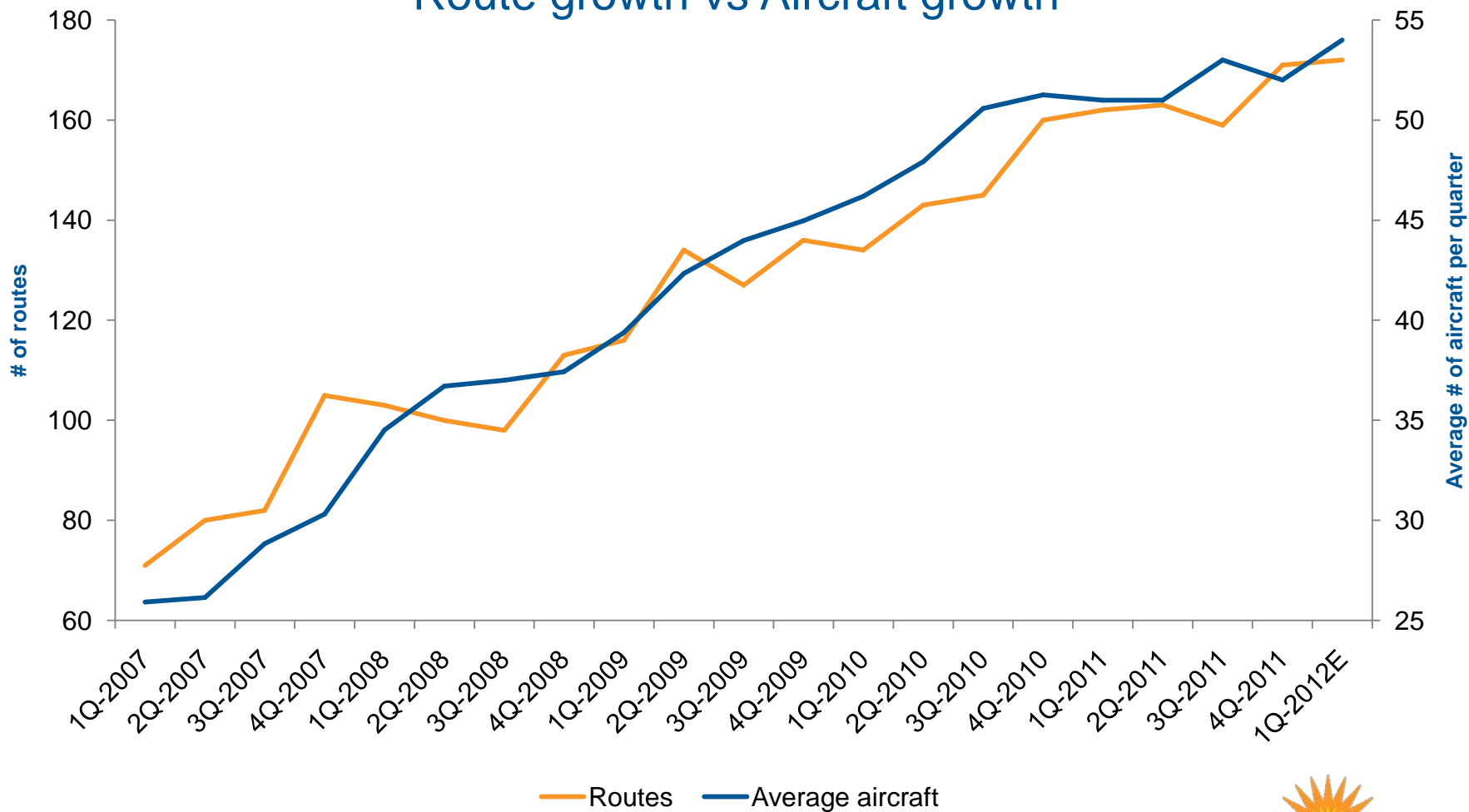
# History

- Current management took control June 2001
- MD-80s
- Hotel packages since 2002
- Pioneered US unbundled airline product starting in 2003
- Profitable 2 quarters of 2002, every quarter since 2003
- Disciplined, consistent growth



# Network growth

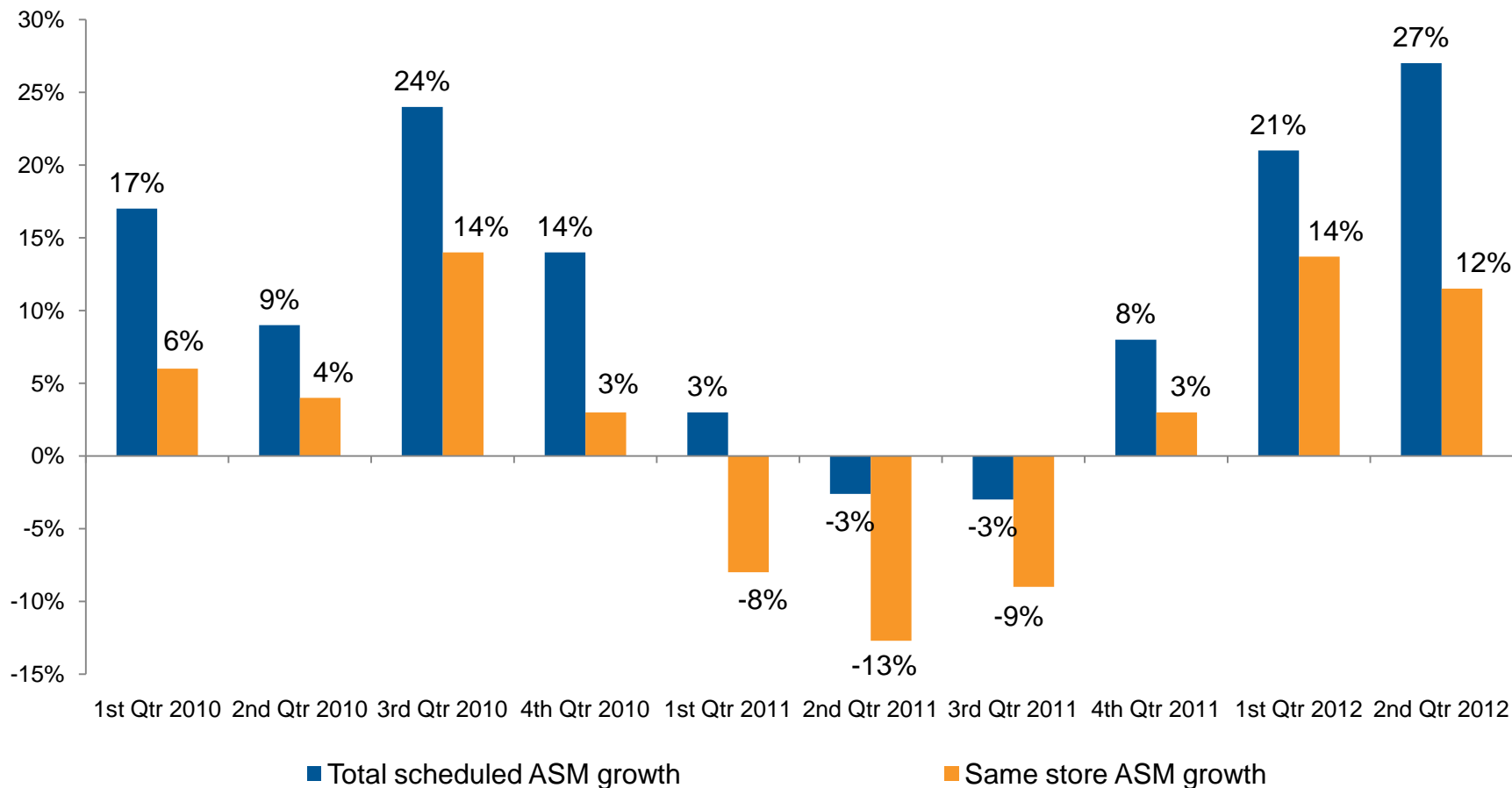
## Route growth vs Aircraft growth





# Capacity changes

## Year over year change in scheduled ASMs

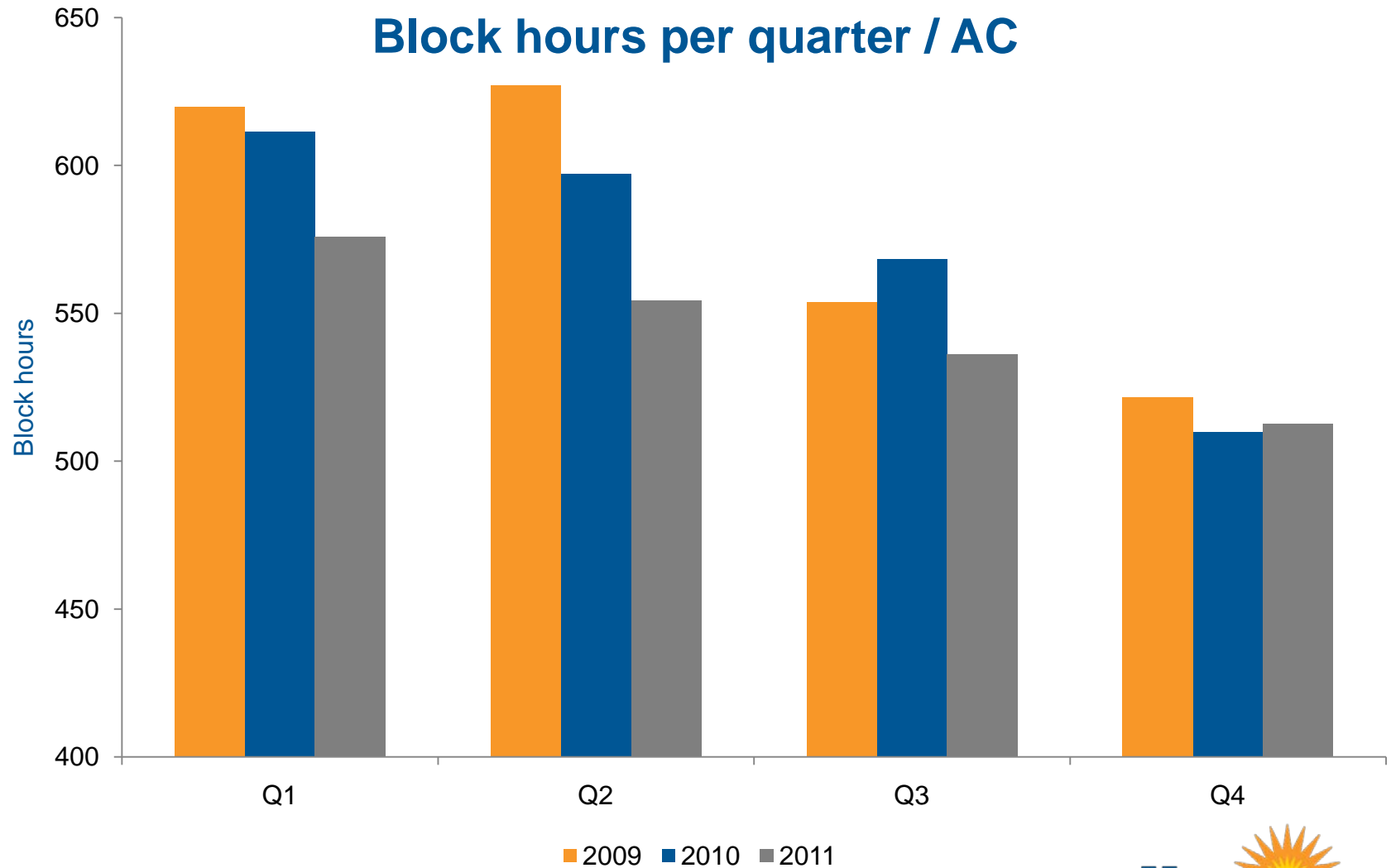


ASMs – available seat miles

Scheduled ASM growth in 1st quarter 2012 and 2nd quarter 2012 is the midpoint of guided range

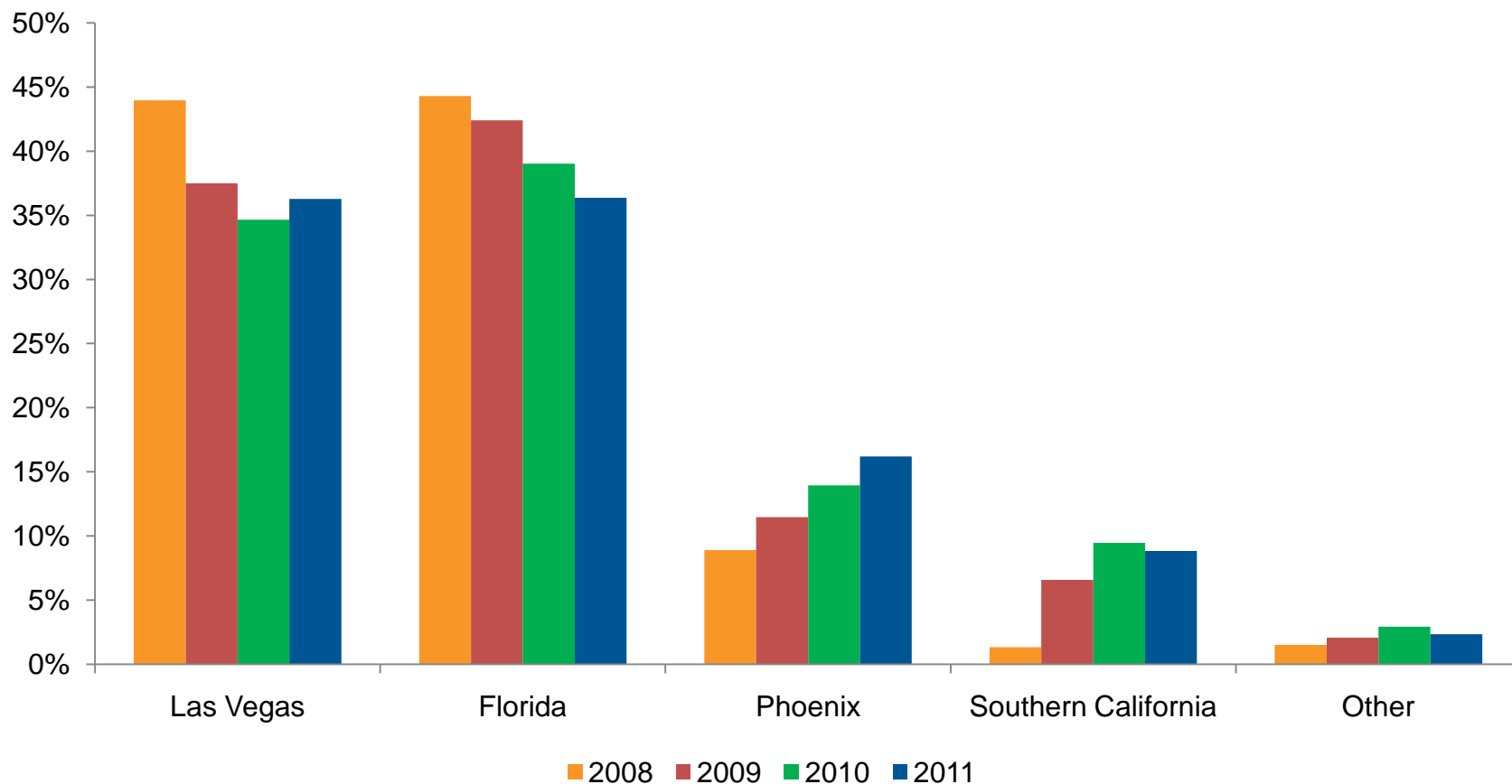


# AC utilization over time



# Geographic diversity

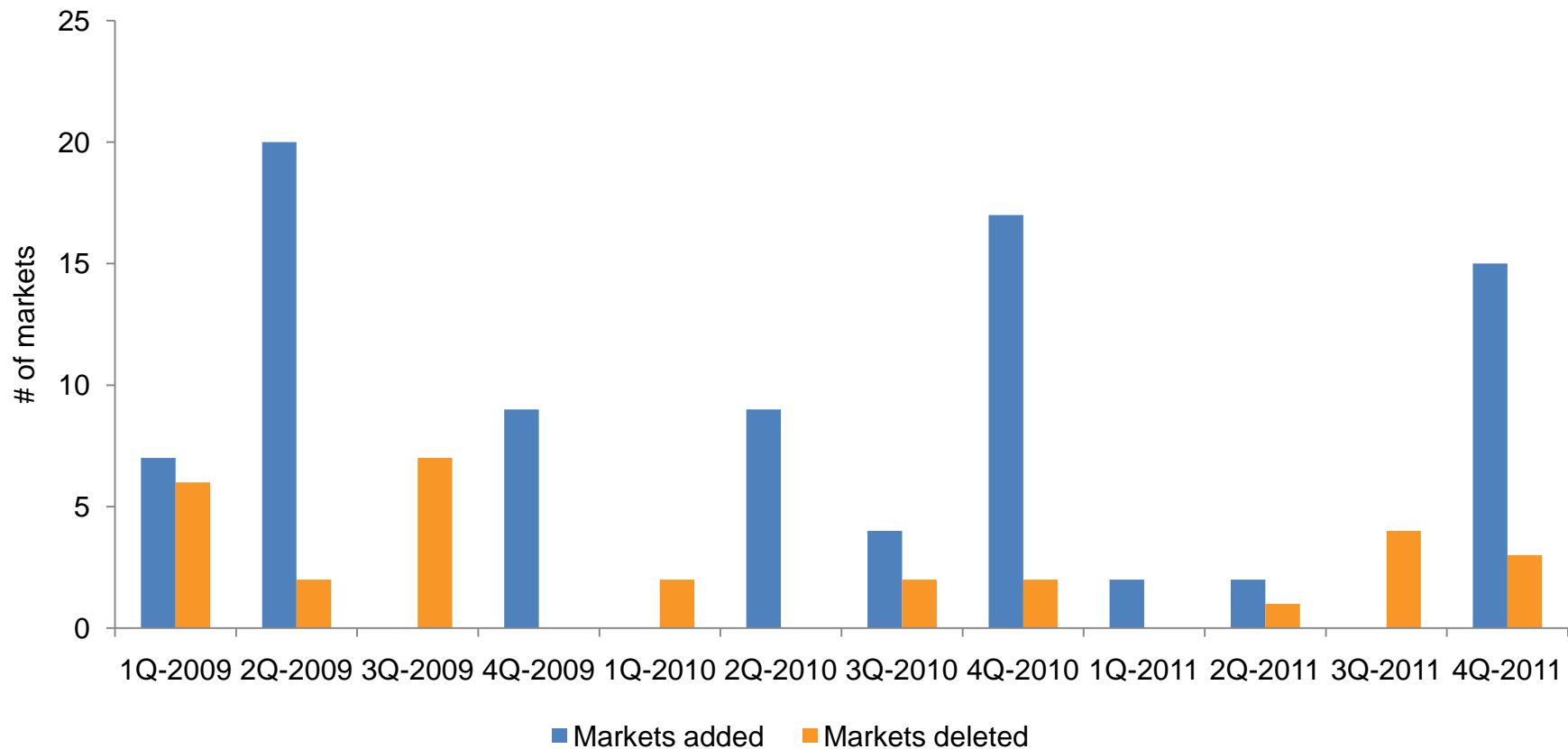
% of total departures



Florida includes Orlando, St. Petersburg/Tampa, Fort Lauderdale, and Punta Gorda  
Southern California includes Los Angeles, Long Beach, San Diego and Palm Springs  
Other includes Oakland, San Francisco, and Myrtle Beach



# Market management over time



Does not include shifting of 10 markets from Sanford to Orlando International in 1Q 10 and shifted back to Sanford in 1Q 11

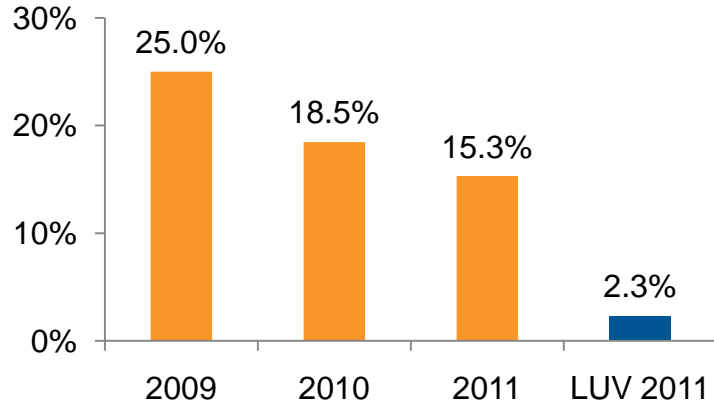


# Reacting to a changing landscape

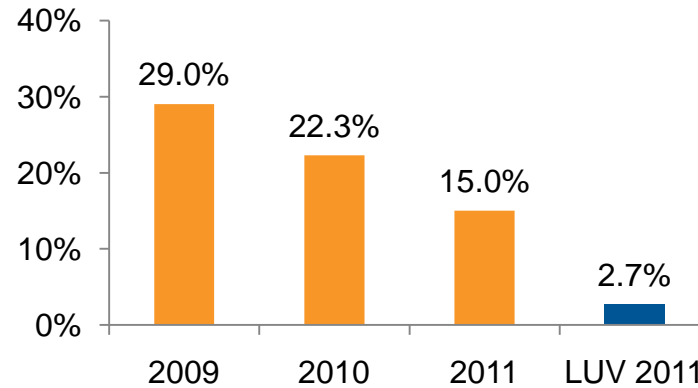
- Southwest/AirTran exiting markets
  - Jan 2012 – Asheville, Atlantic City, Moline,
  - Mar 2012 – Newport News
  - Jun 2012 – Knoxville, Bloomington IL, Charleston WV
  - Aug 2012 – Allentown, Lexington, Harrisburg, White Plains NY
- Allegiant entering markets
  - Q4 11 – Newport News, Asheville
  - Q1 12 – Moline
  - Q2 12 – Bloomington

# Credit metrics

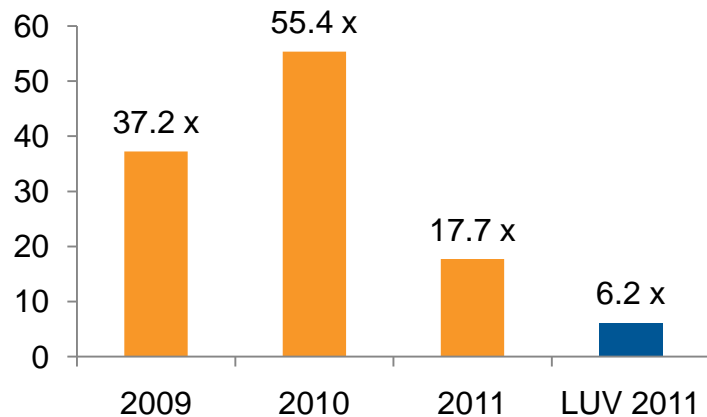
## Return on capital employed



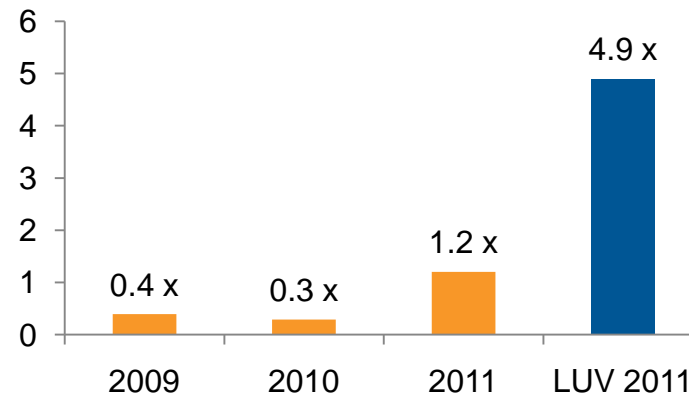
## Return on equity



## Interest coverage



## Debt / EBITDA



LUV = Southwest Airlines, based on published information

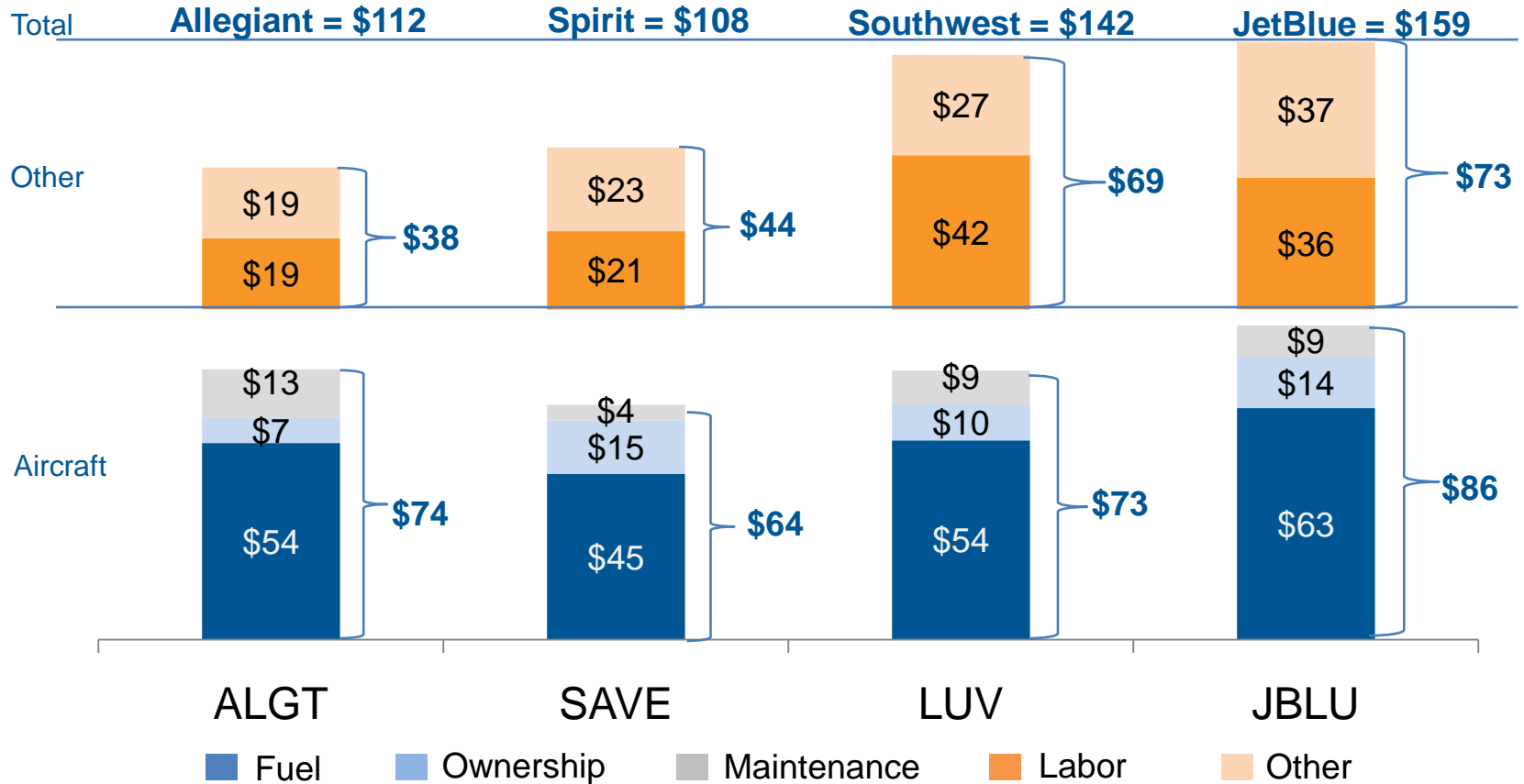
# Growth and pre-tax margin vs fuel

	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11	4Q 11
Qtr pre-tax margin	11%	3%	7%	23%	31%	25%	16%	13%	21%	17%	12%	13%	14%	9%	8%	10%



# Low cost drivers

## 2011 cost per passenger



Source: Company filings

Ownership includes depreciation & amortization + aircraft rent

Other excludes special items and one-time charges for other carriers

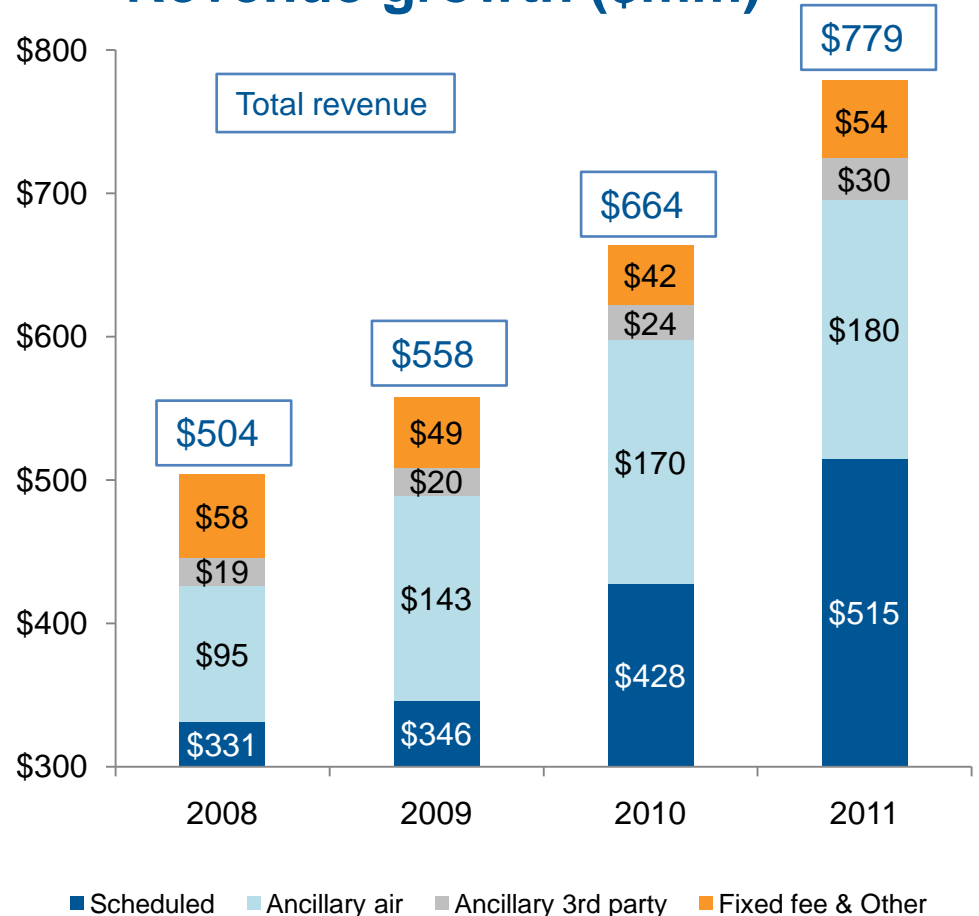




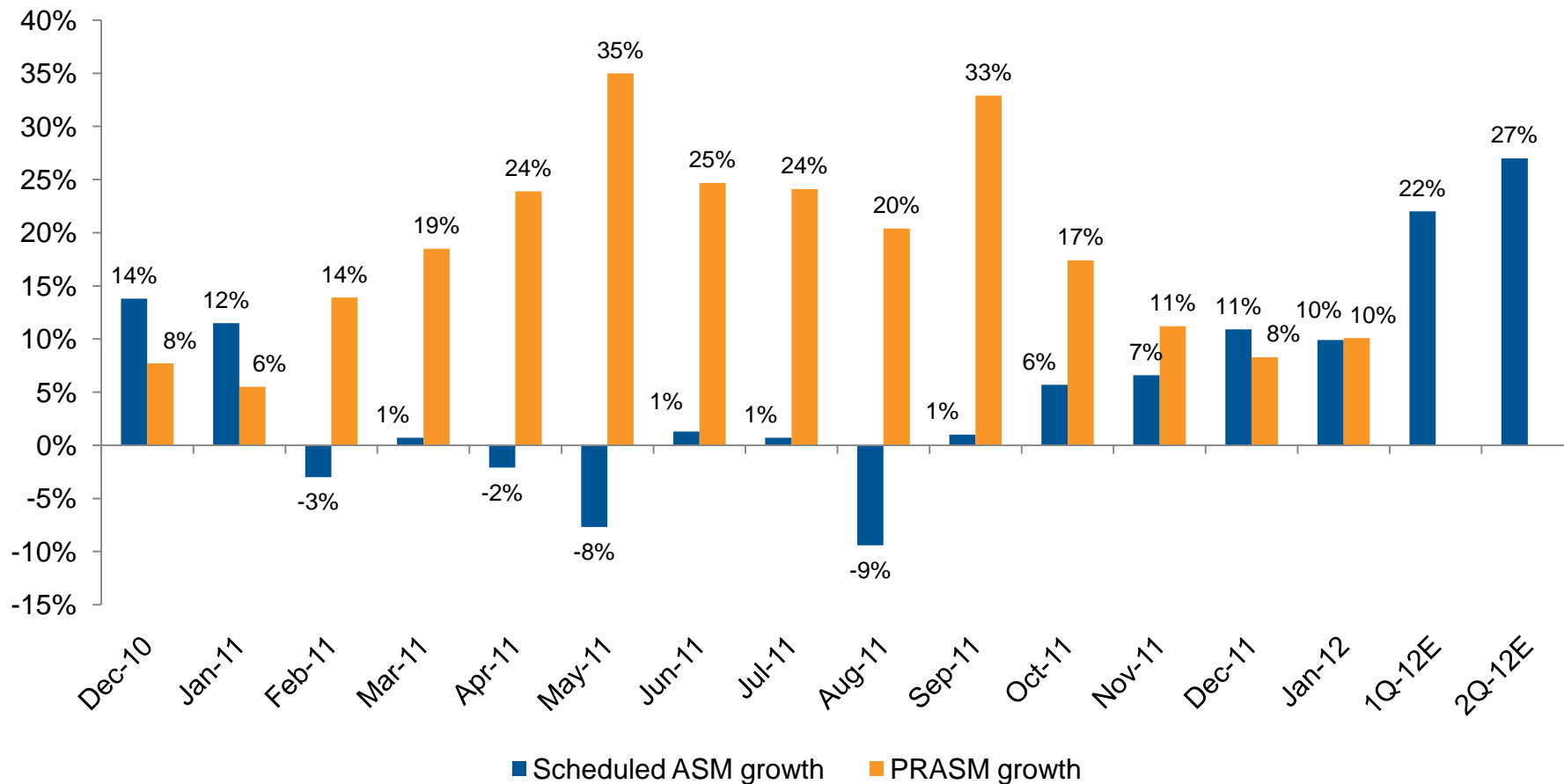
# Revenue model

- Scheduled service
  - Air fare from small cities to leisure destinations
- Ancillary – Air related charges
  - Unbundled air product
- Ancillary 3rd party products
  - Hotels, rental cars
- Fixed fee & Other
  - Charter flying
  - Lease revenue

## Revenue growth (\$mm)



# Unit revenue gains with growth



1Q-2012 & 2Q-2012 scheduled service ASM growth is midpoint of guided range  
 Jan 2012 PRASM is midpoint of guided range



# 166 seat project economics

## Revenue (actual 2011)

Average scheduled fare	\$89.15
Average ancillary fare	<u>\$36.35</u>
Total scheduled fare	\$125.51

## Assumptions

75% load factor (16 x .75)	12 pax
\$ per pax fuel (\$3.30 gal x 40 gal/dept)	\$11.00
\$ per pax non fuel (inflight, D&A, marketing, etc.)	<u>\$30.00</u>
Total marginal cost per pax	\$41.00
Departures/AC/year (2011 = 2.6 dept/AC/day)	945
# additional sched pax/AC/year	11,340