

Travel Catering Research Centre Quarterly Report

Europe

July - September 2007 Forecast



Passenger Numbers by Overall Route (millions)

	Apr-Jun '07	Apr-Jun '06	% change	Jul-Sept '06	Forecast
Europe	72.96	67.20	8.57%	72.50	78.71
Intercontinental	18.40	19.02	-3.21%	20.72	20.05
Total	92.79	86.22	7.62%	93.22	100.32

This quarter experiences a downturn on its intercontinental routes by 3.21, whereas domestic route is at 8.57% in this quarter.

Passenger Numbers by Seat Class (millions)

	Apr-Jun '07	Apr-Jun '06	% change	Jul-Sept '06	Forecast
First	3.29	3.06	8%	3.31	3.56
Business	17.51	16.27	8%	19.07	20.52
Economy	71.99	66.89	8%	70.84	76.23

The changes in passenger numbers for all seat class are at around 8% in this quarter.

Passenger Numbers by Carrier (millions)

	Apr-Jun '07	Apr-Jun '06	% change	Jul-Sept '06	Forecast
Air France/KLM	19.33	19.05	1.46%	19.62	19.91
Alitalia	6.48	6.50	-0.35%	6.75	6.72
British Airways	8.65	9.54	-9.38%	9.89	8.96
Finnair	2.08	2.00	3.85%	1.96	2.03
Iberia	6.86	7.46	-8.04%	7.35	6.76
Lufthansa	14.62	14.09	3.78%	14.77	15.33
SAS	11.05	10.32	6.99%	10.14	10.85
easyJet	9.92	8.78	13.01%	9.33	10.54
Ryanair	11.92	9.88	20.65%	11.48	13.85

The low-cost airlines - Ryanair and easyJet - continue to lead the European market with an increase of 20.65% and 13.01%. Conversely, British Airways and Iberia experience a decrease and are at respectively -9.38% and -8.07%.

Estimated Complimentary Meal Numbers by Route (millions)

	Apr-Jun '07	Apr-Jun '06	% change	Jul-Sept '06	Forecast
Europe (non-domestic)	23.38	21.69	7.81%	23.92	25.79
Europe – Africa	4.00	3.89	2.89%	4.54	4.67
Europe – Middle East	2.14	2.00	6.76%	2.05	2.19
Europe – Atlantic	16.01	15.32	4.54%	16.48	17.23
Far East/Australasia	6.68	6.44	3.76%	7.08	7.35
Totals	52.22	49.34	5.83%	54.07	57.22

The increased complimentary meals in this quarter are noted for all routes ranging from 2.89% to 7.81%, counting to an average of 5.83%.

Headlines

SAS Scandinavian Airlines Increases Traffic To China

SAS Scandinavian Airlines will increase its frequencies between Scandinavia and China for the summer 2008 programme. As of April 2008, SAS will operate 13 weekly services between Scandinavia and China, an addition of three weekly departures. In March this year, a non-stop flight between Stockholm and Beijing was launched, complementing the existing Copenhagen-Beijing route. Next year, Beijing will host the Olympic Games between August 8 and 24, which will also significantly increase the number of passengers. SAS passengers traveling in Business or Economy Extra are upgraded when traveling domestic with Air China. Business class passengers will travel onwards in First class, whilst those in Economy Extra are upgraded to Business. During the summer 2008 programme, SAS will operate a daily service between Copenhagen and Beijing, and six flights a week between Stockholm and Beijing.

6 July 2007, www.btctravel.com

Austrian Airlines Group Continues To Expand Focus East Programme

Austrian Airlines is once again making frequency increases to no fewer than eight cities in Eastern Europe. The airline currently offers passengers 45 destinations and almost 600 flights a week to Central and Eastern Europe. Austrian scheduled connections to Bucharest are to increase from the current total of two to as many as three flights a day from 1 October onwards and will operate ten attractive connecting flights a week to Sibiu. Passengers can now fly to Sofia up to five times a day and up to four times a day to Belgrade. Passengers will also be given access to a total of six flights a week to Montenegro. In its winter schedule, Austrian is increasing the number of scheduled flights it offers to the city by one frequency, so that it will now operate five services a week to Rostov. Whereas from the beginning of the winter schedule, Austrian is strengthening its flight availability to the city, providing up to four flights a day together with partner Ukraine International Airlines.

24 September 2007, www.btctravel.com

British Airways' Summer 2008 Network Changes

British Airways' summer 2008 route network focuses on increased US flights from Heathrow following the EU-US "Open Skies" aviation treaty which comes in to effect in March 2008. The airline's daily flight to Dallas Fort Worth and double daily flights to Houston will move from Gatwick to Heathrow airport from March 30, 2008. In addition, the airline will increase frequencies from Heathrow to New York JFK, Seattle and Washington and from Gatwick to Orlando. In order to accommodate these changes, the airline is suspending flights between Heathrow and Detroit from March 30, 2008. Flights to Algiers that currently operate from Gatwick will move to Heathrow to ensure that the airline's oil and gas destinations in North Africa and the US are still linked through the same airport. Warsaw flights will move from Heathrow to Gatwick. Both changes are effective from March 30, 2008. In addition, there will be a new shorthaul route from Gatwick to Genoa in Italy starting on April 4, 2008 with daily flights. The airline is also making a change to its network for the winter 2007 season. From October 28, 2007, passengers travelling from Heathrow to Harare with British Airways will be routed via Johannesburg and then on to Harare with our franchise partner Comair. Direct services to Harare from Heathrow will be suspended from the same date.

19 September 2007, Press Office, www.britishairways.com

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Explanations

Passenger Numbers by Route

The data in this table is derived from the Monthly Traffic Snapshots found on the Association of European Airlines (AEA) web pages.

% change - This compares the last full quarter of this year with the same quarter in the previous year.

Forecast - The forecast is based on the trend derived from the equivalent quarter of the previous year and the percentage change in the last full quarter.

Passenger Numbers by Seat Class

The data in this table is derived from data found on Euromonitor's web pages. The seat class data is defined by country and is then applied to the major carrier for that country.

Passenger Numbers by Carrier

The data in this table is derived from the individual carrier's websites.

% change – Please see above.

Forecast – Please see above.

Estimated Complimentary Meal Numbers by Route

The data in this table is calculated by taking the total passenger numbers provided by the AEA (this specifically excludes budget airlines and charter passenger numbers) and applying a multiplier to provide an estimate of the total number of meals provided to passengers. The multipliers used are based upon consensus meal values agreed upon by a panel of experts and are subject to change on a monthly basis.

% change – Please see above.

Forecast – Please see above.