

*Will that be  
cash, credit or  
debit, Sir?*

*Can I use  
my Loyalty  
Card?*

## SkyMall Catalogue & GuestLogix Mobile Virtual Store™

Casey Christ, Vice President Airline Marketing, SkyMall

July 22, 2008



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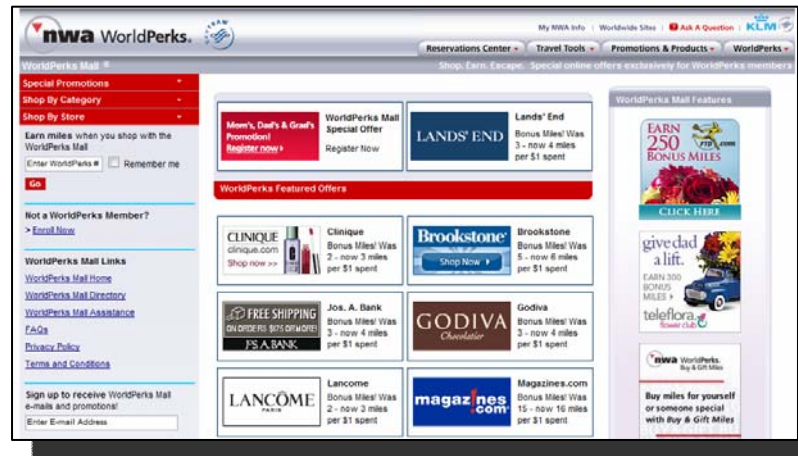
# SkyMall Overview

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- SkyMall is a specialty marketing firm and turn-key merchandise solution provider focused on the travel industry and operates three divisions:



SkyMall Catalogue Division



SkyMall Online Division



SkyMall Ventures Loyalty Division



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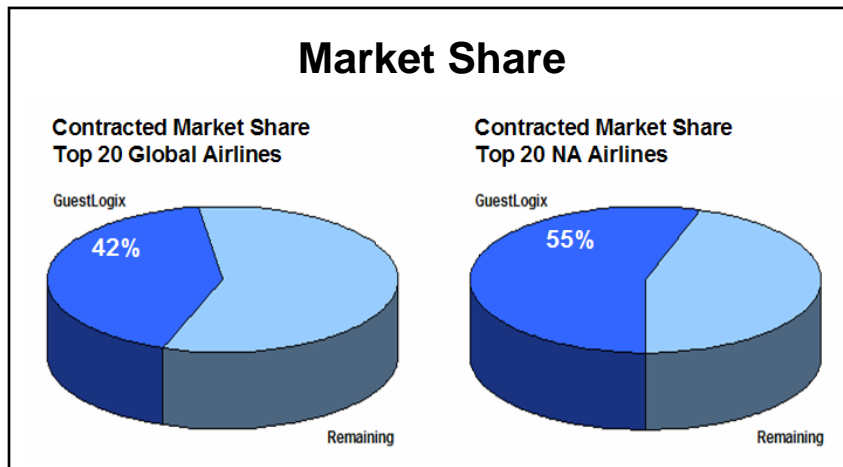
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# GuestLogix Overview

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- GuestLogix is an on-board retail technology and solutions provider to the passenger travel industry
  - Under contract to serve more than a half billion passenger trips annually with the world's leading airlines
  - Rapidly establishing on-board global merchandising channel with product and service partners



### Channel Partners

**LSG Sky Chefs**  
*Leading Provisionary to Airlines, Rail/Ferry Operators*

**Sky Mall**  
*Leading Catalogue Merchandiser to Airlines*

**TicketOps™**  
*Leading Attractions Ticket Distributor*



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# SkyMall Catalogue

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- 18 years of on-board shopping experience
- SkyMall reaches 88% of all passengers carried by U.S. airline passengers worldwide (plus Amtrak)
- Manage our own call center
- Customer satisfaction and price guarantees
- Virtual order transmittal and fulfillment
- Top selling products from hundreds of the top catalogs/retailers/manufacturers
- In-house creative/production resources
- SkyMall ships products to nearly every country in the world



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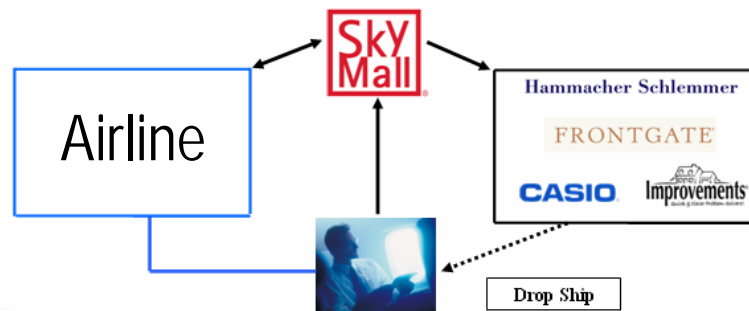
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# SkyMall Generates Significant Revenue for Airlines

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- Unique products are not widely available at retail
- Only top-sellers from other catalogues are included
- The catalog is uniquely “untargeted”
- Product diversity is engaging
- SkyMall customers “vote” with their wallets
- SkyMall is a seamless link among leading merchants, marketing partners, and customers



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# Airline Industry Experience with Catalogue Sales

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- Other catalogues in the seat pocket have not always been as successful
  - Targeted product categories are too narrow
  - The “80/20” rule of retailing results in wasted paper and catalogs
  - Catalogue companies lack expertise required for effective distribution
  - Expenses are too high due to lack of economies of scale
- Some airlines have implemented in-house catalogue programs
  - New, internal resources are necessary
  - Economies of scale are limited
  - Merchandising expertise is lacking
- Failed programs result in:
  - Customer service problems
  - Lost revenue for the airline



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# GuestLogix Mobile Virtual Store™

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- All-in-one proprietary software, handheld POS devices, Web hosting, wireless communications, and payment processing service
  - Become a smart retailer with pre-planning, merchandising and analytics
  - Simplify funds handling, tracking and reconciliation
  - Dramatically reduce charge backs, on-board fraud and shrinkage



Mobile POS



**End-to-End  
Solution**

**XML Integration  
with Operator's  
Back Office**



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# GuestLogix Mobile Virtual Store™

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- Use stand alone or integrate retailing with IFE seat back screens
- Print receipts, coupons and tickets
- Refund unfulfilled on-board services booked via airline Web site



## Universal Transaction Engine

Use any form of currency and complete transactions using credit cards, debit cards, loyalty points, coupons, gift cards, and more.



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## GuestLogix Unique Attributes

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- Become a retailer in as little as 8 weeks depending on your fleet size
- **No Capital Outlay** when airline commits to a minimum number of transactions
  - GuestLogix supplies and funds on-board devices, software services, hosting, secure transaction gateway and wireless communications
  - Just pay as you go on a per transaction basis
- GuestLogix uses common technology and secure data infrastructure for all customers to ensure lowest cost per transaction possible
- Reduce risk by choosing the most preferred on-board retail platform in the industry
- Improve customer loyalty through a highly innovative on-board retail service



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# SkyMall and GuestLogix Partnership

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- Provides on-board SkyMall catalogue purchasing to their clients globally
- Integrates technology and processes
- Leverages each individual firm's expertise
- Delivers immediate financial impact to airline's bottom line



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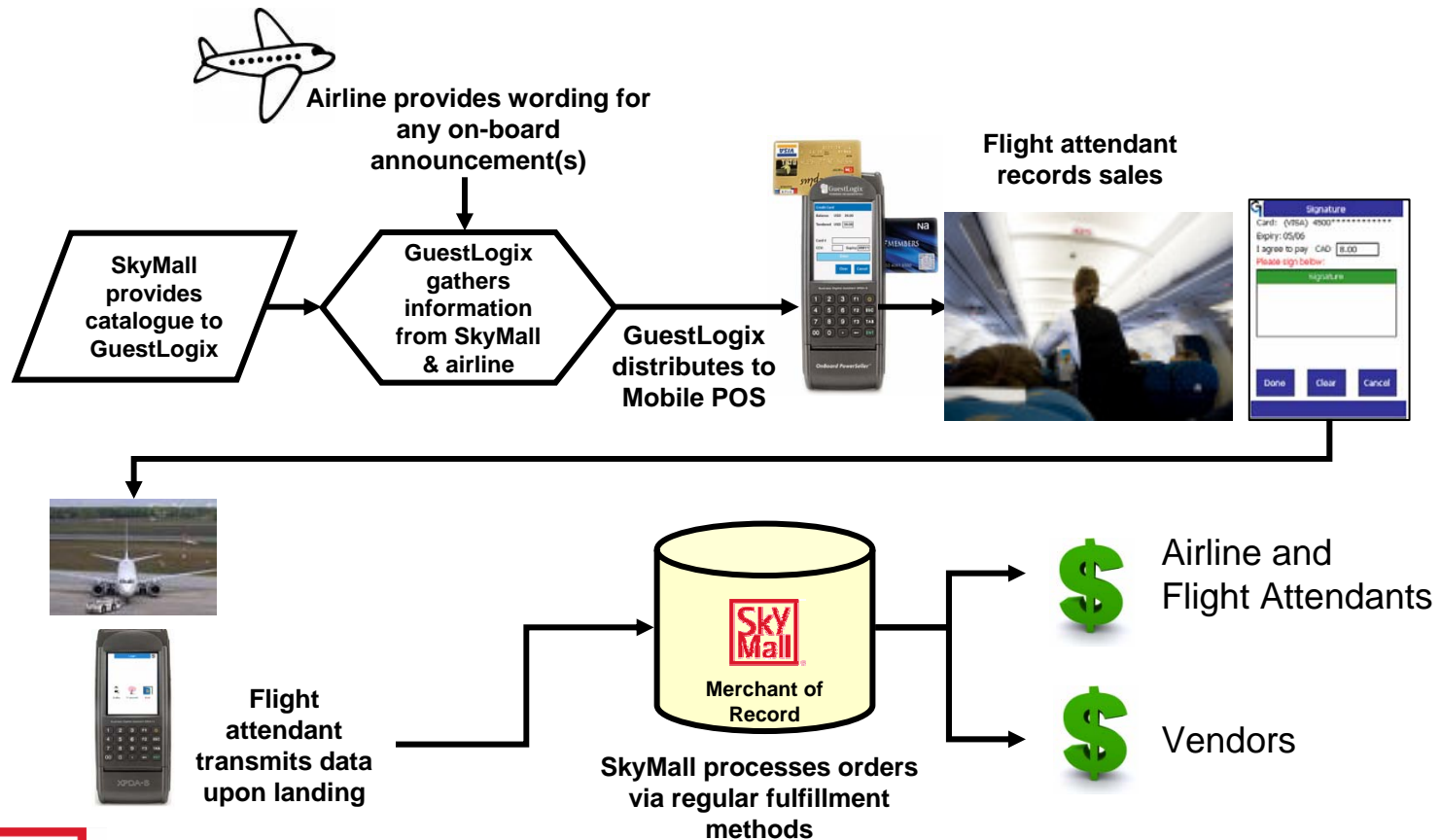


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# SkyMall Integration with GuestLogix

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## Immediate Benefits to Airlines and Crew

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- Shifts the point-of-sale for SkyMall purchases from post-flight to on-board during flight
- Able to capture the full 'impulse buy'
  - 73% of SkyMall customers make their buying decisions on the plane
- Because of this shift to purchase on-board, it increases the likelihood of closing the sale
- Flight attendants are compensated for their sales efforts
  - Mobile Virtual Store captures most information necessary for processing commissions
  - SkyMall can process and pay all crew payments



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# SkyMall Unique Attributes

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- Inventory-Free Business Model
  - Allows unparalleled access to products and brands
  - Avoids “stale” merchandise and capitalizes on “hot” merchandise trends
  - Second and third sourcing mitigates service issues
  - Ensures the latest models and “trendiest” products are offered
- Strong Direct Marketing (B-to-C) Ability
  - 18 years of understanding retail/marketplace trends
  - Ability to develop and execute marketing campaigns that drive consumer response
- Commitment to Client and Customer Service
  - “Shared” customers and strong client bonds
- SkyMall understands the airline industry
  - In travel retail business since 1990 and is a world leader in this sector



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# SkyMall Technology Infrastructure

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- SkyMall currently support over 400 merchant suppliers offering nearly 10,000 products
  - There is virtually no limit on the number of suppliers or products that can be supported
- Visibility into suppliers' inventory management ensures high-quality service to customers
- Stable and scalable systems through which more than one million products are shipped annually
- Ability to connect to point databases of loyalty partners for real-time debiting and crediting of customer points



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## Some 2006/2007 SkyMall Best Sellers

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Upside Down Tomato Garden  
**\$79.95**



Travel Pillow  
**\$29.95**



Charging Station  
**\$75.00**



LP-to-CD Recorder  
Stereo System  
**\$399.95**



8 ft. Royal Palm Tree  
**\$230 +**



World Traveler  
Map Set Framed  
**\$149.95**



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## Trivia

For a \$50 SkyMall Gift Card



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How many passengers did the  
SkyMall catalogue reach in 2007?



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How many passenger trips does  
GuestLogix serve annually?



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**Grow Your Ancillary Revenues. Work with Us!**

[www.skymall.com](http://www.skymall.com)  
[www.guestlogix.com](http://www.guestlogix.com)

