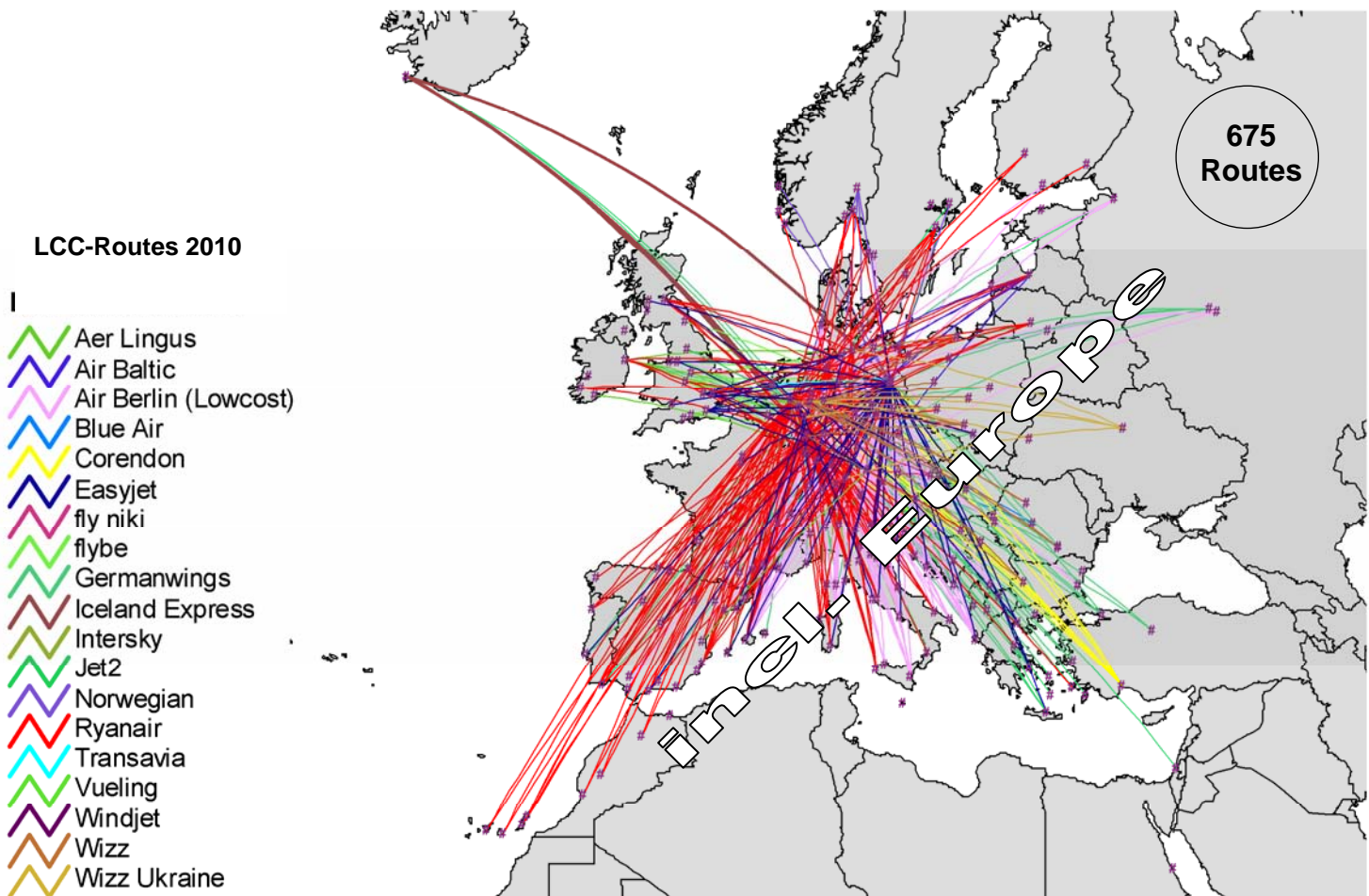


Low Cost Monitor 2/2010

- A joint Analysis of DLR and ADV -



**The current Low Cost Carrier Market in Germany
Autumn 2010**

The current Low Cost Carrier Market in Germany (2010)

Since several years the Low Cost Carrier (LCC) market is a substantial part of the German air transport market. The Low Cost Monitor, jointly published by ADV and DLR, twice a year informs on LCC's essential features and current developments in this market segment, particularly as to the number and relative importance of low cost carriers, their offers including the air fare, and the passenger demand. The offers reflected by the current Monitor are based on one reference week of the summer flight schedule 2010. The passenger traffic indicated relates to the first three quarters of 2010.

Airlines

→ The airlines involved in the Low Cost business design their offers quite differently. Due to this inhomogeneity only a few distinctive criteria can be defined for the Low Cost market segment, such as low fares, across-the-board availability and direct sale via the internet. Thus, in some cases a certain scope of discretion arises when allocating an airline to an LCC-segment. Furthermore, for several airlines amalgamations of business models are seen, which additionally complicate the accurate allocation of airlines to the Low Cost Market. In this Monitor issue the authors currently identify 19 airlines (of all airlines operating on German airports), providing LCC service. These are in detail (see also table 1):

Aer Lingus (EI) (www.aerlingus.com), Fleet: 35 Airplanes (A320: 29, A321: 6)
Air Baltic (BT) (www.airbaltic.com), Fleet: 32 Airplanes (B737: 17, F50/70: 12, D8: 3)
Air Berlin (AB) (www.airberlin.com), Fleet: 117 Airplanes (A319/20/21: 53, B737: 64)
Blue Air (0B) (www.blueair-web.com), Fleet: 13 Airplanes (B737: 10, S: 3)
Corendon (CAI) (www.corendon.com), Fleet: 7 Airplanes (B737: 7)
Easyjet (U2) (www.easyjet.com), Fleet: 178 Airplanes (A319: 141, A320: 25, A321: 4; B737: 8)
Flybe (BE) (www.flybe.com), Fleet: 69 Airplanes (D8: 55, E: 14)
Germanwings (4U) (www.germanwings.com), Fleet: 32 Airplanes (A319: 30, B737: 2)
Iceland Express (5W) (www.icelandexpress.com), Fleet: 5 Airplanes (B737: 3, B757: 2)
Intersky (3L) (www.intersky.biz), Fleet: 5 Airplanes (D8: 4, ATR:1)
Jet 2 (LS) (www.jet2.com), Fleet: 27 Airplanes (B737-300: 17, B757-200: 10)
Niki (HG) (www.flyniki.com), Fleet: 17 Airplanes (A319: 2, A320: 9 A321: 2, E:4)
Norwegian (DY) (www.norwegian.no), Fleet: 53 Airplanes (B737: 53)
Ryanair (FR) (www.ryanair.com), Fleet: 250 Airplanes (B737: 250)
Transavia (HV) (www.transavia.com), Fleet: 31 Airplanes (B737: 31)
Vueling (VY) (www.vueling.com), Fleet: 37 Airplanes (A320: 37)
Windjet (IV) (www.windjet.it), Fleet: 12 Airplanes (A319: 5, A320: 7)
Wizz (W6) (www.wizzair.com), Fleet: 29 Airplanes (A320: 29)
Wizz Ukraine (WU) (www.wizzair.com), Fleet: 2 Airplanes (A320:2)

(A: Airbus, B: Boeing, C: Canadair, D: Dash, E: Embraer, F: Fokker, MD: B/McDonnell, S: Saab)

In total the number of Low Cost Carriers operating in the German market is stagnating as opposed to last year. In comparison with last autumn Clickair, who merged with the Spanish budget airline Vueling, have left the German market, but they re-start under their name. TUIfly have quitted their Low Cost segment and transferred their city links to Air Berlin, who thus have been able to considerably increase their market share. The airline Myair have lost their operating license in summer 2009. Flights performed by Condor or the former LTU have not been considered in this analysis since they indeed supply low cost flight service, but a clear allocation to the Low Cost Sector seems to be difficult as only selected flights are directly and at low fares bookable. This contradicts the actual Low Cost Carrier concept where the majority of flights or at least a large number of seats are bookable online and are available at a low fare and of pricing according to the booking period, respectively the day of travel. In a broad sense, also Lufthansa flights of the „Better-Fly“-segment have to be considered, but also here no distinct allocation can be made. The airline Air Berlin can be allocated to a gray zone, where several business models are applied. For this former charter airline, who already at an early stage have been involved in the Low Cost market by operation of the „City Shuttle“, the identification of Low Cost routes has become more difficult due to the takeover of DBA, Gexx and LTU as well as the cooperation with the air transport company Walther (LGW). Thus, only the present Low Cost routes served by these airlines as well as the corresponding ones are considered, however, flights to typical holiday destinations like North Africa are excluded. Air Berlin newly offer those city links, which have been taken over by TUIfly. Moreover, in this autumn like already before the economic crises Corendon serve flights departing from Germany.

For most airlines the fleet size has remained rather constant. Only Ryanair have considerably increased their fleet by 44 airplanes as opposed to the last year. Thus Ryanair hold 250 airplanes type Boeing 737-800 and 190 seats each.

- **Carrier Ranking** (s. Table 1): Measured on the number of flights offered (departures) during one week in July 2010, the Air Berlin Low Cost segment is by far the major one in Germany (2,600 departures) after the takeover of the TUIfly city links ; compared with summer of the preceding year, when barely 2,100 departures have been performed, this is a decrease by almost 23%. In addition to the roundly 500 flights performed by TUIfly, both companies achieved approximately 2,650 flights, thus the total number has slightly reduced due to the takeover of flights. Whereas during the last year until 2008 high yearly growth rates were seen in the Low Cost sector, in summer 2008 a change became obvious when growth rates severely dropped and this trend also continued until summer 2009. After another consolidation phase since beginning of this year most companies again report positive growth rates – a current trend which is also continuing in summer. According to the ranking Germanwings (1,037 flights) and Ryanair (832 flights) follow. Here, the expansion strategy followed by Ryanair continues – during the entire crisis they have been able to continuously increase the number of flights served – whereas almost all other major Low Cost Carriers have reduced their service during this period. Also Easyjet have again considerably extended their service after a time of strong reduction, which is due to the extension of service in Munich and Hamburg and the new flight service departing from Duesseldorf. On places 5 and 6 range Intersky and the British company Flybe. Whereas Intersky have increased frequency on the existing routes, Flybe have achieved only moderate growth. The number of flights performed by all other Low Cost Carriers distinctly is lower than 100 flights per week.
- **LCC Market Shares** (s. Figure 1): Six of the 19 major Low Cost Carriers currently cover roundly 94% of the German market. Just Air Berlin cover roundly 48% of all flights. In the market share ranking list they are followed by Germanwings (19%), Ryanair (15%) and Easyjet (7%). In total this is a considerable increase of market shares for Air Berlin (7%) due to the TUIfly city link takeover.

Transport Services

- **Routes** (s. Tables 1 und 2 as well as figure 2): In total, the Low Cost airlines considered covered 679 different domestic and cross-border routes during one week in July 2010. These are almost 50 routes more than in autumn 2009, which equals a growth of more than 7%. Thus, after abandoning routes and stagnation in last year an extension tendency is seen again for routes, even the level of 2008 has been exceeded. Also the number of flights has increased by 6% and thus has exceeded the levels of 2008 and 2009. Whereas since the emerge of the Low Cost market roundly 8 years ago in the first 6 years almost 100 routes have been added yearly, in summer 2008 a crisis of the global economy and air transport has become obvious when only about 50 routes were newly covered by Low Cost Carriers. In spring 2009 for the first time a drop as opposed to the reference period was seen. In summer 2009 a positive route growth became obvious which has continued in spring of this year and by more than 7% has reached a new peak in summer 2010. Thus the financial and economic crisis, which some companies have survived better than others, seems to have ended. Whereas some smaller companies have left the market, Ryanair have extended their network of routes in summer 2008 (112 routes), in summer 2009 (150 routes) and summer 2010 (174 routes) by additional 62 routes. The airports Niederrhein, Berlin-Schoenefeld, Bremen and Memmingen are particularly involved in this development, since Ryanair have primarily extended their network by means of these airports. However, the flight service from Zweibruecken to London-Stansted was ceased. Air Berlin have been able to considerably extend their service in Cologne and Stuttgart due to the takeover of the TUIfly routes. Germanwings too have been able to extend their network of routes covered and thus even exceed the values achieved in 2008 (before the crisis), which meanwhile have dropped considerably. For domestic flight routes the double counting (outward MUC-DUS and return DUS-MUC) should be taken into account. Also Easyjet extend their network of routes by almost 20% and thus arrive at the values of 2008.
- After Air Berlin, TUIfly, Germanwings and Ryanair had already started to serve domestic flight routes in the last years, additional domestic routes such as Memmingen-Bremen have been newly added to the network. However, due to TUIfly retiring from the Low Cost business, various domestic routes such as Memmingen-Cologne have been dropped again. No particular service emphasis was seen in the last years, however a further extension of the network to East Europe can be noted.
- As opposed to last summer Ryanair have newly added the airport Memmingen to their network and have left the airport Zweibruecken, where due to its neighbourhood to Hahn airport only flights to London had been served. In Europe some destinations in central and East European countries have been newly added to the networks, but also the borders to Near East and North Africa are

increasingly crossed. As usual, during summer the typical warm water regions such as Spain and Italy are served more frequently whereas winter sport countries like Austria are less frequented.

- **Competition:** Direct competition between Low Cost Carriers is further decreasing, only on 34 (5%) of the total 675 routes served two carriers are competing. There is only one route served by more than 2 carriers. 640 routes and thus the majority are served by one single company.
- **Flights** (s. Table 1): In total more than 5,400 flights have been performed by Low Cost Carriers in one week in July 2010, 300 flights more than one year ago. Thus, the number of flights performed has increased by roundly 6%, likewise the number of seats, which has also increased by almost 6%, whereas the number of routes even has been extended by 7%. Consequently, the network has been slightly extended while the frequency has been increased more.
- **Seats** (s. Table 1): For 5,424 flights on average 154 seats have been made available per flight, a similar figure like in the preceding year. It is revealed that for Low Cost Carriers a typical average aircraft scale providing more than 150 seats has been established. Thus these seat capacity features continue ranging distinctly above the one of the European scheduled airlines. When looking at the fleet composition of the individual companies the tendency of increasingly giving up smaller scale aircrafts becomes obvious. Preferred air planes are Airbus 319/320 and Boeing 737. Only a few airlines such as Intersky and Flybe hold smaller scale propeller-driven planes in their fleet.
- **Countries of Destination** (s. Table 2): The big market share of domestic flight traffic is reflected by the country of destination ranking: Roundly 40% of all Low Cost Carrier departures from German airports are covered by this market, which represents only about 20% of all routes – 120 routes corresponding to 60 flight pairs. In comparison with the summer flight schedule 2009 the number of domestic flight routes covered has remained rather constant. During the summer months Spain and Great Britain range on the second and third place of the ranking list (roundly 730 resp. 510 flights). Italy ranks ahead of Austria and Switzerland on the fourth place. Then on places 7 to 9 France, Greece and Poland (offering 5 new routes) follow; ahead of Sweden and Ireland where service is stagnating respectively decreasing. Only behind the places held by Great Britain and Ireland decreasing Low Cost Carrier service is seen, whereas almost all other countries show double-digit growth rates. This is among others due to administrative reasons such as a more rigid charging policy, since both countries have implemented an air traffic tax respectively have raised it drastically. Consequently, several airlines have reduced their service in these markets. In total Low Cost Carriers residing in Germany serve destinations in 33 countries. As opposed to the preceding year Israel is a newcomer. Macedonia and Slovakia are not served anymore.
- **Airports** (s. Fig. 3): The most frequented German airport – Frankfurt/Main - continues playing a minor role in the Low Cost segment, due to its distinct hub function in traditional scheduled airline traffic and the already high utilisation of airport capacity. Thus, only 150 flights or roundly 3.4% have been performed there as Low Cost flights mainly by Air Berlin and flybe. Cologne/Bonn is still number one of airports serving Low Cost flights although it shows a roundly 5% lower traffic value than in the preceding year (646 departures which correspond to 64% of the flight traffic). The airport Berlin-Tegel, where the Low Cost share has continued to increase in the preceding year, follows with an LC share of about 40% and 585 departures. Low Cost Carrier traffic has considerably increased at Friedrichshafen airport, where LCC service has been extended from 77 flights in last summer to currently 121 flights (50%). Growth is also reported by the airports Bremen, Karlsruhe/Baden-Baden and Niederrhein. Distinctly decreasing is Low Cost traffic at Hahn and Luebeck airport. There, the number of Low Cost flights dropped by more than 20%. This is a severe loss for airports featuring a high number of LCC flights. The airports Niederrhein, Luebeck, Altenburg, Dortmund, Memmingen, Karlsruhe/Baden-Baden are almost exclusively served by Low Cost Carriers (90%). Likewise, but to a somewhat smaller extent, the airport Berlin-Schoenefeld.

Air Fares

- **Average Fares** The air fares offered by the major Low Cost Carriers in Germany, vary considerably related to destination and booking period. The prices quoted by the carriers are often net prices, which normally do not include any fees, taxes or other charges and thus are not meaningful. In order to allow for statements on final prices, the prices for LCC flights on 70 selected routes – this corresponds to a representative random sample of 10% of all LCC routes covered in autumn 2010 - have been assessed for 4 different points of time (booking period of one day, one

week, one month and three months) The constant route sample allows for a comparison with the results of the preceding analysis. The current booking date is September 7th, 2010.

The average fares for one flight identified for all routes and booking periods vary according to carrier between 22 € and 70 € for the net prices and between 35 € and 144 € for the gross prices in autumn 2010. The difference between gross and net prices amounts to 13 € in the best case and to 27 € in the worst case, although some airlines do not indicate net prices anymore. As usual like in every year the average fares drop in autumn. Whereas the average fares of the cheaper Low Cost Carriers have climbed slightly, fares of the more expensive Low Cost Carriers have decreased, thus the price margin has been slightly adjusted.

- **Average Prices related to Booking Period** Low Cost Carrier air fares considerably vary according to the period between booking and flight: A trip, starting the next day, often costs four- to tenfold of a trip to be started in 3 months. The average gross prices for major Low Cost Carrier flights in Germany, vary between Euro 58 and Euro 200 for a flight, which was booked one day before departure and between approx. Euro 17 and Euro 73 for a flight, which was booked 3 months in advance. Most low-priced flights (long booking period) thus cost approx. Euro 50. However, in many cases, prices rise to a value of more than Euro 100, if the flight were started on the next day.
- A detailed analysis of Low Cost Carrier fares in Germany can be found on the DLR Website (www.dlr.de/fw).

Passenger Demand

On 26 international and regional airports in total 86.4 million passengers were counted in the first half year 2010. 30.1 million embarking and disembarking passengers can be allocated to the Low Cost Carrier segment (s. Table 3).

- Referring to the original domestic demand (disregarding transfer passengers) Low Cost Carriers hold high up to very high market shares on most airports apart from Frankfurt and Bremen airport (s. Table 4).

The current Low Cost Carrier Market in Europe

Besides the detailed analysis of the German Low Cost Carrier market, also the main features of the European LCC-market are described here. In addition to the airlines operating in the German market, further airlines can be allocated to the Low Cost Carrier market. However, the number of those airlines is increasing, who are involved in the traditional network or charter business as well as in the pure Low Cost segment (such as Air Berlin in Germany). Hence, the distinction between traditional network carriers, holiday airlines and Low Cost Carriers becomes even more complicated. Consequently, this analysis cannot be considered to be complete, but is intended to approximately inform on the extent and structure of the European Low Cost market. In addition to the airlines, involved in the German market, the following airlines are actors in the European market:

Air Italy (I9) (www.airitaly.it), Fleet: 13 Airplanes (B737: 9, B767:4)
AviaNova(AO) (www.avianova.com), Fleet: 5 Airplanes (A320:5)
Blu Express(BV) (www.blu-express.com), Fleet: 3 Airplanes (B737: 3)
Bmibaby (WW) (www.bmibaby.com), Fleet: 14 Airplanes (B737: 14)
Flybaboo (F7) (www.flybaboo.com), Fleet: 5 Airplanes (D8: 2, E190: 3)
Jet4you (8J) (www.jet4you.com), Fleet: 6 Air planes (B737: 6)
Meridiana (IG) (www.meridiana.com), Fleet: 30 Airplanes (A319: 4, A320: 12, MD82/83: 17, ATR: 1)
Skyexpress (skyexpress.ru), Fleet: 9 Airplanes (B737: 9)
Star1Airlines (V9) (www.star1.it), Fleet: 1 Airplane (B737:1)
Transavia France (TO) (www.transavia.com), Fleet: 7 Airplanes (B737: 7)
Transavia Denmark (PH) (www.transavia.com), Fleet: 3 Airplanes (B737:3)
Volare (VA) (www.volareweb.com), Fleet: 1 Airplanes (A320: 1)
Wizz Bulgaria (8Z) (www.wizzair.com), Fleet: 3 Airplanes (A320: 3)

Increasingly non-European Low Cost Carriers serving Europe are involved in the market. These are among others:

Air Arabia Maroc (3O) (www.airarabia.com), Fleet: 3 Airplanes (A320:3)
Air Asia X (D7) (www.airasia.com), Fleet: 8 Airplanes (A330:6, A340:2)
Flydubai (FZ) (www.flydubai.com), Fleet: 9 Airplanes (B737:9)
Nasair (UE) (www.nasair.aero), Flotte: 11 Airplanes (A320: 7, E:4)

The major European Low Cost Carrier is Ryanair (in July 2010 more than 10,000 departures) (see Table 5). Thus they exceed the July-values of 2009 by more than 1,000 departures or roundly 12% and they have been able to distinctly extend their service despite the financial crisis like most major European Low Cost Carriers. Second major Low Cost Carrier is Easyjet (almost 8,000 departures) who Europe-wide offer 8% more flights than in the preceding year. Whereas Ryanair have added more than 200 new city pairs, Easyjet have added 78. Then behind a gap the airlines Air Berlin and flybe follow (roundly 3,000 to 3,500 departures per week). Behind another big gap follow Norwegian, Vueling, Air Lingus, Germanwings, Wizz, Air Baltic and Meridiana (1,000 to 2,000 departures). Whereas Wizz have considerably extended their service, Clickair has been taken over by Vueling. Hence, the consolidation in the Low Cost Carrier range continues. Whereas companies like Clickair have been integrated into bigger Low Cost Carriers like Vueling, others like Air Italy are taken over by former national carriers like Alitalia and others like Sky Europe had to file for bankruptcy. In contrast there is a group of airlines such as Ryanair, who are permanently expanding. Numerous airlines, who have reduced their services in the last year of crisis report re-growth tendency this year.

As to Low Cost flights Great Britain remains country of destination No. 1 (s. Table 6). The network of this country covers more than 1,100 routes from all over Europe, including domestic traffic. Here too a slight increment of routes can be seen as opposed to the preceding year, however a slight decrease of flight supply has occurred, which might be due to the rise of the air traffic tax in this country. Almost 10,000 flights have been performed in the period monitored. Then Spain, Italy and Germany follow (more than 5,000 flights). Places 5 to 7 are occupied by France, Ireland and Norway (more than 1,000 flights), 5,800 routes of 6,200 different routes in total (92%) are covered by a single Low Cost Carrier. Only 453 routes are covered by 2 carriers and on 25 routes more than 2 Low Cost Carriers are competing. The number of routes where direct competition is seen has strongly decreased since last year.

Due to Easyjet's considerable route extension London-Gatwick has become the major European Low Cost Carrier airport (1,417 LCC departures per week in July 2010), (s. Figure 4); immediately followed by the airports London-Stansted (1,336 departures) and Dublin (1,214 departures). Barcelona ranges on place 4 (1,008 departures). Cologne ranks as number 9 (646 departures), the third London airport – Luton – is number 14 (609 departures). In total, 3,300 Low Cost flights are served at London airports – more than in any other European agglomeration. Berlin-Tegel (place 15), Duesseldorf (place 17), Berlin-

Schoenefeld (place 21), Munich (place 23) and Stuttgart (place 26), other German airports reporting more than 400 LCC departures per week range among the 30 major European Low Cost Carrier airports. This reveals that Low Cost Carrier service provided at German airports has only slightly changed as opposed to the summer 2009 ranking when compared from a European point of view.

As to European traffic the Low Cost Carrier market share has slightly grown to 27% of the flights (s. Figure 5). 73% of the flights are mainly performed by traditional scheduled and holiday airlines. Another market share is covered by smaller regional airlines. However, most of them cooperate with major airlines.

Low Cost Carrier Market in Germany

Rank	Airline	07/2010			07/2009			Change (%)		
		Departures	Seats	Routes*	Departures	Seats	Routes*	Departures	Seats	Routes*
1	Air Berlin	2.590	399.716	230	2.100	323.390	148	23,3	23,6	55,4
2	Germanwings	1.037	154.152	160	883	126.668	132	17,4	21,7	21,2
3	Ryanair	832	157.248	174	791	149.499	150	5,2	5,2	16,0
4	Easyjet	357	55.871	48	302	47.185	40	18,2	18,4	20,0
5	Intersky	178	9.416	21	110	5.500	22	61,8	71,2	-4,5
6	flybe	111	8.436	13	108	8.424	12	2,8	0,1	8,3
7	Wizz	75	13.500	20	54	9.720	12	38,9	38,9	66,7
8	Air Baltic	63	6.294	6	51	6.293	6	23,5	0,0	0,0
9	Aer Lingus	53	9.222	6	67	11.658	9	-20,9	-20,9	-33,3
10	Norwegian	34	5.590	7	32	5.023	7	6,3	11,3	0,0
11	fly Niki	32	4.568	2	24	3.396	2	33,3	34,5	0,0
12	Wizz (Ukraine)	17	3.060	5	11	1.980	3	54,5	54,5	66,7
13	Corendon	13	2.090	9	0	0	0	100,0	100,0	100,0
14	Blue Air	10	1.404	3	10	1.360	4	0,0	3,2	-25,0
15	Iceland Express	7	1.036	3	6	888	3	16,7	16,7	0,0
16	Jet2	6	888	1	10	1.480	2	-40,0	-40,0	-50,0
17	Transavia	4	488	1	4	552	1	0,0	-11,6	0,0
18	Vueling	3	540	1	0	0	0	100,0	100,0	100,0
19	Windjet	2	322	1	3	540	1	-33,3	-40,4	0,0
20	myair	0	0	0	1	50	1	-100,0	-100,0	-100,0
21	TUIfly	0	0	0	557	85.792	112	-100,0	-100,0	-100,0
		5,424	83,841	711	5,124	789,398	667	5,9	5,6	6,6

Table 1: Low Cost Carrier Ranking according to the number of flights performed (during one week in July 2010; domestic routes are counted twice)

*Routes served by several carriers are counted twice.

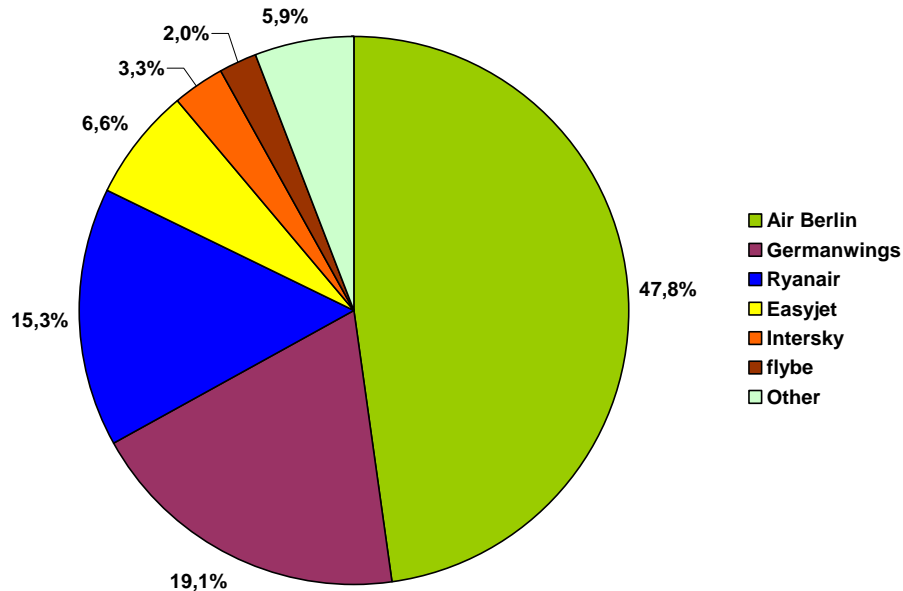


Figure 1: Low Cost Carrier Market Share in Germany (according to number of flights performed during one week in July 2010)

Low Cost Carrier Market in Germany

		07/2010			07/2009			Change (%)		
Rank	Country of Destination	Depart.	Seats	Routes	Depart.	Seats	Routes	Depart.	Seats	Routes
1	Germany	2.139	308.246	123	2.002	288.646	119	6,8	6,8	3,4
2	Spain	734	133.507	89	764	136.818	75	-3,9	-2,4	18,7
3	Great Britain	513	73.426	54	518	74.387	60	-1,0	-1,3	-10,0
4	Italy	491	80.397	112	475	77.973	108	3,4	3,1	3,7
5	Asutria	304	40.518	23	232	33.062	23	31,0	22,6	0,0
6	Switzerland	145	22.610	9	122	19.008	8	18,9	18,9	12,5
7	France	94	13.182	20	96	13.304	18	-2,1	-0,9	11,1
8	Greece	94	14.922	34	76	11.682	29	23,7	27,7	17,2
9	Poland	93	16.011	24	79	13.169	19	17,7	21,6	26,3
10	Sweden	83	14.274	15	86	14.773	15	-3,5	-3,4	0,0
11	Irleand	82	14.586	11	97	17.448	15	-15,5	-16,4	-26,7
12	Croatia	79	11.719	29	84	12.034	30	-6,0	-2,6	-3,3
13	Latvia	74	8.373	9	64	8.750	9	15,6	-4,3	0,0
14	Norway	69	11.794	13	60	10.199	12	15,0	15,6	8,3
15	Russia	61	9.910	10	54	8.626	9	13,0	14,9	11,1
16	Turkey	53	8.036	18	35	5.040	12	51,4	59,4	50,0
17	Portugal	52	9.065	13	45	7.294	12	15,6	24,3	8,3
18	Denmark	37	5.895	4	33	5.163	3	12,1	14,2	33,3
19	Finland	34	5.764	5	40	6.460	5	-15,0	-10,8	0,0
20	Hungary	34	5.170	6	35	5.200	6	-2,9	-0,6	0,0
21	Romania	33	5304	10	29	4456	9	13,8	19,0	11,1
22	Serbia	24	3.792	11	15	2.160	6	60,0	75,6	83,3
23	Ukraine	20	3.510	5	14	2.412	3	42,9	45,5	66,7
24	Morocco	16	3.024	6	10	1.890	3	60,0	60,0	100,0
25	Bulgaria	14	2.394	5	11	1.830	4	27,3	30,8	25,0
26	Lithuania	14	2.646	4	6	1.134	2	133,3	133,3	100,0
27	Czechia	11	1.806	2	9	1.386	2	22,2	30,3	0,0
28	Iceland	10	1.486	5	9	1.320	5,0	11,1	12,6	0
29	Belgium	6	936	1	6	936	1	0,0	0,0	0,0
30	Bosnia	4	600	2	5	720	2	-20,0	-16,7	0,0
31	Netherlands	4	488	1	4	552	1	0,0	-11,6	0,0
32	Israel	2	300	1	0	0	0	100,0	100,0	100,0
33	Albania	1	150	1	1	144	1	0,0	4,2	0,0
34	Macedonia	0	0	0	2	288	1	-100,0	-100,0	-100,0
35	Slovakia	0	0	0	6	1.134	2	-100,0	-100,0	-100,0
	Total	5,424	833,841	675	5,124	789,398	629	5.9	5.6	7.3

Table 2: Country of Destination Ranking according to Number of Flights (data are valid for one week in July; within Germany both directions of one route are considered)

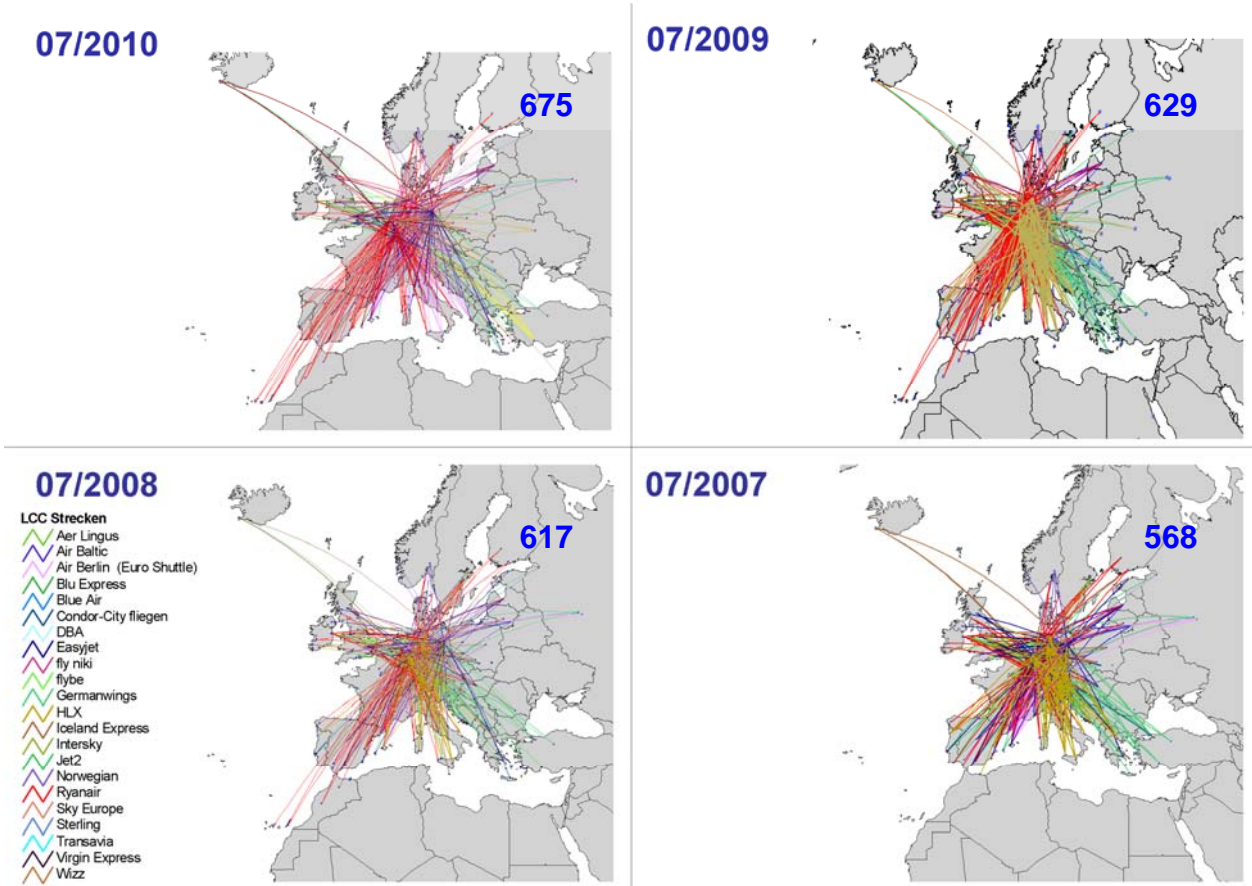


Figure 2: Development of LCC Route Network of German Airports

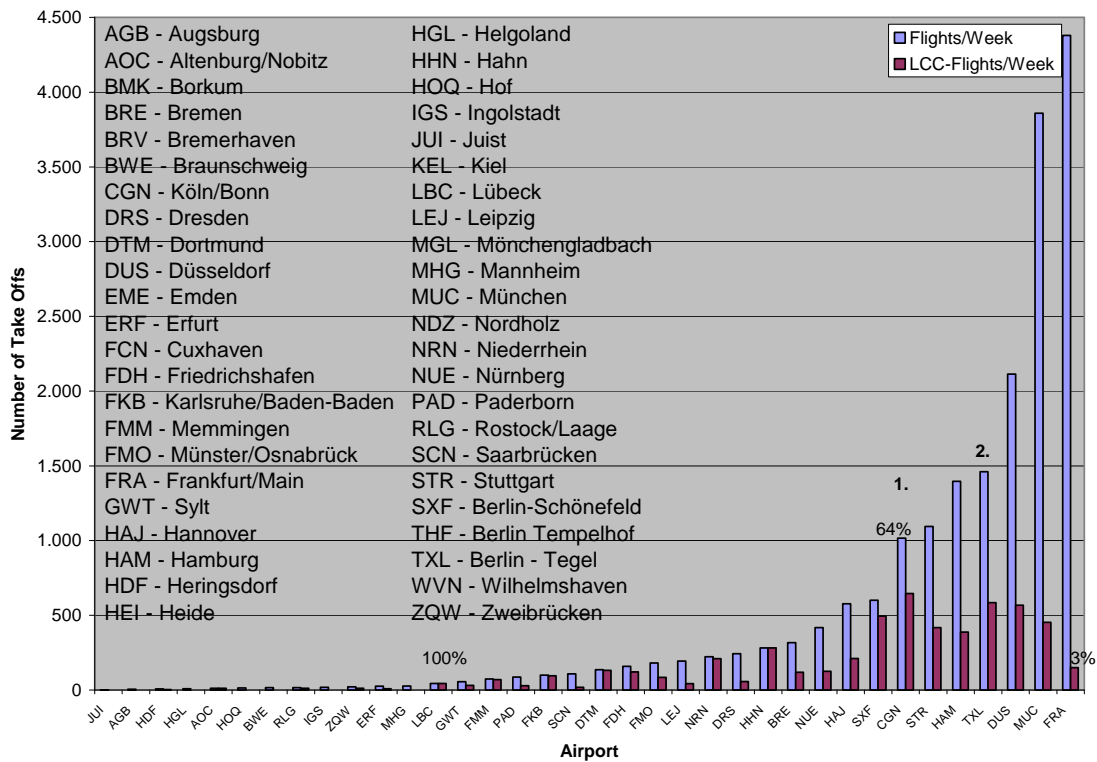


Figure 3: Passenger carrying Flights per Week on German Airports in July 2010

Low Cost Carrier Market in Germany			
Airport	Passengers 1st Half Year 2010 (K)		LCC Share of Total (%)
	Total	LCC	
TXL	6.796,9	3.505,6	51,6
DUS	8.415,9	3.331,6	39,6
CGN	4.431,0	3.294,3	74,3
MUC	15.771,1	2.929,7	18,6
SXF	3.295,1	2.916,8	88,5
HAM	5.915,3	2.469,0	41,7
STR	4.019,2	1.987,4	49,4
HHN	1.586,4	1.586,4	100,0
NRN	1.238,9	1.230,6	99,3
NUE	1.926,1	1.138,1	59,1
HAJ	2.184,2	946,6	43,3
FRA	24.327,0	933,0	3,8
DTM	799,1	776,3	97,1
BRE	1.196,6	750,1	62,7
FKB	535,0	532,8	99,6
FMM	414,8	400,7	96,6
DRS	818,4	393,3	48,1
FMO	565,5	378,9	67,0
PAD	422,9	316,2	74,8
LEJ	814,8	305,7	37,5
LBC	257,4	257,4	100,0
FDH	258,5	222,8	86,2
ERF	125,7	102,1	81,3
SCN	181,9	72,7	40,0
ZQW	113,7	64,2	56,4
RLG	74,2	62,8	84,7
Total	86,485.6	30,905.3	35.7

Table 3: Low Cost Passenger Traffic according to Airports and Portion of Total (First Half Year 2010; References: ADV, Sabre, DLR)

Low Cost Carrier Market in Germany		
Airport	# of Passengers (Domestic Traffic in the first Half Year 2010, K)	LCC Portion of domestic Traffic
MUC	1.908	43,7
TXL	1.744	54,3
HAM	1.325	49,9
CGN	1.236	72,5
DUS	1.099	53,4
STR	897	65,9
SXF	684	98,5
NUE	473	60,7
FRA	339	11,5
DRS	258	46,1
HAJ	246	43,8
FMM	159	99,7
FKB	141	100,0
HHN	136	100,0
LEJ	126	36,4
FMO	124	52,5
DTM	96	99,9
BRE	94	23,1
FDH	89	79,2
NRN	78	100,0
ZQW	58	89,3
SCN	44	47,9
RLG	36	92,2
PAD	24	31,5
ERF	17	74,1
LBC	9	100,0
Total	11,482	50.1

Table 4: LCC Passengers – Domestic Air Traffic, according to Airports and Portion of original Traffic in the first Half Year 2010 (References: ADV, Sabre, DLR)

*)

Low Cost Carrier Market in Europe				
Rank	Airline	07/2010		
		Flights	Seats	Routes
1	Ryanair	10.069	1.903.041	2.006
2	Easyjet	7.936	1.263.888	951
3	Flybe	3.532	264.052	375
4	Air Berlin Euro Shuttle	2.960	463.301	299
5	Norwegian	2.187	359.715	421
6	Vueling	1.984	356.940	193
7	Aer Lingus	1.701	283.919	200
8	Germanwings	1.610	238.954	288
9	Wizz	1.360	244.800	364
10	Air Baltic	1.262	120.030	151
11	Meridiana	1.175	166.087	197
12	Jet 2	756	128.621	220
13	Transavia	618	81.692	173
14	bmybaby	594	85.566	96
15	fly Niki	513	80.210	105
16	Windjet	431	71.348	83
17	Blu Express	388	69.730	84
18	Corendon	353	56.374	145
19	Air Italy	265	39.502	30
20	Blue Air	251	42.584	46
21	Intersky	224	11.900	34
22	Sky Express	211	25.320	17
23	Volareweb	184	26.986	20
24	Transavia.France	182	33.852	52
25	flybaboo	166	14.516	34
26	Iceland Express	132	19.432	65
27	Transavia Denmark	89	11.236	29
28	Wizz Ukraine	88	15.720	22
29	jet4you	84	14.532	20
30	AviaNova	62	9.300	14
31	Air Arabia Maroc	45	6.750	12
32	Star1 Airlines	34	5.032	14
33	AirAsiaX	9	2.160	1
34	Wizz Bulgaria	8	1.440	2
35	flydubai	4	720	1
36	Nasair	4	833	3
	Total	41.471	6.520.083	6.767

Table 5: **Ranking of Low Cost Carriers operating in Europe according to number of departures (07/2010) (values are valid for one week in July 2010; both directions of one route are considered)**

Low Cost Carrier Market in Europe				
Rank	Land	07/2010		
		Flights	Seats	Routes
1	GB	9.883	1.369.683	1.173
2	ES	6.074	1.066.297	846
3	IT	5.615	926.937	860
4	DE	5.424	833.841	675
5	FR	2.413	391.483	428
6	IE	1.634	289.241	195
7	NO	1.425	236.596	215
8	NL	887	134.994	152
9	PT	800	137.109	118
10	PL	722	128.497	198
11	CH	676	101.164	101
12	LV	637	68.940	79
13	SE	586	97.159	118
14	DK	487	78.534	92
15	BE	474	84.691	83
16	GR	445	74.026	164
17	RO	436	79.076	92
18	AT	425	61.900	74
19	TR	374	60.197	118
20	RU	365	46.722	48
21	HR	245	39.943	88
22	FI	221	24.969	36
23	LT	180	22.131	35
24	HU	172	29.022	37
25	CZ	169	28.497	36
26	BG	108	18.623	34
27	MT	99	17.884	29
28	EE	95	6.036	10
29	SK	80	15.120	21
30	CY	72	13.378	22
31	UA	71	12.098	16
32	IS	69	10.290	31
33	RS	47	6.807	17
34	MD	11	1.310	3
35	SI	9	1.452	2
36	BA	8	1.180	4
37	BY	7	322	1
38	GI	7	1.092	1
39	AZ	6	1.004	2
40	GE	6	842	1
41	AM	2	240	1
42	LU	2	296	1
43	MK	2	310	1
44	AL	1	150	1
	Total	41.471	6.520.083	6.259

Table 6: **European Country Ranking according to number of departures) (values are valid for one week in July 2010; both directions of one route are considered)**

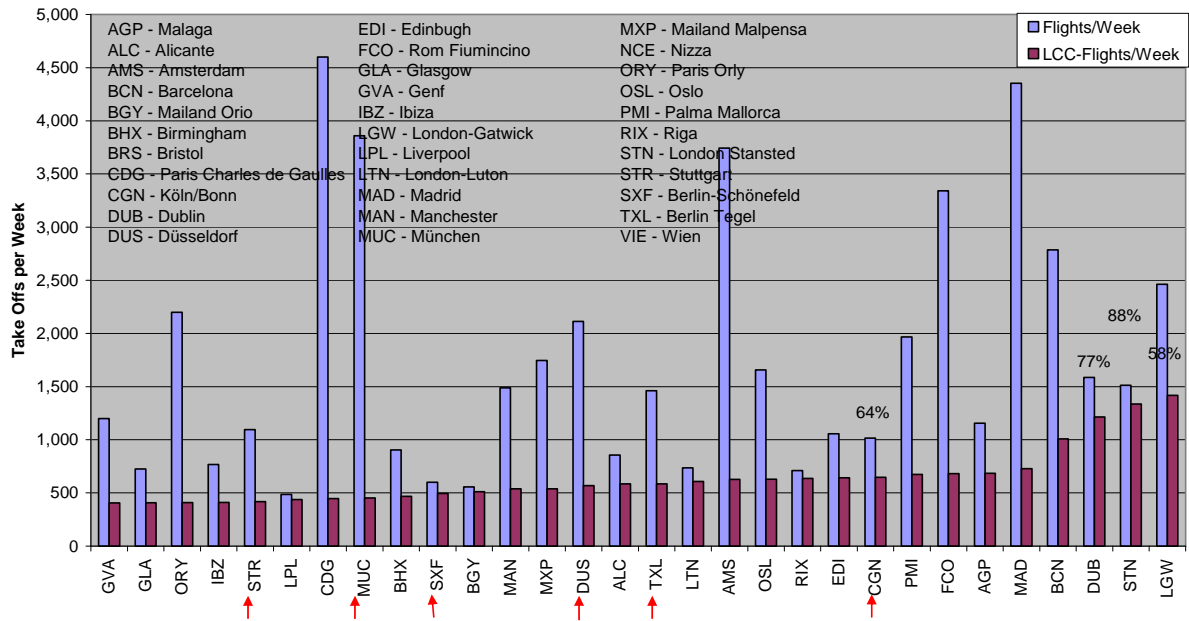


Figure 4: Major LCC-Airports in Europe according to flights per weeks in July 2010

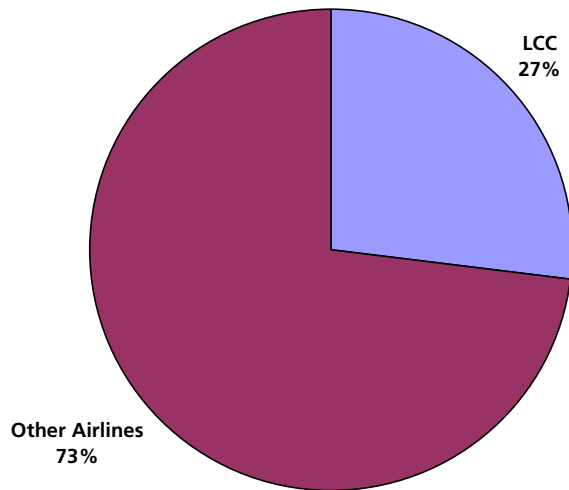


Figure 5: LCC Portion of European Air Traffic according to Number of Departures in July 2010

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