



Air India concludes first phase of transformation program – Vihaan.AI

Launches growth phase of Take Off

New Delhi, April 6, 2023 – Air India, India's leading airline and a Star Alliance member, has reached the conclusion of the first phase of Vihaan.AI, its comprehensive 5-year transformation plan. This first phase called **Taxi**, was focussed on addressing legacy issues of the airline at scale and laying the foundation for future growth. The conclusion of the first phase also marks the beginning of **Take Off**, the second phase of transformation which is focused on developing the platforms, processes and systems needed to build toward excellence.

Commenting on the conclusion of the Taxi phase, **Mr. Campbell Wilson, CEO & MD, Air India** said, "The first six months of our transformation journey has engaged and united Air Indians behind a common cause, and made great strides in tackling many issues that had built up over the years. During this Taxi phase, we have also come a long way in establishing foundations for growth. Our record-setting aircraft order, the commitment of \$400 million to completely refurbish existing aircraft, the investment of \$200 million in new IT, and the recruitment of literally thousands of staff are but a few of the significant investments being made to restore Air India to the upper echelons of global aviation. As we move into our Take Off phase, we will start seeing these investments bear fruit. All Air Indians are very grateful to partners and supporters as we continue this journey."

Some of the significant achievements during the Taxi phase include:

Customer:

- Committed over USD 400 million for aircraft refurbishments
- Revamped menus on international and domestic routes
- Launched Premium Economy seats for the first time ever on select long-haul flights
- Insourced some of the critical customer service functions and initiated revamp of customer notification system for all touchpoints.
- More than 1 million legacy refund cases settled between February - December 2022
- Implemented multiple customer compensation policies to aid service recovery
- Launched RFP for new customer contact centre
- Recruited, with AISATS, hundreds of additional airport staff to improve customer experience

People:

- Rolled out new organization structure and revamped roles across levels with a conscious effort to address the disparities between permanent and full-term contract employees
- Rolled out over 29 new policies across employees to improve welfare
- Designed new remuneration programs for legacy staff
- Introduced 2 new training programs, Saksham and ACE, to upskill staff and improve service
- Onboarded more than 3800+ employees across crew and other functions to support capability and growth

Growth & Commercial Excellence:

- Signed the industry's largest-ever order for 470 aircraft

- Expedited fleet expansion with 36 leased aircraft, including 11 widebodies, being delivered in 2022-23
- Restored to service, or decommissioned pending sale, all long grounded aircraft
- Added 6 new international routes while increasing the frequency on another 24
- Attained highest ever single-day passenger revenue, highest ever cargo revenue, highest ever ancillary revenue, and highest ever load factor
- RASK (revenue per available seat kilometre) improved by 17% over a period of a year

Digital:

- US \$200 million being invested in upgrading IT systems including implementing Salesforce for CRM integration and upgradation of SAP ERP system from obsolete mainframe to the cloud, upgradation of the website, employee self-service systems, learning management systems, safety management system, world-class rostering, and day-of-ops systems as also introducing iPads across the fleet to better empower crew and improve processes.

Operations:

- Most improved domestic On-Time Performance (OTP) across the sector in the last one year with a consistent top 3 ranking
- Comprehensive spares and support agreements reached to improve worldwide reliability
- Performance Improvement Programme underway with Boeing to improve 787 reliability
- In-flight Entertainment (IFE) systems have been restored to working order on nearly all first and business-class seats, with economy seats being up to nearly 90%.
- Engineering function completely rebuilt, with new people and systems.
- World-class flight safety expertise and systems on boarded
- First airline in the world to successfully undertake the risk-based IATA Operational Safety Audit.

Influence & Responsibility:

- Signed MoU with CSIR – Indian Institute of Petroleum for adoption of Sustainable Aviation Fuels (SAF)
- Re-engaged with the global aviation industry relationships including joining industry associations like AAPA and FIA
- Reactivated more than 10 codeshare agreements and in active alliance discussions with other airlines
- Actively engaged with Star Alliance, IATA, Flight Safety Foundation
- Adopted 'Go Green, Go Paperless' initiative including adoption of e-signature

The conclusion of the Taxi phase also marks the beginning of Vihaan.AI's Take Off chapter. Take Off is focussed on building the right platforms and progress faster based on the momentum that has been established. This phase will also witness the consolidation of the group airlines AirAsia India and Air India Express. The LCC entity has successfully merged their core reservations platform, websites, and customer-facing systems. Vistara will also be merged with Air India following the grant of regulatory approval. The development of a world-class training academy will also take shape as also the future direction and configuration of the airline's line and base maintenance.



Vihaan.AI, which in Sanskrit signifies the dawn of a new era, has a detailed roadmap for Air India with clear milestones focussing on dramatically growing both its network and fleet, developing a completely revamped customer proposition, improving reliability and on-time performance, and taking a leadership position in technology, sustainability, and innovation, while aggressively investing behind the best industry talent. The plan is aimed at putting Air India on a path to sustained growth, profitability, and market leadership.

About Air India:

Founded by the legendary JRD Tata, Air India pioneered India's aviation sector. Since its first flight on October 15, 1932, Air India has an extensive domestic network and has spread its wings beyond to become a major international airline with a network across USA, Canada, UK, Europe, Far-East, South-East Asia, Australia and the Gulf. Air India is a member of Star Alliance, the largest global airline consortium. After 69 years as a Government-owned enterprise, Air India and Air India Express were welcomed back into the Tata group in January 2022. The present management at Air India is driving the five year transformation roadmap under the aegis of Vihaan.AI to establish itself as a world-class global airline with an Indian heart.

About the Tata Group:

Founded by Jamsetji Tata in 1868, the Tata group is a global enterprise, headquartered in India, comprising 30 companies across ten verticals. The group operates in more than 100 countries across six continents, with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'.

Tata Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation, and art and culture. In 2020-21, the revenue of Tata companies, taken together, was \$103 billion (INR 7.7 trillion). These companies collectively employ over 800,000 people. Each Tata company or enterprise operates independently under the guidance and supervision of its own board of directors. There are 29 publicly-listed Tata enterprises with a combined market capitalisation of \$314 billion (INR 23.4 trillion) as on December 31, 2021. Companies include Tata Consultancy Services, Tata Motors, Tata Steel, Tata Chemicals, Tata Consumer Products, Titan, Tata Capital, Tata Power, Tata Communications, Indian Hotels, Tata Digital and Tata Electronics.

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