



3rd Sirax User Conference

June 17 –18, 2008

Audit Services and Promotion Fare Simulation by
Lufthansa Revenue Services (LRS)

Agenda

Lufthansa Revenue Services (LRS) at a glance

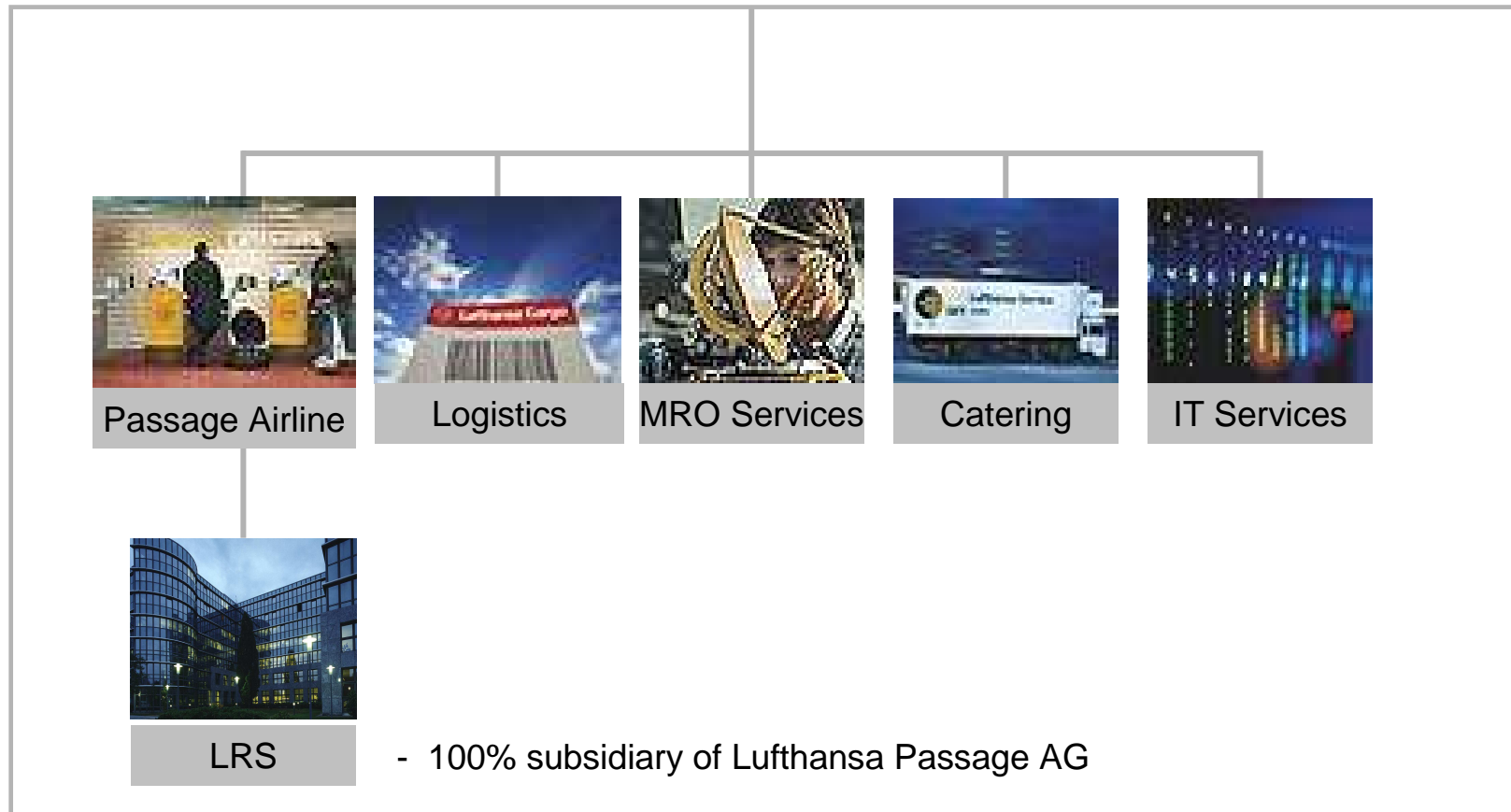
Products on Demand

Audit Process

Promotion Fare Simulation

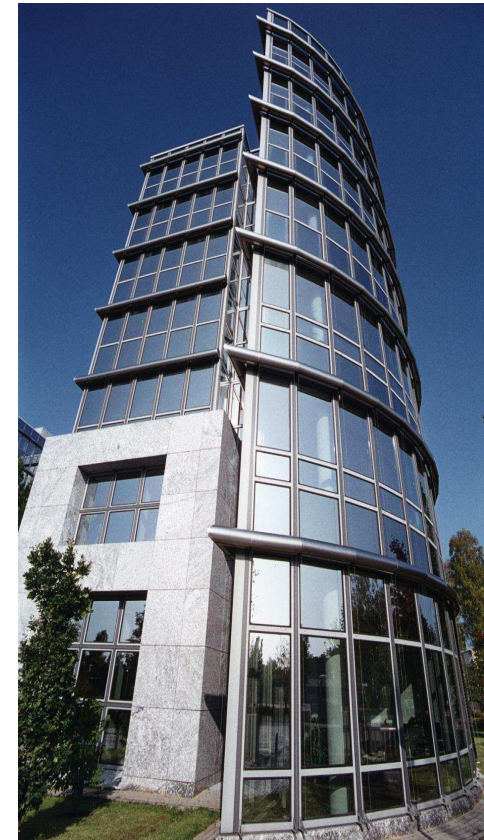
Specific Needs and Requirements

Lufthansa Revenue Services (LRS) position within Lufthansa Group



Lufthansa Revenue Services (LRS) at a glance

- + Headquarters in Norderstedt near Hamburg
- + 518 employees in Berlin and Norderstedt
- + 50 years Airline Revenue Accounting expertise
- + Development of SAP system Sirax 1998 – 2000 with Lufthansa Systems
- + Distribution partnership with Lufthansa Systems (responsible for the Sirax software distribution)
- + Offering entire portfolio of Revenue Accounting Services as full service or as partial processes



Agenda

Lufthansa Revenue Services (LRS) at a glance

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Specific Needs and Requirements

Products on Demand

Sales	Uplift	Interline	Accounting	Master Data	Consulting & Training
Sirax Competence Center	Process Uplift	FIM Service	Differences Service	Master Data Service	Consulting Service
Process Sales	Clarify Uplift Errors	Outgoing Invoice Service	Sirax Accounting Service		Training Service
Manual Sales Service	E-Ticket Helpdesk	Incoming Invoice Service			
Audit Fare - Tax - Commission					

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Lufthansa Revenue Services (LRS) at a glance

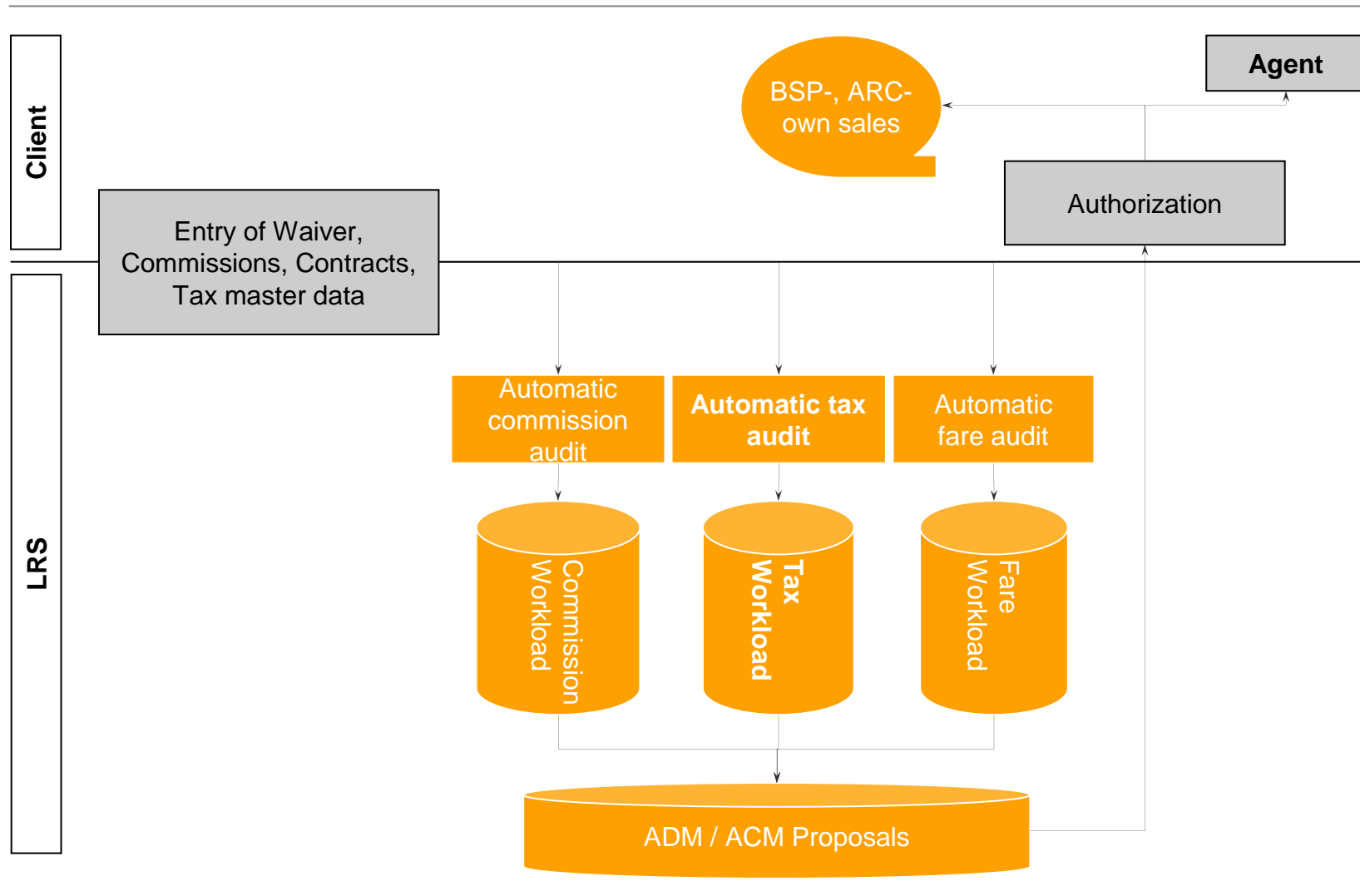
Products on Demand

Audit Process

Promotion Fare Simulation

Specific Needs and Requirements

Audit Process



Audit Process

- + Our audit service is based on comparing published fares, commission and tax with the figures issued by the agents. Are irregularities indicated an agent debit memo (ADM), or an agent credit memo (ACM) will be created. As a result ADM and ACM are made available for your approval and/or further processing.
- + Our audit service will be carried out by a state-of-the-art fare audit tool.
- + The process is fully automated. In addition a complete service, related to the creation of ADM/ACM is offered, to conclude this process together with the following options:

Audit Process

- + Check issued fare against fare information in AMADEUS, internal contract tool
- + Check automatically issued fare against pre-approved waiver which are authorized and entered by the responsible department automatically as agreed
- + Automatic commission audit as agreed
- + Automatic tax audit as agreed
- + Any irregularities will be flagged and a manual fare audit will done automatically
- + Manual fare, tax and commission audit as agreed

ADM/ACM Process

- + Generates ADM/ACM proposals for BSP/ARC agents and non BSP agents
- + If the proposals have to be authorized by the responsible department, the proposal could be realized, written off or rejected
- + Dispatches ADM/ACM automatically via BSP link for BSP agents
- + Prints and dispatches ADM/ACM for non BSP agents at the expense of the responsible sales department
- + Same procedure for chapter 11 agents but instead of issuing ADM/ACM, invoices will be issued
- + Clarification of agents disputes

Key Benefits of Fare, Tax and Commission Audit

The Audit Process

- + generates additional income for the client
- + avoids fraud potential and
- + allows flexible reports and statistics

Adapted Tax Master Data Service

Our Tax Module considers three different types of taxes:

- + Carrier taxes
- + Sector taxes
- + Journey taxes

- + *Top Premium Daily Subscription* from the IATA is a prerequisite for the service
- + LRS receives taxes from IATA and ATPCO and upgrades them for further processing in Sirax
- + LRS generates every workday a file with the relevant tax master data and delivers it via FTP to the clients' FTP addresses
- + The data can be delivered as often as required.

Adapted Tax Master Data for Sirax Customers

Basic Service Description:

- + IATA is the source and provider of the tax information
RATD – Revenue Accounting Tax Data Base,
TTBS – Ticket Tax Box Service
- + Integration of free flow tax description in Sirax
- + Comprehensive YQ/YR specification per airline could be added
- + Consistency with the Sirax customer as coded and distributed centrally (IATA/LRS)
- + Distinction between sales and interline tax
- + Consideration of validity periods by historisation
- + A structured data file will be distributed to the customer as required

Key Benefits of Master Data Service

- + All published tax rules are integrated to ensure high quality
- + Integrated use in different Revenue Accounting processes such as Interline, Sales, Business Intelligence, etc.
- + Revenue protection due to strong Sirax tax audit
- + Cost saving by reducing administrative and operative work

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Promotion Fare Simulation

Specific Needs and Requirements

Promotion Fare Simulation

- + The new module to simulate promotion fares was developed to respond quickly and flexibly to market price changes and to offer competitive fares to the passengers.
- + For price simulation, the module uses all relevant taxes.



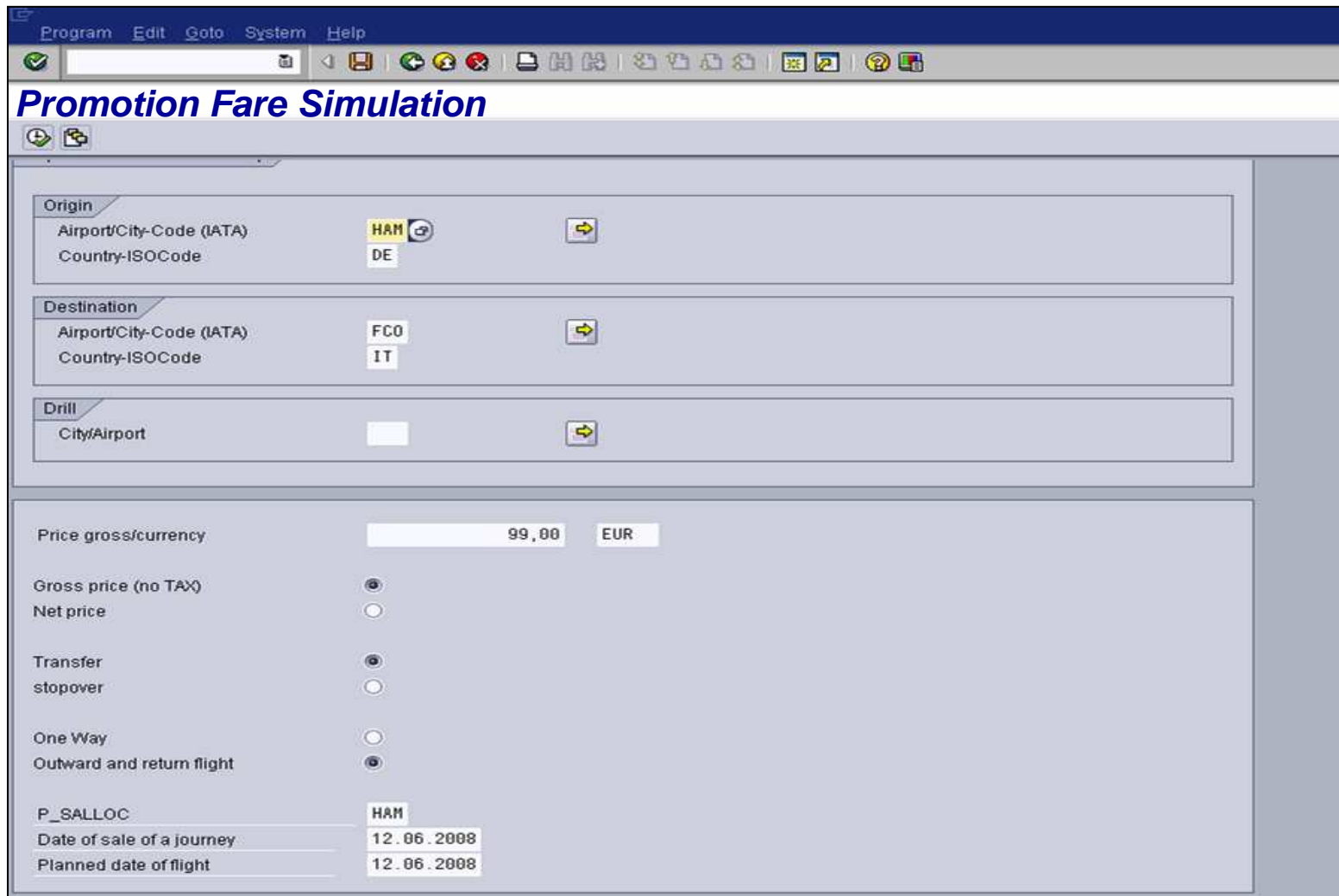
Promotion Fare Simulation

+ **Following simulations are possible:**

- + What is the tax proportion on a net ticket price?
- + How many taxes are applicable in case of a gross ticket price?
- + What is the tax proportion if specific stopovers or transfers are included in the routing?
- + How does the tax proportion change, if the basis is a fixed issuing or flight date?
- + ***Please note:* For agent sales the ticket value will be calculated without considering the agent's commission.**



Promotion Fare Simulation



Program Edit Goto System Help

Promotion Fare Simulation

Origin

Airport/City-Code (IATA) **HAM**

Country-ISOCode **DE**

Destination

Airport/City-Code (IATA) **FCO**

Country-ISOCode **IT**

Drill

City/Airport

Price gross/currency **99,00** **EUR**

Gross price (no TAX)

Net price

Transfer stopover

One Way

Outward and return flight

P_SALLOC **HAM**

Date of sale of a journey **12.06.2008**

Planned date of flight **12.06.2008**

Promotion Fare Simulation – Screen Explanation

- + The selection screen is divided into two areas:
 - 1st area: Airports and countries
 - 2nd area: journey type and fare

The screenshot shows a software window titled 'LX724 / Tax-Modul upgrading for FRA EY'. The interface is divided into two main sections:

1st area: This section contains three sub-sections:

- Origin:** Airport/City-Code (ATA) is 'HAM', Country-ISOCode is 'DE'.
- Destination:** Airport/City-Code (ATA) is 'FCO', Country-ISOCode is 'IT'.
- Drill:** City/Airport is empty.

2nd area: This section contains several fields and options:

- Price gross/currency:** 99,00 EUR
- Gross price (no TAX):** Selected with a radio button.
- Net price:** Unselected with a radio button.
- Transfer stopover:** Selected with a radio button.
- One Way:** Unselected with a radio button.
- Outward and return flight:** Selected with a radio button.
- P_SALLOC:** HAM
- Date of sale of a journey:** 12.06.2008
- Planned date of flight:** 12.06.2008

- + 3-letter airport codes (no city codes) are mandatory, otherwise wrong taxes are evaluated
- + Option: enter just one airport of origin and destination or a range. The same applies to countries.
- + If the journey includes a transfer or stopover point – entry is necessary

Fare/ currency: in both fields the fare and currency of the journey needs to be entered

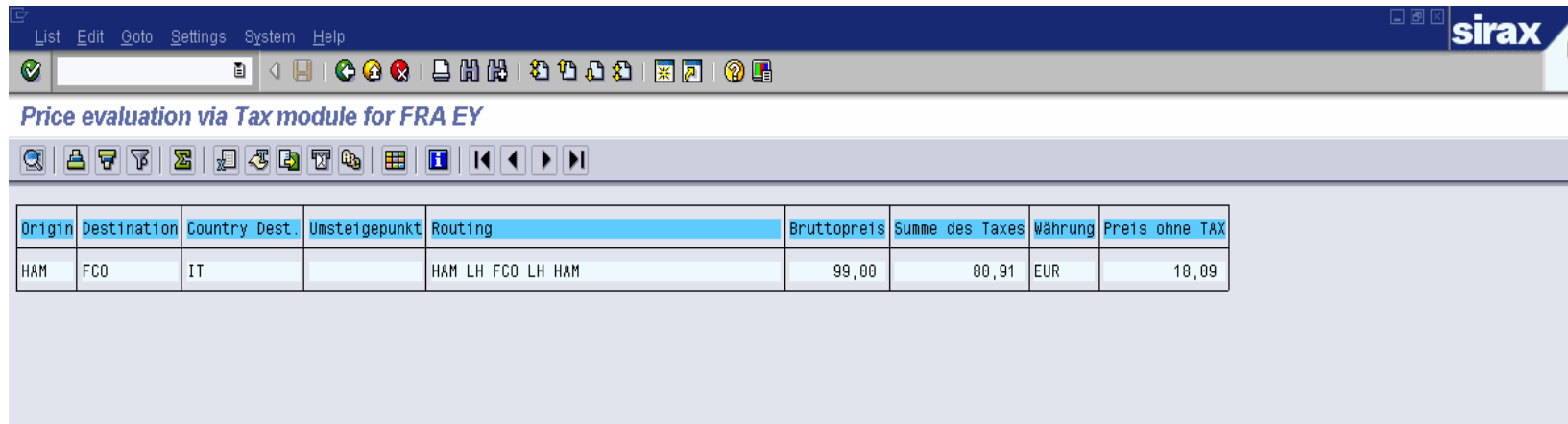
Gross/Net – if the fare includes taxes, then net price needs to be marked (radio button) if the entered price is w/o tax, mark gross

with this selection you decide if it is a transfer or stopover point

One Way/Outbound and return – with this possibility you can decide what kind of journey it should be

Sales location and date of a journey and planned flight date – it is important to enter the correct date, otherwise differences on tax values occur

Promotion Fare Simulation – result of selected criteria



The screenshot displays the Sirax software interface. At the top, there is a menu bar with options: List, Edit, Goto, Settings, System, Help. Below the menu bar is a toolbar with various icons. The main window title is "Price evaluation via Tax module for FRA EY". Below the title bar is another toolbar with icons for search, print, filter, and navigation. The main content area contains a table with the following data:

Origin	Destination	Country Dest.	Umsteigepunkt	Routing	Bruttopreis	Summe des Taxes	Währung	Preis ohne TAX
HAM	FCO	IT		HAM LH FCO LH HAM	99,00	80,91	EUR	18,09

Promotion Fare Simulation – result of selected criteria

Result of the selected criteria:

The table could be downloaded in Excel or as Pivot table (normal SAP functionalities) for further processing.

Origin	Destination	Country Dest.	Umsteigepunkt	Routing	Bruttopreis	Summe des Taxes	Währung	Preis ohne TAX
HAM	FCO	IT		HAM LH FCO LH HAM	99,00	80,91	EUR	18,09

Labels and their corresponding table cells:

- Selected origin/destination: Origin (HAM)
- Country of destination: Destination (FCO)
- Transfer/stopover: Country Dest. (IT)
- Routing: Routing (HAM LH FCO LH HAM)
- Gross fare: Bruttopreis (99,00)
- Tax sum: Summe des Taxes (80,91)
- Currency: Währung (EUR)
- Fare w/o Tax (net): Preis ohne TAX (18,09)

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Specific Needs and Requirements

Specific Needs and Requirements

- + Could that tool be of interest to you or any relevant departments?
- + Would it be helpful if the tax sum were split into tax code levels?
- + Are there any other ideas for improvements?

Who to contact at LRS?

Thank you for your Attention!

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