

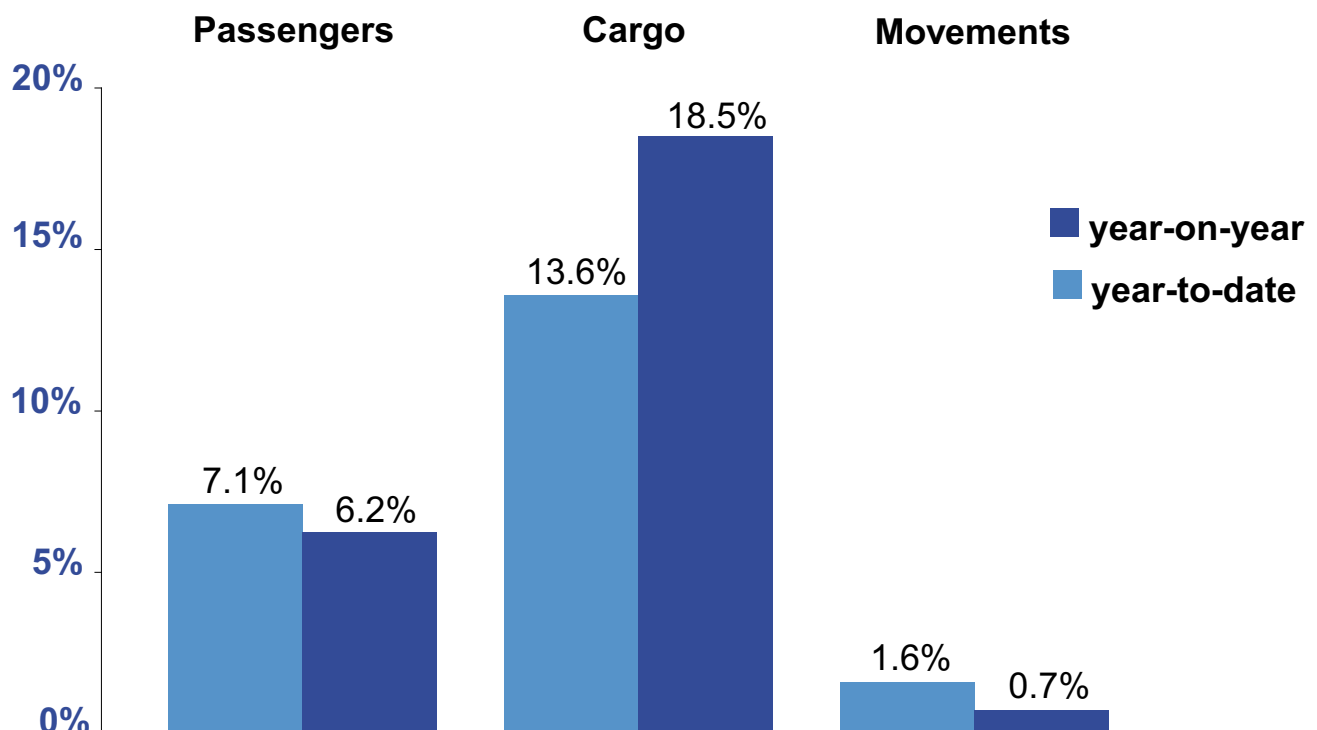
Recovery accomplished in quarter 3

The third quarter of 2010 represented the fastest growing quarter of the year adding 7.1% more passengers compared to quarter 3 2009 which showed negative growth of -0.3%. Compared to the third quarter of 2007, the global airport industry has grown by 3%. Similarly, 13.6% growth in air cargo in quarter 3 has propelled cargo volumes above pre-crisis levels at 3% over quarter 3 2007. (Figure 1)

Quarterly results were pushed by a strong September that registered 9% passenger growth, likely to be the year's strongest month.

Despite such robust growth, aircraft movements have only grown by 1.6% which means higher load factors and larger aircraft on average.

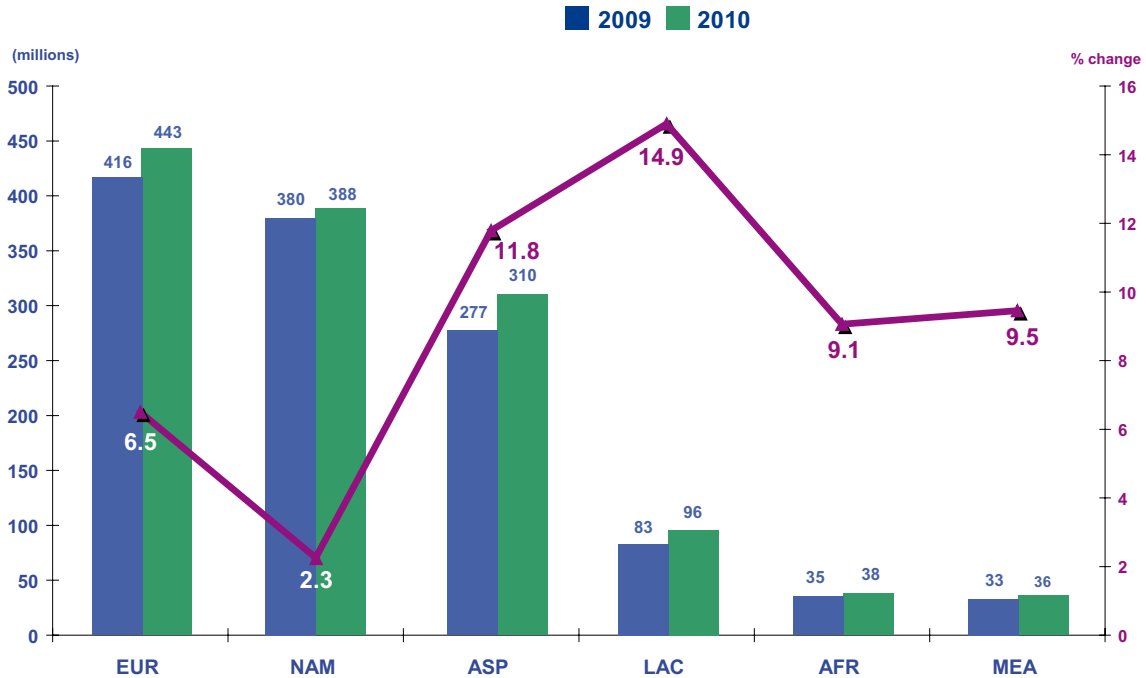
Figure 1: Q3 2010 percentage growth year-on-year and year-to-date



Note: all charts compare Q2 2010 performance to Q2 2009 performance.

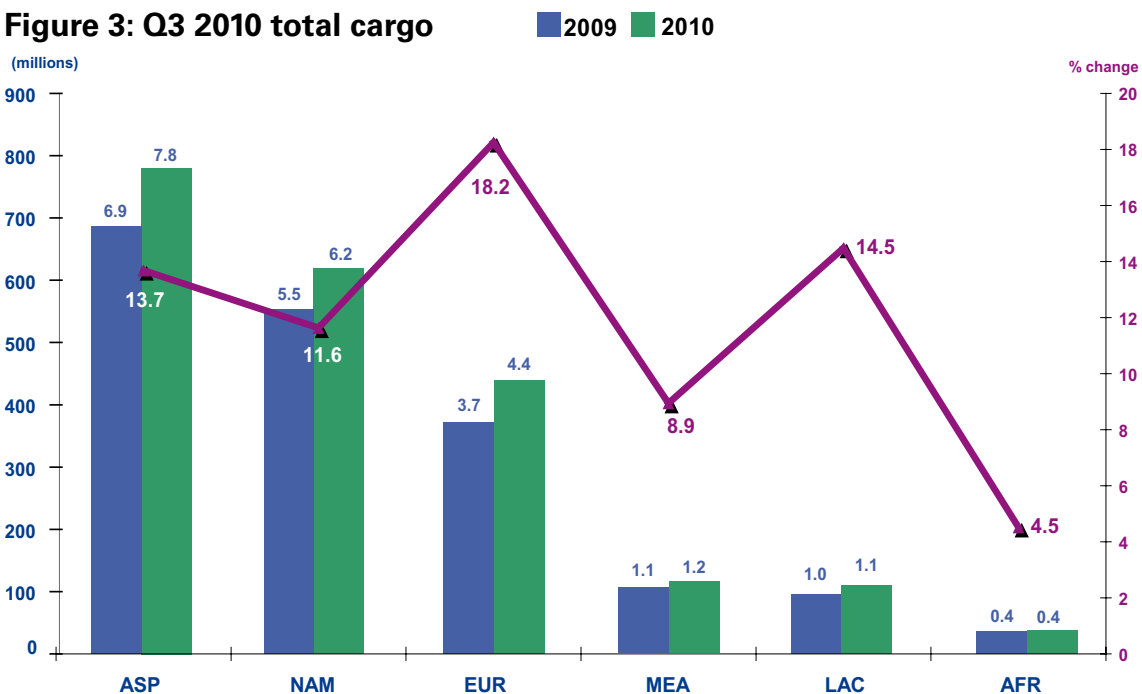
Asia Pacific and Latin America Caribbean were steaming ahead with growth of 11.8% and 14.9% respectively (Figure 2). Europe also had a very strong quarter (+6.5%) supported by high demand for holiday travel. Growth in North America remained tepid while Africa benefited from leisure travel to its resort destinations in North and Southern Africa including the World Cup of course. Middle East results were dampened by Ramadan season in August.

Figure 2: Q3 2010 total passengers



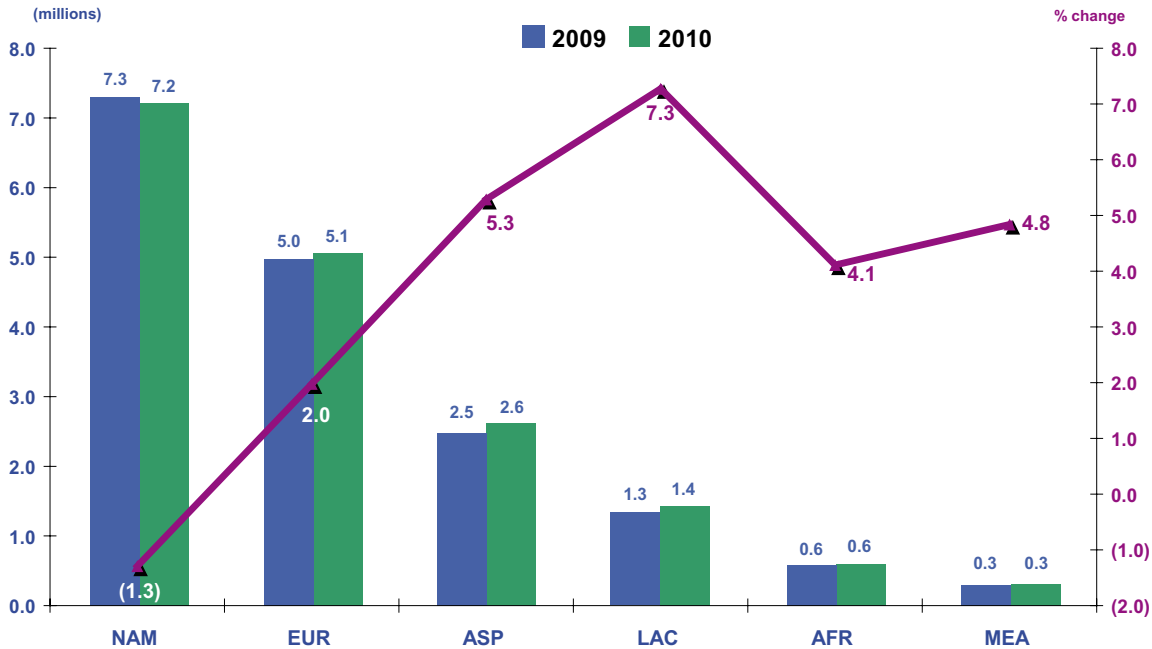
Cargo growth was markedly down compared to the second quarter when the three largest regions grew by over 20%. Europe performed strongly (+18.2%) driven by German airports, but also Amsterdam and London Heathrow as well as cargo hubs such as Liege and Luxembourg. (Figure 3)

Figure 3: Q3 2010 total cargo



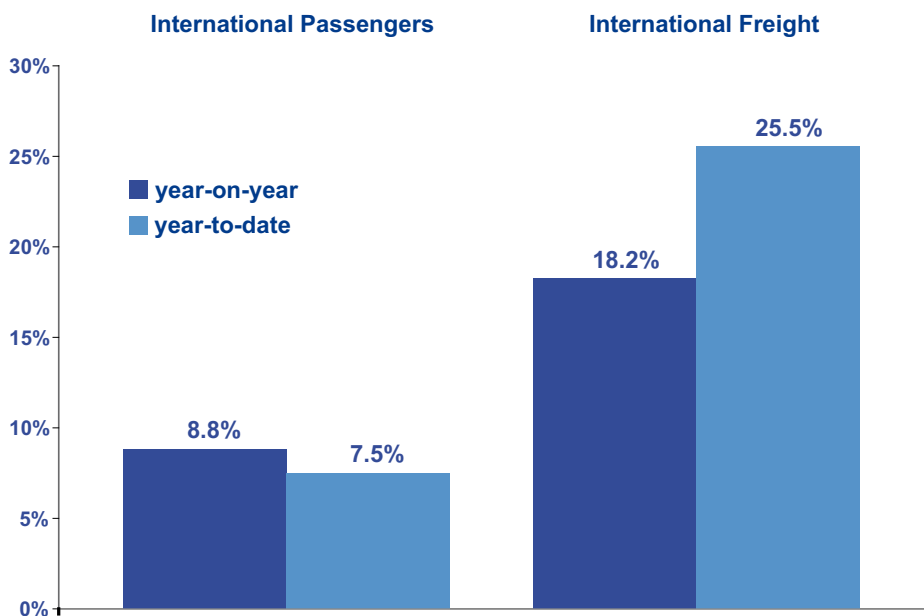
North America slowed down global aircraft movements showing a reduction of 1.3% (Figure 4). Mergers and network consolidations as well as restraint in adding new capacity are the reasons. Europe's movements expanded for the first time in two years indicating growing confidence in demand while Asia Pacific and Latin America Caribbean expand capacity briskly but well below growth in passengers.

Figure 4: Q3 2010 total movements



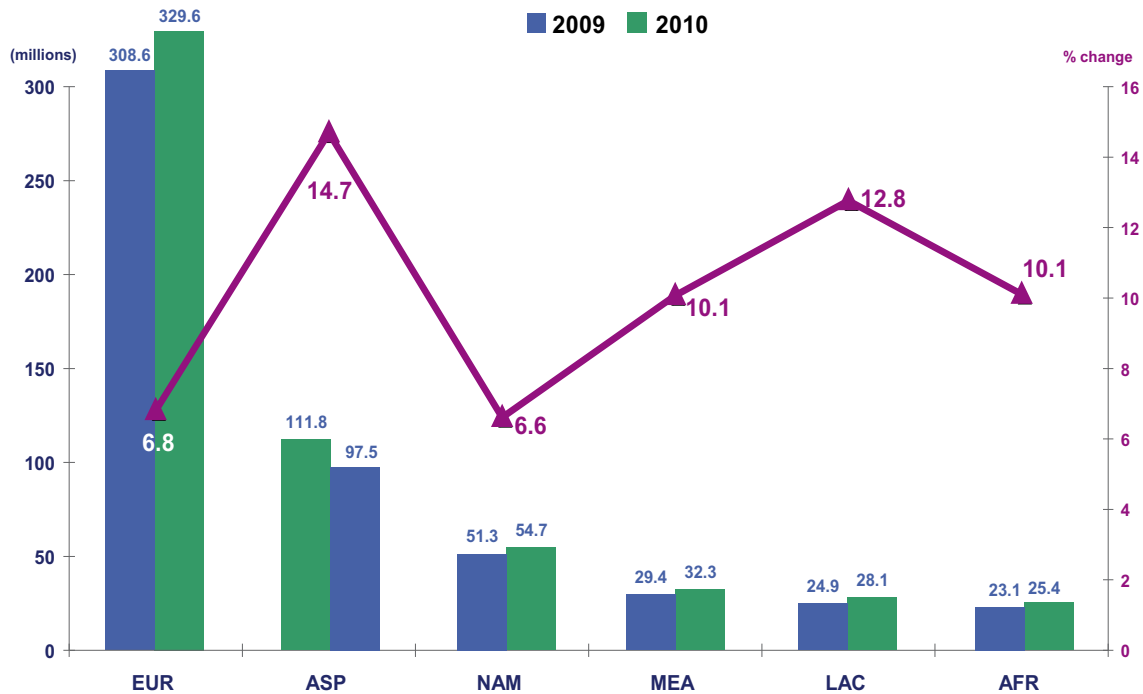
International passengers flourished in the third quarter growing by 8.8% well above year-to-date growth (Figure 5). All regions expanded in excess of 6%. International freight continued its recovery, clearly out pacing domestic freight but well below year-to-date performance, pointing to consolidating growth.

Figure 5: Q3 2010 International passenger and freight year-on-year and year-to-date percentage growth rate



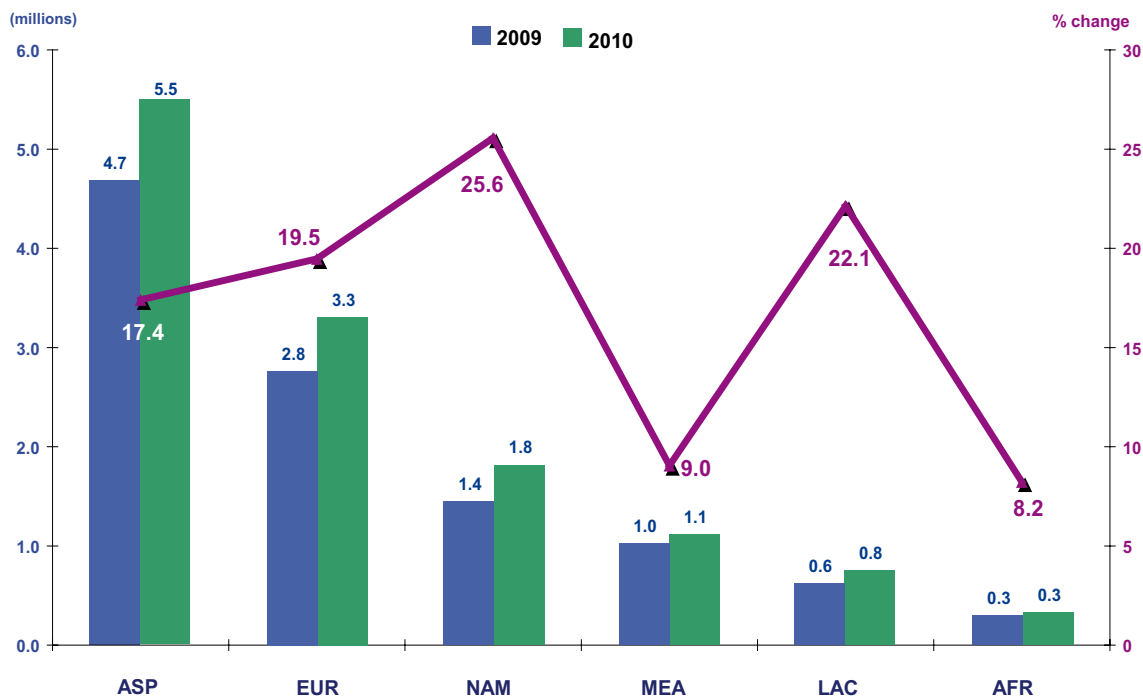
International passenger growth was pronounced in Asia Pacific and Latin America Caribbean (Figure 6). In the former, international grew faster than domestic whereas in the latter region, domestic still grew faster than international. Demand for international travel in North America was strong thanks to a recovering economy and significant capacity expansion by US carriers in the international market.

Figure 6: Q3 2010 International passengers



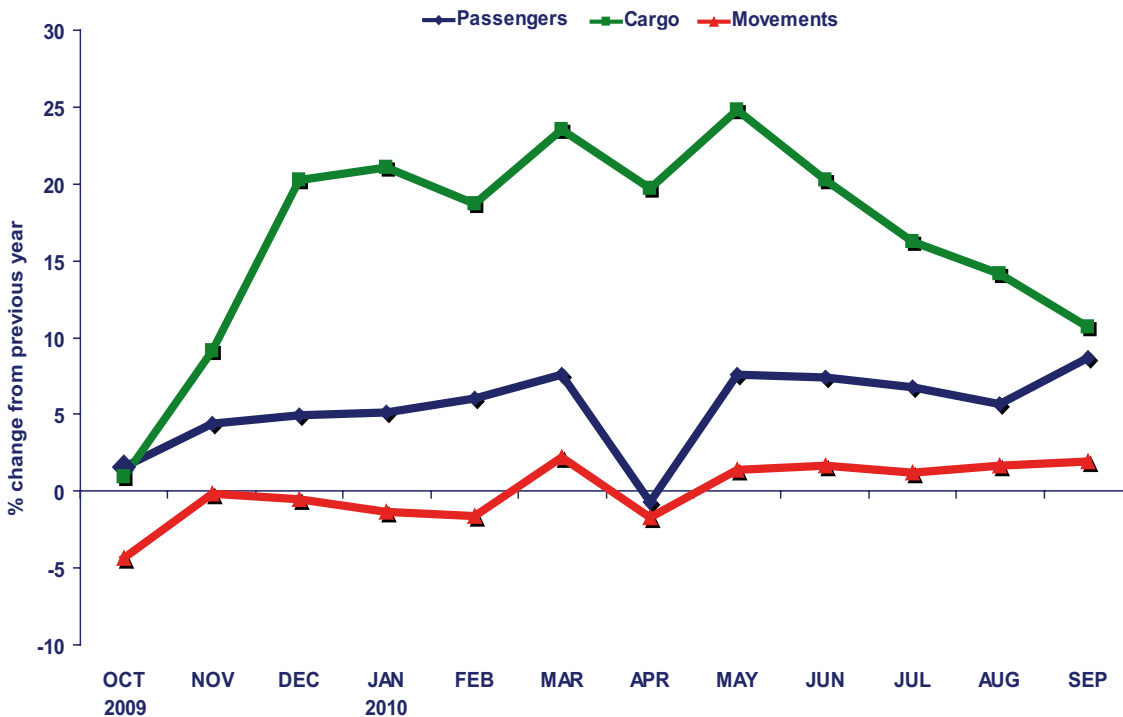
Growth in international freight has slowed considerably over quarter 2, but volumes are well above 2008 levels again. The Americas spearheaded the increase as the only two regions above 20% growth (Figure 7). Asia Pacific and Europe registered average growth on an elevated level.

Figure 7: Q3 2010 International freight (metric tonnes)



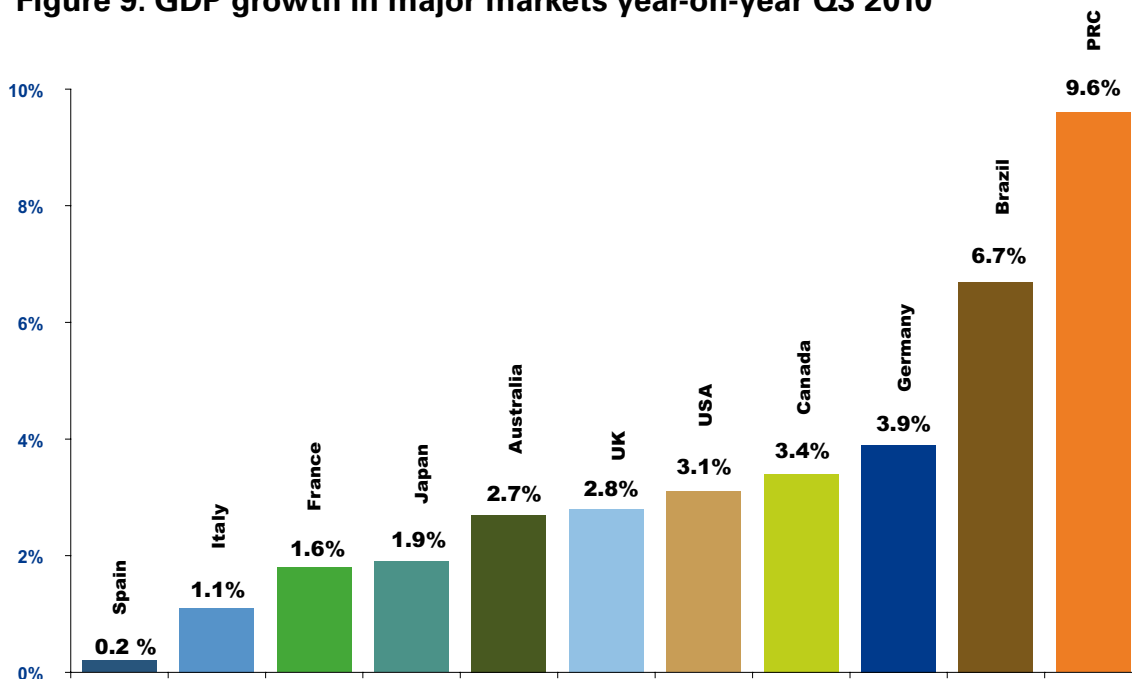
The evolution of traffic development over the last 12 years depicts an impressive recovery that is long and sustained and has taken volumes well above pre crisis levels (Figure 8). The exception are air traffic movements which have stagnated at a lower level and have not reached previous levels. A more efficient industry with higher load factors and bigger aircraft is the consequence.

Figure 8: Evolution of airport traffic worldwide



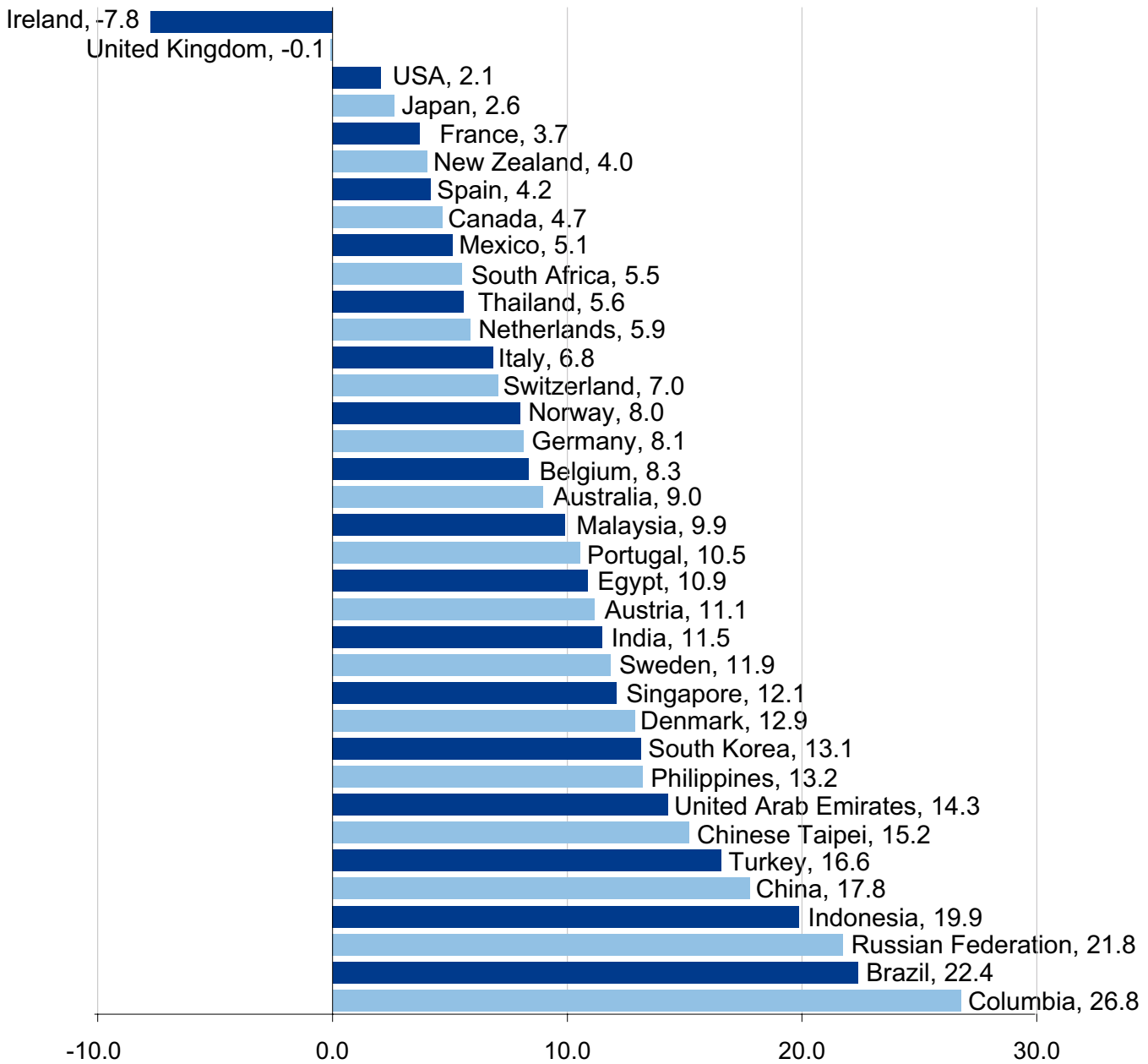
GDP year-on-year growth (Figure 9) in the major aviation markets bodes well for the global economy and air transport demand. China and Brazil remain the fastest growing economies albeit at a slower pace than quarter 2. Growth in Germany, United Kingdom, Spain, and Japan, all very important and mature aviation markets has further accelerated.

Figure 9: GDP growth in major markets year-on-year Q3 2010



Colombia has been the fastest growing country among the world's top aviation markets for the third quarter in a row. Surging demand for inexpensive domestic flights as well as a series of new international long haul connections are reasons for the rise. GDP growth in Colombia is around 5% year-to-date. Russia was badly hit by the crisis but now sees people returning to destinations abroad causing the significant increase. Brazil, China and Indonesia were driven by robust GDP growth and a continuously growing middle class. Ireland and the UK are dependent on each others traffic to some extent. The crisis hit Ireland's financial system hard and the UK suffers from a weak currency curbing travel abroad. (Figure 10)

Figure 10: Q2 2010 percentage growth in world's largest aviation markets year-on-year



Istanbul Sabiha Gökçen benefited from the opening of the new terminal and additional capacity in the last quarter of 2009. Growth figures are thus expected to moderate in the quarters ahead. Shanghai airports increased because of strong demand generated by the World Expo in China. (Figure 11)

Figure 11: 30 airports reporting biggest year-on-year growth in Q3 2010

Airport, Country	CODE	total passengers	% change
ISTANBUL, TR	SAW	3 576 387	81.1
SHANGHAI, CN	SHA	9 158 741	40.0
SHANGHAI, CN	PVG	11 705 066	33.8
MOSCOW, RU	SVO	6 199 483	31.9
BELO HORIZONTE, BR	CNF	2 066 076	30.6
BUENOS AIRES, AR	AEP	2 252 782	30.4
ANKARA, TR	ESB	2 191 825	29.9
SÃO PAULO, BR	GRU	7 312 795	26.8
BOGOTA, CO	BOG	5 005 171	26.4
HA NOI, VN	HAN	2 474 909	22.1
LIMA, PE	LIM	2 753 613	21.3
MOSCOW, RU	VKO	3 126 569	21.3
IZMIR, TR	ADB	2 395 649	21.0
SANTIAGO, CL	SCL	2 678 214	20.9
RIO DE JANEIRO, BR	GIG	3 386 588	20.7
MILWAUKEE WI, US	MKE	2 662 943	19.6
HANGZHOU, CN	HGH	4 795 173	19.3
JAKARTA, ID	CGK	11 479 572	19.2
NANJING, CN	NKG	3 579 658	18.4
CALCUTTA, IN	CCU	2 218 867	18.2
KIEV, UA	KBP	2 287 211	17.1
CASABLANCA, MA	CMN	2 141 780	16.9
BUSAN, KR	PUS	2 069 664	16.7
BUENOS AIRES, AR	EZE	2 075 357	16.6
SÃO PAULO, BR	CGH	4 072 630	16.1
CANCUN, MX	CUN	3 002 934	16.1
TAIPEI, TW	TPE	6 594 754	15.8
BEIJING, CN	PEK	20 250 653	15.6
BRASILIA, BR	BSB	3 940 779	15.5
INCHEON, KR	ICN	9 025 145	15.4

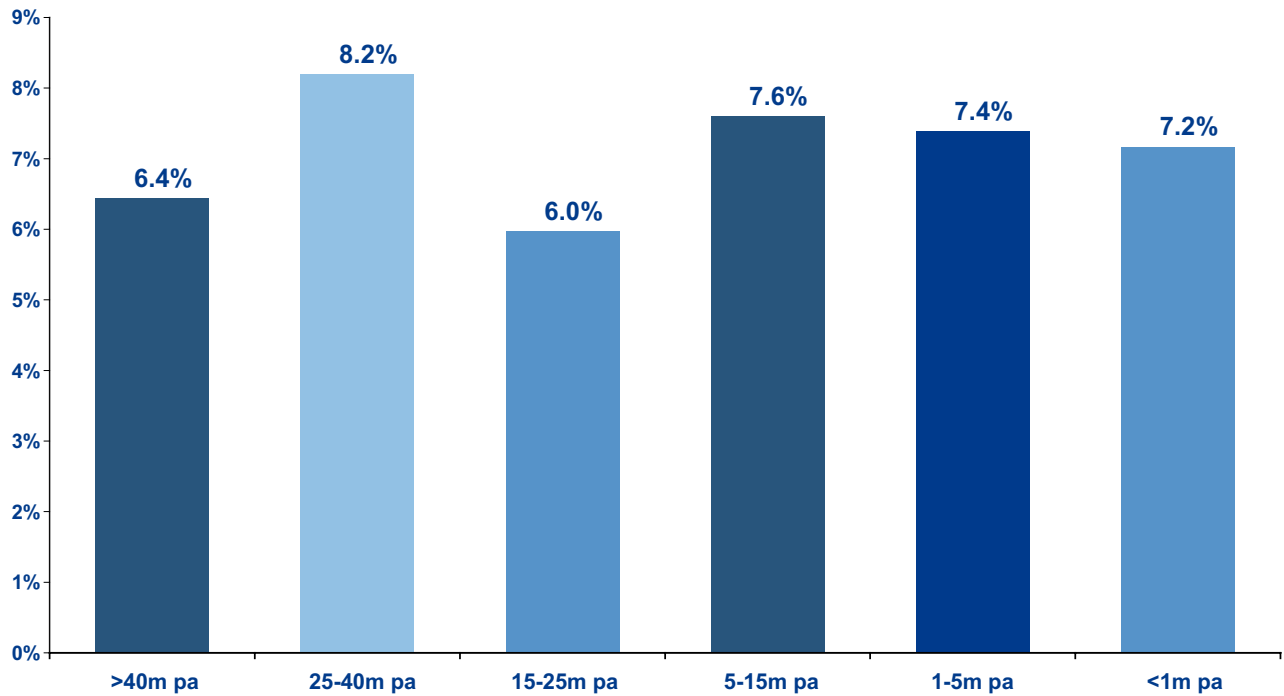
Cincinnati continues to suffer from Delta's significant reduction of routes following the Northwest merger whereas Athens starts to feel the pinch of the austerity programmes and the recession. (Figure 12)

Figure 12: Airports reporting biggest year-on-year declines in Q3 2010

Airport, Country	CODE	total passengers	% change
CINCINNATI OH, US	CVG	2 065 262	-27.27
ATHENS, GR	ATH	4 918 344	-9.00
ST LOUIS MO, US	STL	3 220 598	-6.78
BAHRAIN, BH	BAH	2 349 465	-6.61
LONDON, GB	STN	5 894 415	-5.94
GLASGOW, GB	GLA	2 118 075	-5.93
CLEVELAND OH, US	CLE	2 520 033	-4.51
BIRMINGHAM, GB	BHX	2 811 927	-3.76
SANTA ANA, CA, US	SNA	2 278 596	-3.65
DUBLIN, IE	DUB	5 798 127	-3.45
LONDON, GB	LTN	2 786 913	-2.63
SAN JOSE CA, US	SJC	2 178 881	-2.57
LONDON, GB	LGW	10 340 238	-2.31
NEWARK NJ, US	EWR	8 998 892	-2.18
TAMPA FL, US	TPA	3 915 673	-2.15
MANCHESTER, GB	MAN	6 066 063	-1.83
NICE, FR	NCE	3 174 506	-1.35
LAS VEGAS NV, US	LAS	10 280 306	-1.05
SAN DIEGO CA, US	SAN	4 597 851	-1.00
KANSAS CITY MO, US	MCI	2 701 129	-0.66
OSAKA, JP	ITM	3 897 327	-0.59
MEMPHIS TN, US	MEM	2 640 994	-0.58
PRAGUE, CZ	PRG	3 817 083	-0.53
SACRAMENTO CA, US	SMF	2 340 168	-0.52
KUWAIT, KW	KWI	2 365 414	-0.44
PHILADELPHIA PA, US	PHL	8 446 704	-0.41
NAGOYA, JP	NGO	2 579 882	-0.02
HOUSTON TX, US	IAH	10 539 949	0.01
PHOENIX AZ, US	PHX	9 360 530	0.04
CHICAGO IL, US	MDW	4 778 577	0.19

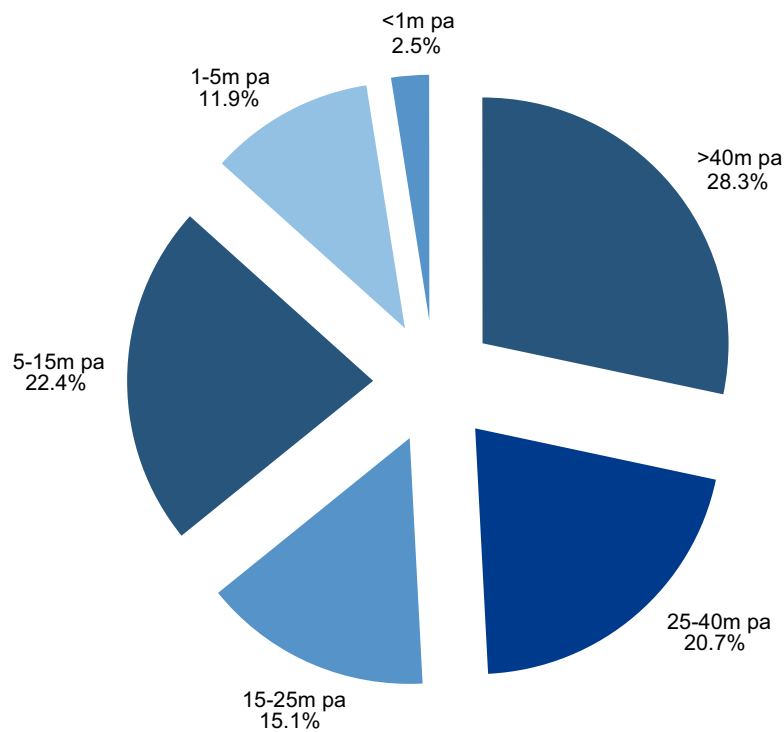
The 25-40 million passengers category has been performing consistently strong in the recovery. This category contains a lot of airports in emerging markets such as India, Brazil and China. For the large airports over 40 million passengers the third quarter has been exceptional. (Figure 13)

Figure 13: Q3 2010 year-on-year growth per size category



Market share in the third quarter between the different size categories remained largely unchanged from a year before (Figure 14)

Figure 14: Q3 2010 airport size category and market share



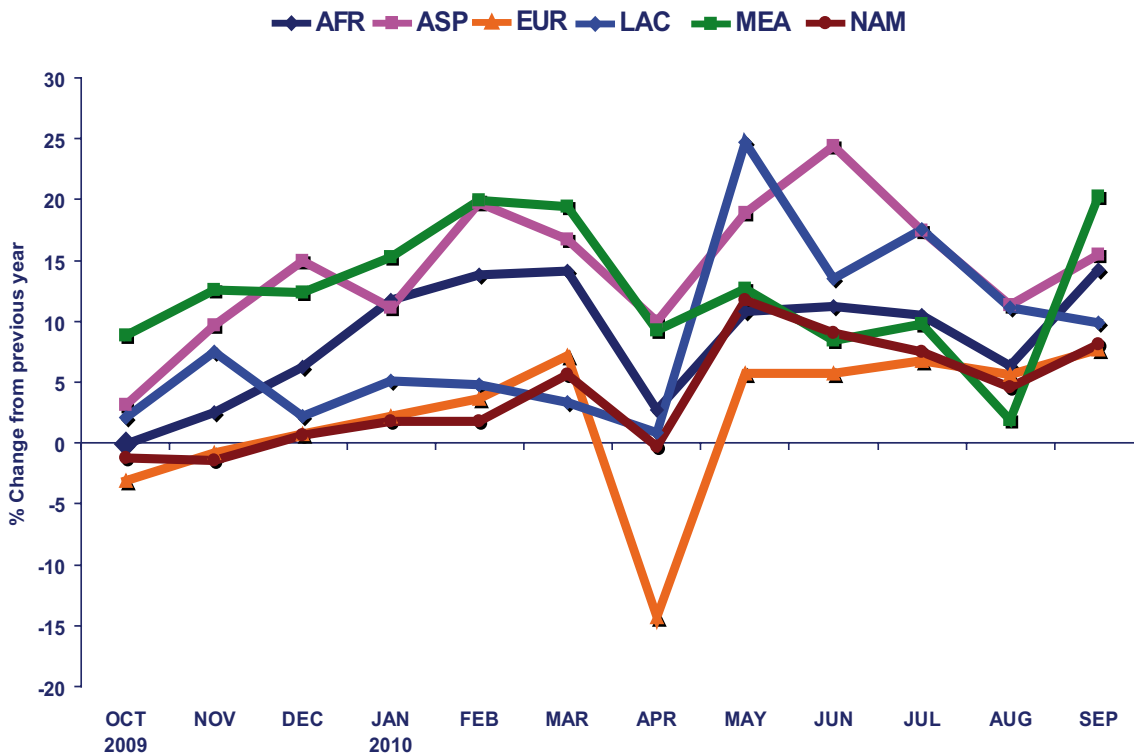
Only one airport among the top international gateways has registered a decrease in the third quarter. Gatwick suffers from the decline in charter traffic in and out of the UK. European hubs performed well, their growth was eclipsed though by Asian gateways. (Figure 15)

Figure 15: Top 20 international airports Q3 2010
(international traffic only - year-on-year percentage change)

Airport, Country	Code	Passengers	% change
LONDON, GB	LHR	18016130.00	4.57
PARIS, FR	CDG	15594535.00	3.16
FRANKFURT, DE	FRA	13782001.00	7.75
AMSTERDAM, NL	AMS	13620433.00	4.52
HONG KONG, HK	HKG	13242000.00	14.61
DUBAI, AE	DXB	12034530.00	14.68
SINGAPORE, SG	SIN	10223337.00	12.39
LONDON, GB	LGW	9319623.00	-2.26
MADRID, ES	MAD	8973352.00	6.09
INCHEON, KR	ICN	8850263.00	15.68
TOKYO, JP	NRT	8812158.00	3.11
ANTALYA, TR	AYT	8437073.00	12.43
MUNICH, DE	MUC	7618993.00	10.95
BANGKOK, TH	BKK	7569230.00	9.49
ROME, IT	FCO	7284251.00	12.99
PALMA DE MALLORCA, ES	PMI	7005960.00	5.44
NEW YORK NY, US	JFK	6937804.00	6.85
ZURICH, CH	ZRH	6438575.00	6.16
TAIPEI, TW	TPE	6096406.00	18.70
KUALA LUMPUR, MY	KUL	6006373.00	18.94

The dip in international travel in August could be a result of Ramadan which reduces travel activity of Muslims. September traffic more than compensated for it led by Middle East, Asia Pacific and Africa, the three regions with the most significant Muslim population. (Figure 16)

Figure 16 : International passenger regional trends

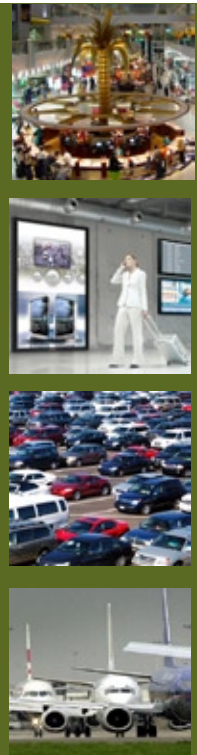


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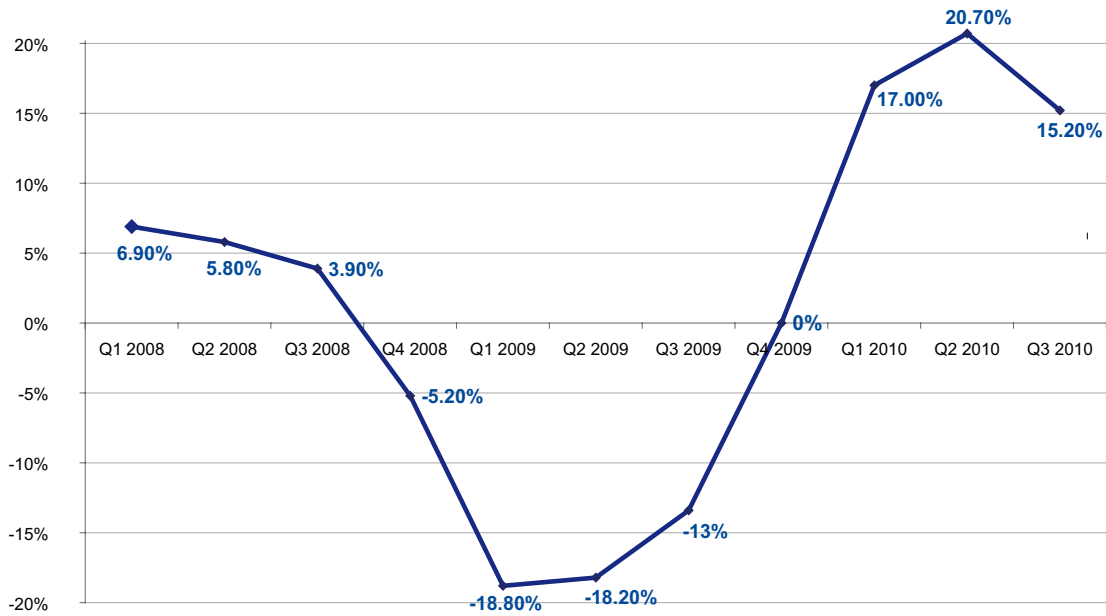
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Growth of World Trade volumes had peaked in the second quarter as expected (Figure 17), also reflected in the slowing of the air cargo growth. Third quarter global trade volumes however had not reached levels seen in the first half of 2008 yet.

Figure 17: World trade volume



Source: CPB Netherlands Bureau for Economic Policy Analysis

Figure 18: International freight regional trends

