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Allegiant Travel Company Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Michael Linenberg – Merrill Lynch

Michael Linenberg – Merrill Lynch

When you were talking about the RASM guidance and I think everybody touched on RASM being up in the March quarter I think you said, you indicated that your stage length would be down, that you would have a lower stage length and I'm just looking at your departure growth versus your ASM growth and it looks like maybe that's not the case, but then maybe this is total and not scheduled so if you could just clarify on that?

Maurice Gallagher

If I recall my comments, we said our stage length will decline somewhat, 3% in the first quarter and certainly departures are going to be up.

Andrew Levy

I think that to clear it up, the guidance was total system, Maurice's comments were specific relating to scheduled service. So that is in fact how you explain the discrepancy there, or the perception of a discrepancy there. That's what's going on. There are two separate sets of numbers.

Michael Linenberg – Merrill Lynch

I think you may have touched on this about maybe the resilience of Florida and maybe we're starting to see a real distinction in your, call it your 100% discretionary leisure traveler, and the VFR travel, and I'm curious how that may break up across the regions with respect to booking curve and some of the travel decisions. Is it noticeable say Vegas versus a Florida or Phoenix, how is that, any color on that would be great.

Ponder Harrison

Just some general comments, we've been seeing this for some time and I think unfairly people view our entire route network is just 100% discretionary much like a packaged vacation to Vegas would be and as we've built our Florida bases, as we've built the Phoenix bases and again not to exclude kind of our mini base up in the Bellingham area as well, what we see is strong points of origin traffic at the VFR level for a number of these places.

In fact in certain quarters our Florida traffic can exceed 30% to 35%, Florida originating. Our price points for air only are so compelling that number one, its highly attractive for these particular customers. Secondly we serve points in small markets that there really is just no other way to get to so again, kind of the uncontested market theory at a very, very high value proposition we believe tends to somewhat outweigh some of the pure discretionary traffic considerations of the vacation.

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