

2007 - A YEAR OF MODEST GROWTH IN THE PASSENGER SECTOR.....

...in comparison with 2006 (+21%) the year 2007 had seen modest growth of passengers (+6.3%) and in airfreight tonnage both flown and trucked at almost the same level of aircraft movements (see statistics).

EASYJET contributing 42% to the passenger throughput in 2007 suffered a setback on its way to spread the wings as far as Munich and Paris CDG. Air France and Lufthansa thwarted any inroad of EasyJet on these routes by matching some of the fares with those of the orange budget carrier on all daily services which out-numbered the two flight-pairs of EasyJet. Passenger numbers tumbled as a result of its withdrawal on the Paris-CDG route (234,000 passengers –28%) and grew slightly by 2% to Munich.

Meanwhile capacity has been shifted to more lucrative markets with productivity at new heights. New city-pairs Marrakech Olbia, Porto are a break with copying other carriers on their home-stretch and flight increases in 2007 to Nice and during the summer months to Alicante and Istanbul stood against service cuts to Lisbon, Luton and the suspension of Prague at the end of October. Service adjustments in 2007 primarily by EasyJet are indicating that the low-cost carrier will have to direct resources (crews/aircraft) to markets where it can make a difference as budget-carrier. So, the assessment that budget-airlines Air Berlin, EasyJet, Ryanair and Tuifly have to carefully carve out their present and future network under changing environments (new players) and constraints (high fuel-rates/slots/aircraft availability ex works) is a matter of economic necessity which must be applied to all bases. EasyJet's success since 2004 invited Air Berlin, Ryanair and Swiss to (re-)examine the traffic potential of the TriRhena region.

The outlook for 2008 is offering a fresh approach with more flights to Berlin (26+6), Istanbul (6+2) and daily to Sardinia in the peak season (Cagliari 2x, Olbia 5x) increasing the total of departures each week to 141 flights to 19 destinations.

Passengers on EasyJet routes (9 months): Istanbul 56,480, Alicante 64,206, Nice 152,000 (shared with Swiss)

SWISS INTERNATIONAL L announced positive results for the first full-year operation. By adding more flights to Prague and Manchester (6x and 5x a week) the carrier responded to stronger than expected markets during the winter months. This adjustment on short notice was made possible by sacking Nice altogether. In a statement to its personnel the airline made it clear that it wants to take advantage of opportunities as they emerge. The summer schedule will see adjustments on routes to emerging markets in Eastern Europe (Prague 7x, Budapest 4x, Warsaw 3, Belgrade 2x weekly). Services to London-City (12x), Brussels (11x +1), Amsterdam (daily), Barcelona (5x), Manchester (3x) will remain almost unchanged.

Passengers on Swiss routes: London-City 78,000 –9%, Manchester 22,400 (full year), Budapest 21,228, Warsaw 16,658 (9 months)

THE EAP'S ACCESS BY PRIVATE AND PUBLIC MEANS will continue to be an issue. People close to the case criticise the slow pace with which the rail agenda is being moved through the legislative bodies in France and Switzerland. A first and preliminary step was taken on 14 January 2008 by introducing a shuttle-service between the EAP passenger terminal and St. Louis train-station located about 800 meters distance from the terminal area. At St. Louis the shuttle bus operated by MetroCars connects with 43 TER (train express regional) and Regio-S Bahn train-pairs circulating between Strasbourg, Mulhouse and Basel main stations. The fare is 1€ per ride. MetroCars is a local bus company offering services throughout Southern Alsace with its Distribus system.

SWISS FEDERAL RAILWAYS opened a sales desk at the EAP last July. Ticket and package sales to arriving passengers has become the prime source of income especially to those come Ireland, the UK and the Netherlands. Figures seem to correspond with the business plan elaborated by graduates of the School of Case Management Basel.

RYANAIR COMMENCED FLIGHT OPERATIONS AT EUROAIRPORT

in October and November to five destinations all at one which is a novum in the carrier's history. Traffic in the 4th quarter is traditionally lower because of the fact that October marks the end of the summer period whereas traffic tends to pick up temporarily in December at the eve of Christmas and year-end festivities. Skepticism about the launch of flight operations in the dead of winter were corrected by Ryanair arguing that favorable fares always stimulate demand no matter of day and season. In the case of EuroAirport the carrier's assessment seems accurate. Dublin and Stockholm both served three times a week, generated most passengers of all routes with loads well above the 80%-mark. Additionally, Dublin is top of the list as business destination attracting about 40% of this passenger segment in contrast to the Stockholm-EAP route as first choice for Swedish tourists on a cultural as well as shopping spree to the TriRhena region. Passenger volumes to and from Alicante, Barcelona-Gerona and Valencia have not yet reached the same level. However, the carrier says that the actual performance is meeting its expectation and the booking-outlook for these destinations from March into late spring and early summer looks promising. Customers starting trips at the EAP are mostly French and Swiss whereas Germans prefer Ryanair's departures from Karlsruhe to the same range of destinations also served from EuroAirport.

At a news-briefing in January the carrier declared its interest in broadening the range of destinations from EuroAirport as first priority before adding frequencies to the existing network. By doing so, it hopes to get a better market presence and more attention by the public. The of opening a base at the EAP is presently not in the pipeline as other countries such as Rumania offer a better chance to commence flights from there simply because there is no low-cost carrier competition in sight. Still, Ryanair is certain that the markets can easily sustain further growth from other bases in the UK, Italy, Eastern Europe to EuroAirport and vice versa.

TENDER CALLS SINGLE OR GROUPS OF BIDDERS TO INVEST IN AIRFREIGHT...

The EAP will upgrade and expand its cargo facilities which ought to also secure volumes from life science and medical implants companies. A tender is inviting single or groups of bidders to submit plans to finance, build and operate a terminal which will also accommodate temperature-sensitive products from the healthcare sector.

The new facility covers between 6,000 and 10,000 sqm. in the Zone 4. The future holder of the operating license will be given a longer term contract to develop the site to full swing serving as dedicated-airfreight center in accordance with regulations governing the EAP's special status as international platform in which fast-track work permits are available to the aviation industry, notably in the aircraft overhaul and completions trade. The candidate finally selected must pay charges per square meter in Swiss currency which in return helps to finance in part infrastructure works such as access to energy, water and waste treatment, to French and Swiss road networks as well as to the runway/taxi-way system.

All bids submitted will enter a pre-selection process before concluding negotiations can take place with those bidders who made it into second and final phase. The procedure is expected to be concluded in the first half of 2008.

Each application must include a number of documents that provide information about the bidder's organization, financial abilities and technical expertise. 2006 business reports and financial data covering the last three years must be submitted along with a track history of airside and landside handling of airfreight and sensitive products as well as proving that the personnel can professionally handle air cargo with state-of-the-art gear under a handling concession from the airport.

The project is on a high-priority as the cargo community and shippers of pharmaceuticals press the airport for short-term intermediate solution before a new state-of-the-art terminal is fully operational. Food and drug administration policy concerning product safety and proof of origin by the US-directive C-TPAT (customs-trade partnership against terrorism) have changed the way to ship goods around the globe.

AIRFREIGHT NEWS – KOREAN CARGO confirmed summer schedules (B747-400) connecting the Swiss market with Asia via Seoul. Contrary to Novartis, Basel-based Roche Pharma awarded the carrier with a key contract for deliveries to Asian markets via Seoul. – **MASKARGO** intends to re-introduce Friday services to Kuala Lumpur with B747-400. The decision is based on assessments by Malaysian to suspend all unprofitable routes including Zurich. Yet, strong demand for cargo capacity from Swiss exporters speaks in favor of the Basel-operation. – **DHL Worldwide** began additional flights to East Midlands where it is connecting with US-centers and will start services to Leipzig from where airports in Asia are being targeted. – **FEDERAL EXPRESS** decided to invest in train technology using the high-speed tracks of the French, German and Spanish operators. High-speed express trains may then replace air services on major routes in Europe by 2010. The impact of this decision on local operations is not clear. FedEx has first to decide on the use of corridors and secondly where to locate consolidation centers for its rail operation. Tracks from Amsterdam, Brussels, Cologne, Frankfurt Liege and London en-route to Paris-CDG may first free up scarce slots at CDG. SNCF is to start high-speed freight trains to Amsterdam, Basel, Cologne, London, Turin and to the Southern triangle of Spain, France and Italy by 2010.

AIRLINE Passenger Volume in 2007 Share

| Airline | 2007 | 2006 | % Change | Share |
|---------------------|------------------|------------------|----------|-------------|
| AIR FRANCE | 579,000 | 637,000 | - 9% | 14.0% |
| AUSTRIAN | 58,000 | 56,000 | + 4% | 1.4% |
| BRITISH AIRWAYS | 149,000 | 141,000 | + 6% | 3.0% |
| EASYJET | 1,805,000 | 1,764,000 | + 2% | 42.0% |
| FRENCH REGIONALS | 28,000 | 26,000 | + 7% | 0.7% |
| LUFTHANSA | 255,000 | 254,000 | + 0% | 6.0% |
| HAPAG FLY | 220,000 | 194,000 | +14% | 5.0% |
| RYANAIR | 20,000 | 0 | 0 | 0.5% |
| SAS/CIMBER | 38,000 | 38,000 | 0 | 0.9% |
| SKY EUROPE | 28,000 | 34,000 | -18% | 0.7% |
| SWISS INTERNATIONAL | 331,000 | 175,000 | +89% | 8.0% |
| TURKISH AIRLINES | 55,000 | 44,000 | +20% | 1.3% |
| CHARTER SECTOR | 542,000 | 556,000 | - 3% | 13.0% |
| TOTAL | 4,269,000 | 4,009,000 | | 100% |

PRESENTING NEW PEUGEOT MODELS at its Mulhouse site was a highlight for car dealers and aircraft enthusiasts at EuroAirport alike.
Picture by Rolf Keller



TRAFFIC REPORT 12 MONTHS

| | | |
|--------------------------------------|------------------|------------------------------------|
| Scheduled Passengers | 3,720,932 | + 8% |
| Charter Passengers | 541,345 | - 3% |
| Total Passengers | 4,272,902 | + 6% |
| Express Freight in tons | 28,909 | + 8% |
| General Airfreight in tons | 15,130 | + 65% |
| Total Freight handles in tons | 107,450 | +12% |
| Aircraft Movements | | |
| Schedule Traffic | 48,314 | + 3% |
| Charter Traffic | 5,082 | - 9% |
| Freighter Traffic | 3,575 | + 3% |
| Total Movements | 82,024 | + 0% |
| Airfreight flown 44,039 tons | +22% | Airfreight tons trucked 63,411 +6% |

top destinations in 2007 & 2006

| | | | |
|-------------|---------|---------|-------|
| Paris | 564,000 | 682,000 | -17% |
| London | 468,000 | 485,000 | - 3% |
| Berlin | 267,000 | 262,000 | + 2% |
| Hamburg | 156,000 | 143,000 | + 8% |
| Palma/Spain | 143,000 | 136,000 | + 5% |
| Amsterdam | 142,000 | 117,000 | +21% |
| Frankfurt | 132,000 | 141,000 | - 6% |
| Barcelona | 126,000 | 112,000 | +13% |
| Munich | 116,000 | 113,000 | + 2% |
| Madrid | 93,000 | 94,000 | - 1% |
| Luton | 150,000 | 169,000 | - 11% |
| Stansted | 91,000 | 90,000 | + 2% |