

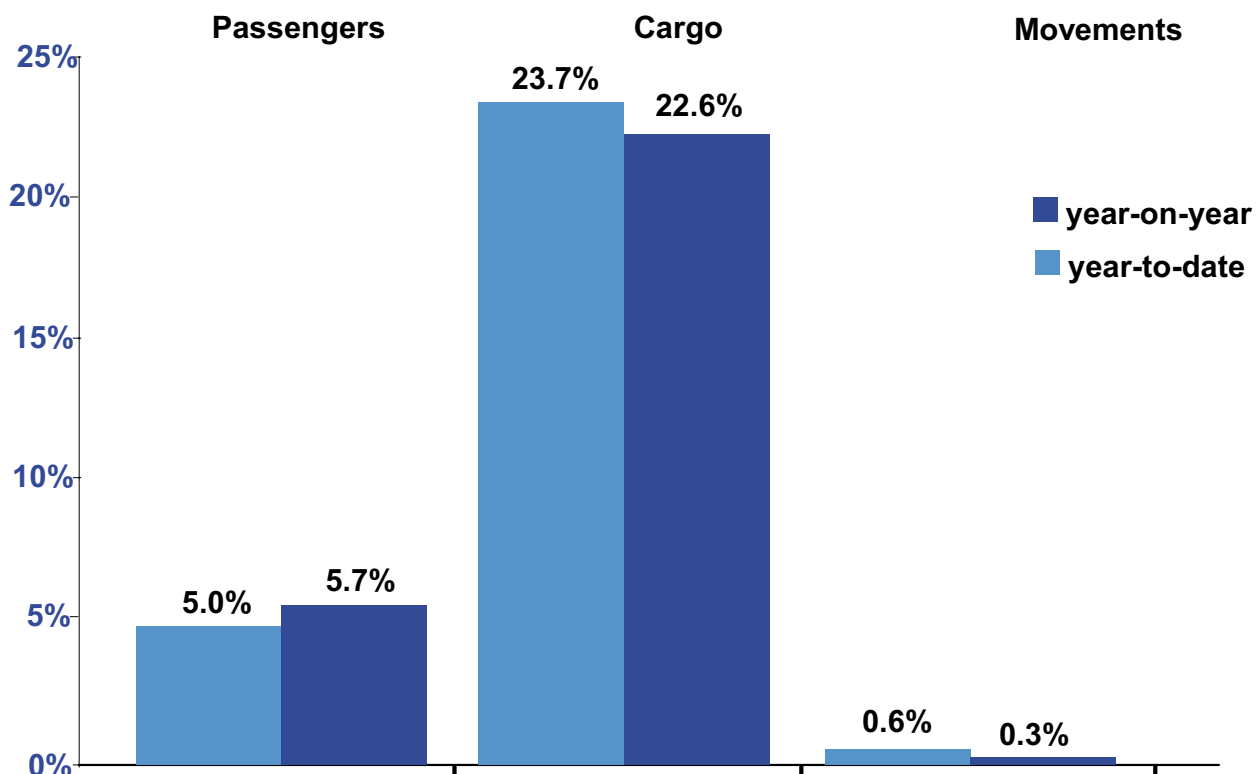
'Clouded' results in second quarter 2010

The second quarter of 2010 saw a growth of total passenger numbers by 5 percent and a very strong 24 percent increase of air cargo throughput (Figure 1).

Passenger growth lost some momentum compared to the first quarter due to the negative April results caused by the volcanic ash crisis. European airspace was closed for a large part of one week affecting hundreds of airports and millions of passengers in Europe and worldwide leading to stagnation of global traffic growth in April.

Air traffic movements remained stable at +0.5 percent indicating continued caution by carriers to add additional capacity to the market. The growth therefore is achieved through larger aircraft and higher load factors.

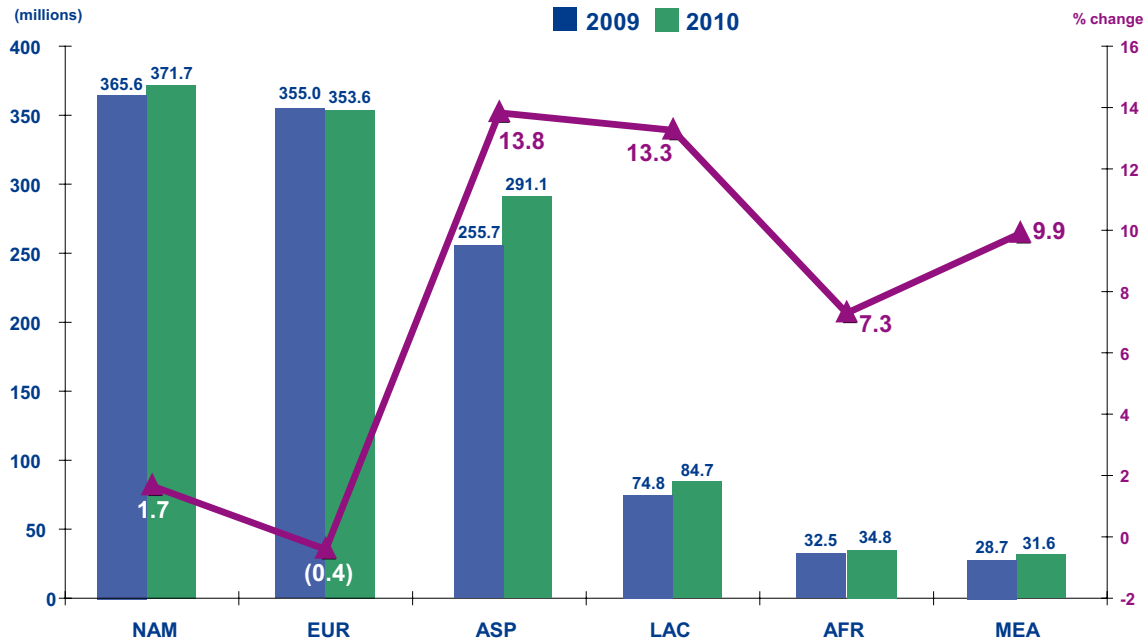
Figure 1: Q2 2010 percentage growth year-on-year and year-to-date



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

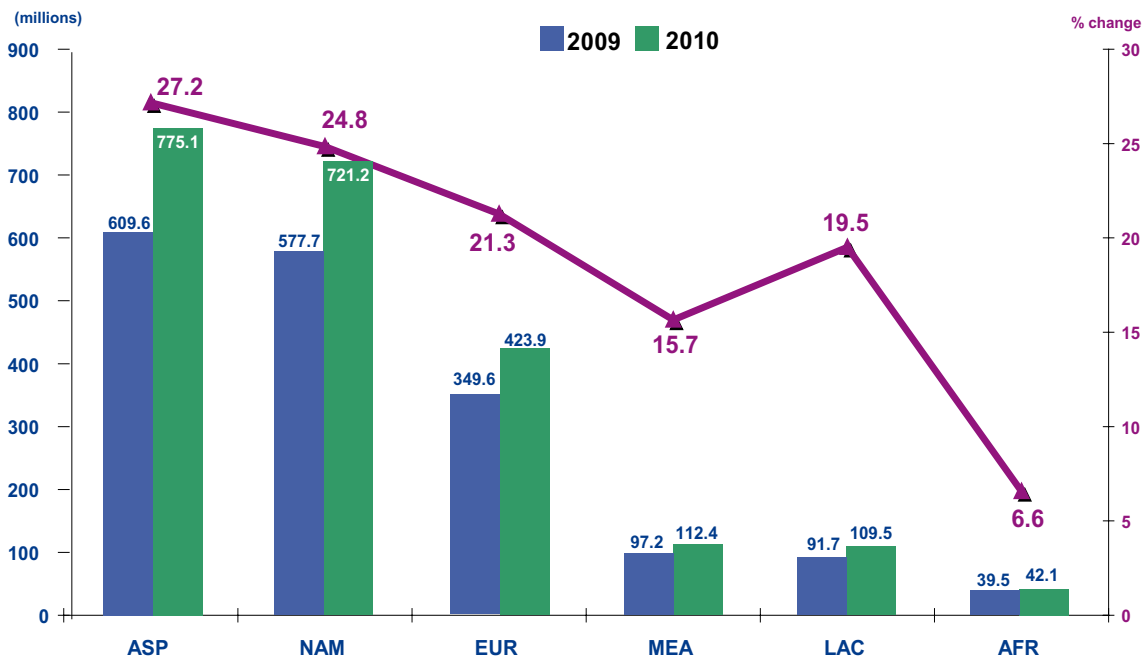
In Europe, negative April results are responsible for a quarterly decline of -0.5 percent adding additional concerns to an already slow recovery (Figure 2). North America's marginal growth of 1.5 percent results from stronger international traffic growth compensating for a stagnating domestic market. Asia-Pacific, Middle East and Latin America-Caribbean retained their double digit growth building on strong demand for international travel. Growth in Africa slowed in the second quarter.

Figure 2: Q2 2010 total passengers



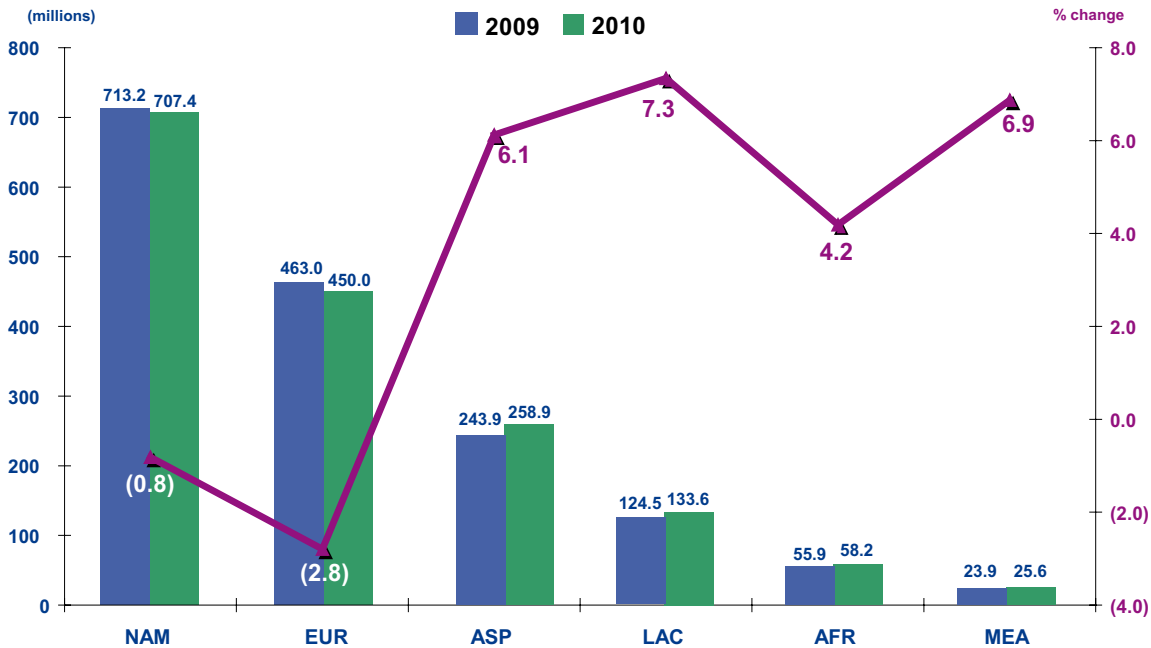
The situation in cargo in the second quarter was very positive with all regions reporting double-digit growth except for Africa (Figure 3). A 6.5 percent increase in Africa is good news though, in light of negative growth during the first quarter. Asia-Pacific, North America and Europe, the largest regions by far in cargo throughput, grew by more than 20 percent followed by Latin America-Caribbean and the Middle East.

Figure 3: Q2 2010 total cargo



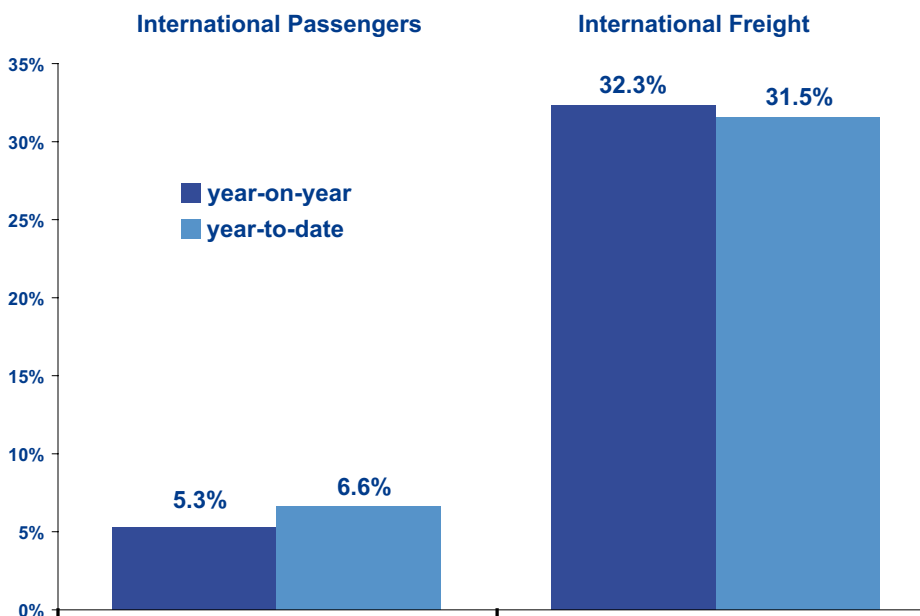
The marginal growth of air traffic movements globally originates in Europe and North America where movements declined in the second quarter (Figure 4). The negative growth in these two regions, which account for two thirds of worldwide movements, came as a result of the airspace closure and while many passengers could eventually fly after air space reopened, aircraft movements could not be made up fully. Increases in the other regions are significant, however, they remain well below passenger increases.

Figure 4: Q2 2010 total movements



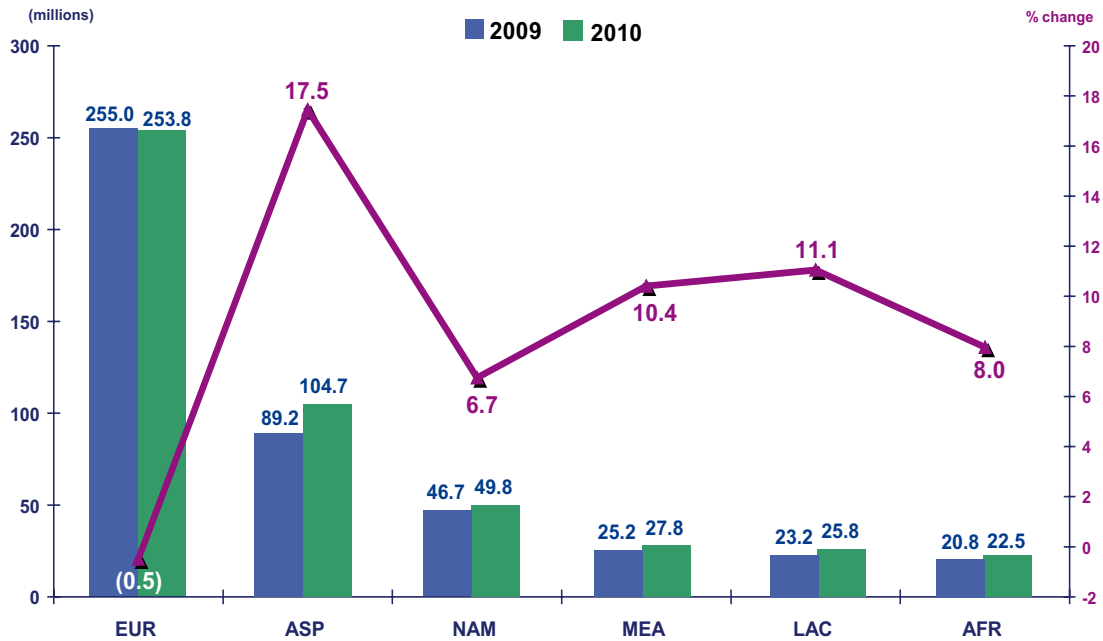
International traffic growth is broadly in line with total traffic growth and consequently domestic traffic growth (Figure 5), but 5.5 percent is clearly down from an 8 percent increase in the first quarter. This is a result of the volcanic ash situation and a 0.5 percent quarterly decline in Europe. International freight reached another peak at 32.5 percent mirroring the severe declines in the reference period and the economic recovery taking shape.

Figure 5: Q2 2010 International passenger and freight year-on-year and year-to-date percentage growth rate



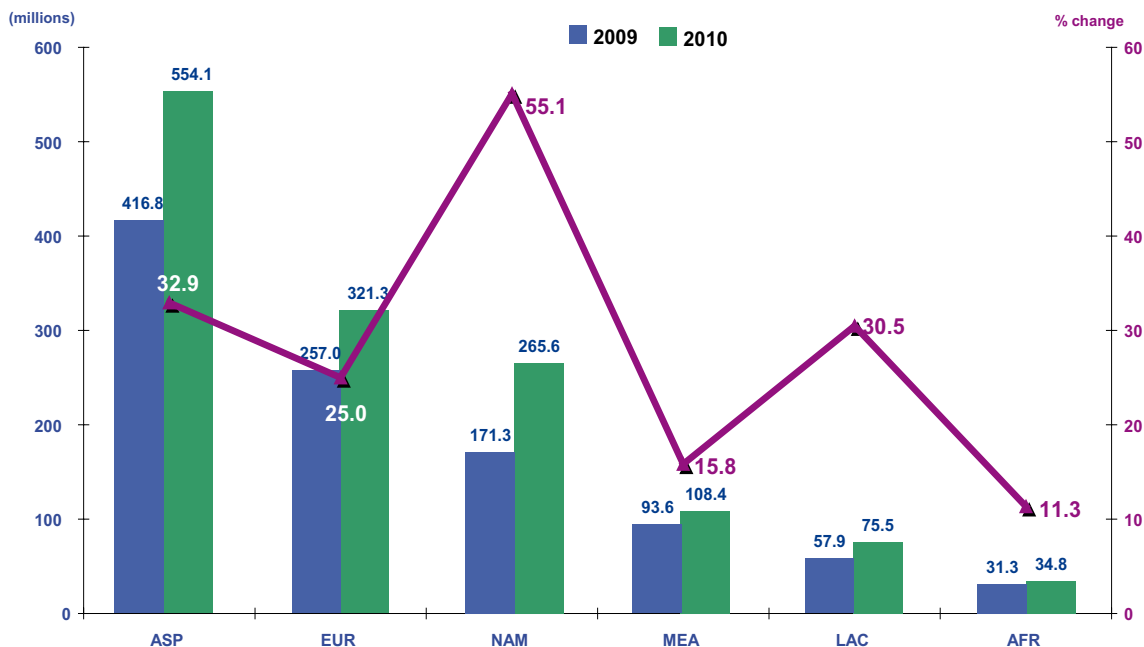
The international passenger growth picture is a little more homogeneous, however a stark contrast characterizes passenger volumes in Asia-Pacific and Europe (Figure 6). International passenger traffic leads the recovery again confirming its strong elasticity compared to domestic passenger traffic which is more stable. Latin America-Caribbean is the only region where domestic outperformed international passenger traffic despite an 11 percent growth in international traffic.

Figure 6: Q2 2010 International passengers



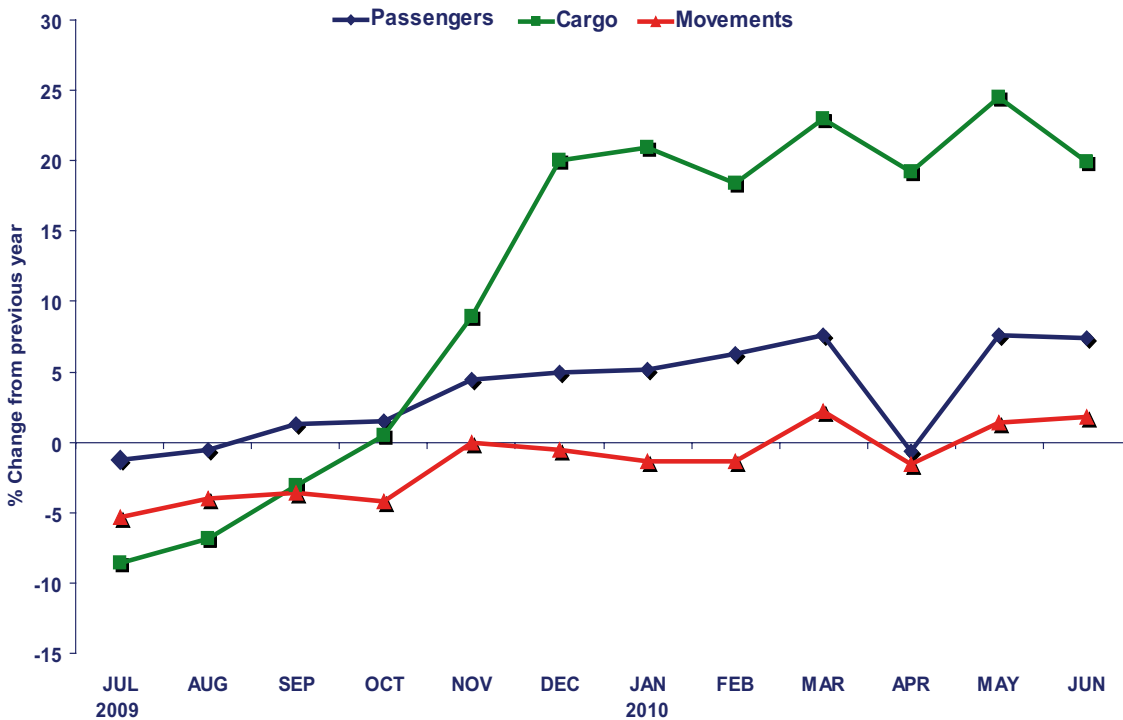
Pent-up demand, a growing economy and a stronger dollar are the reasons for an exceptional 55 percent increase in international freight in North America (Figure 7). Strong exports from China pushed results in Asia-Pacific, whereas German airports were key in growing European results similarly driven by exports.

Figure 7: Q2 2010 International freight (metric tonnes)



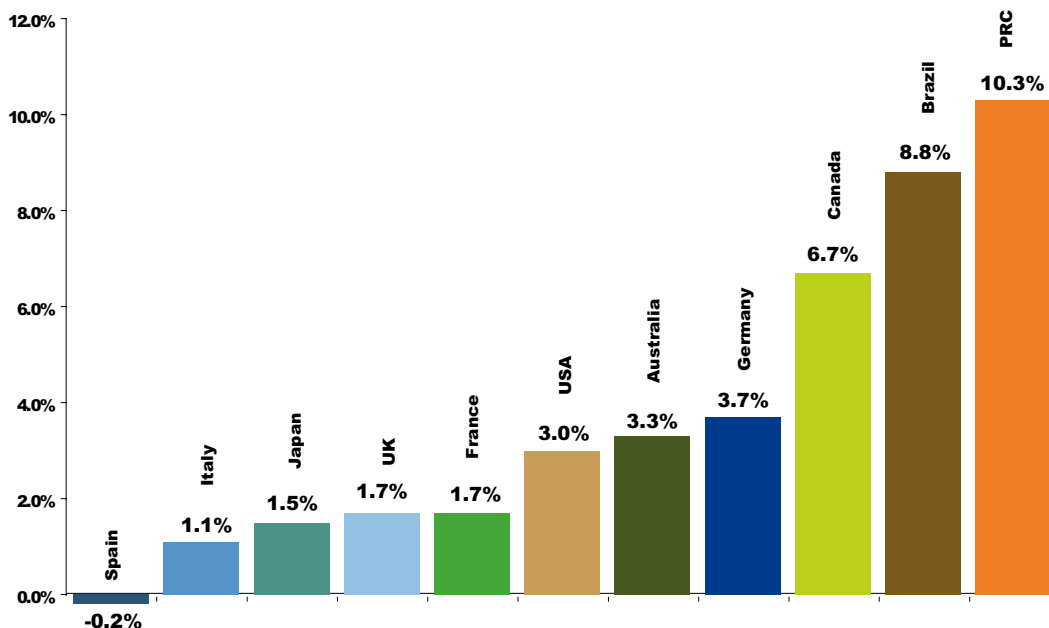
Air traffic has enjoyed a steady and sustained recovery since the fourth quarter of 2009 only interrupted by April results (Figure 8). Cargo performance has been above 20 percent growth since December whereas passenger growth exceeded 5 percent since November. Movements have been hovering around zero growth since the 4th quarter 2009 denying a clear upward trend.

Figure 8: Evolution of airport traffic worldwide



Gross domestic product growth continues to improve and with the exception of Spain, the world's major aviation markets have returned to year-on-year growth of their GDP (Figure 9). Germany, Spain, UK and Canada have most improved their output growth relative to the first quarter, whereas Brazil and China could sustain their record growth track.

Figure 9: GDP growth in major markets year-on-year Q2 2010



The USA and the European countries remain below their quarterly GDP growth effected by the dismal April results, whereas traffic in other countries such as Australia, Canada, Japan, Brazil and China outperformed GDP growth by a factor of between 1.5 and 2 (Figure 10).

The fastest growing markets, however, were located in Latin America-Caribbean and Asia-Pacific supplemented by the Russian Federation. United Arab Emirates spearhead the Middle East, and Egypt tops markets in Africa.

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

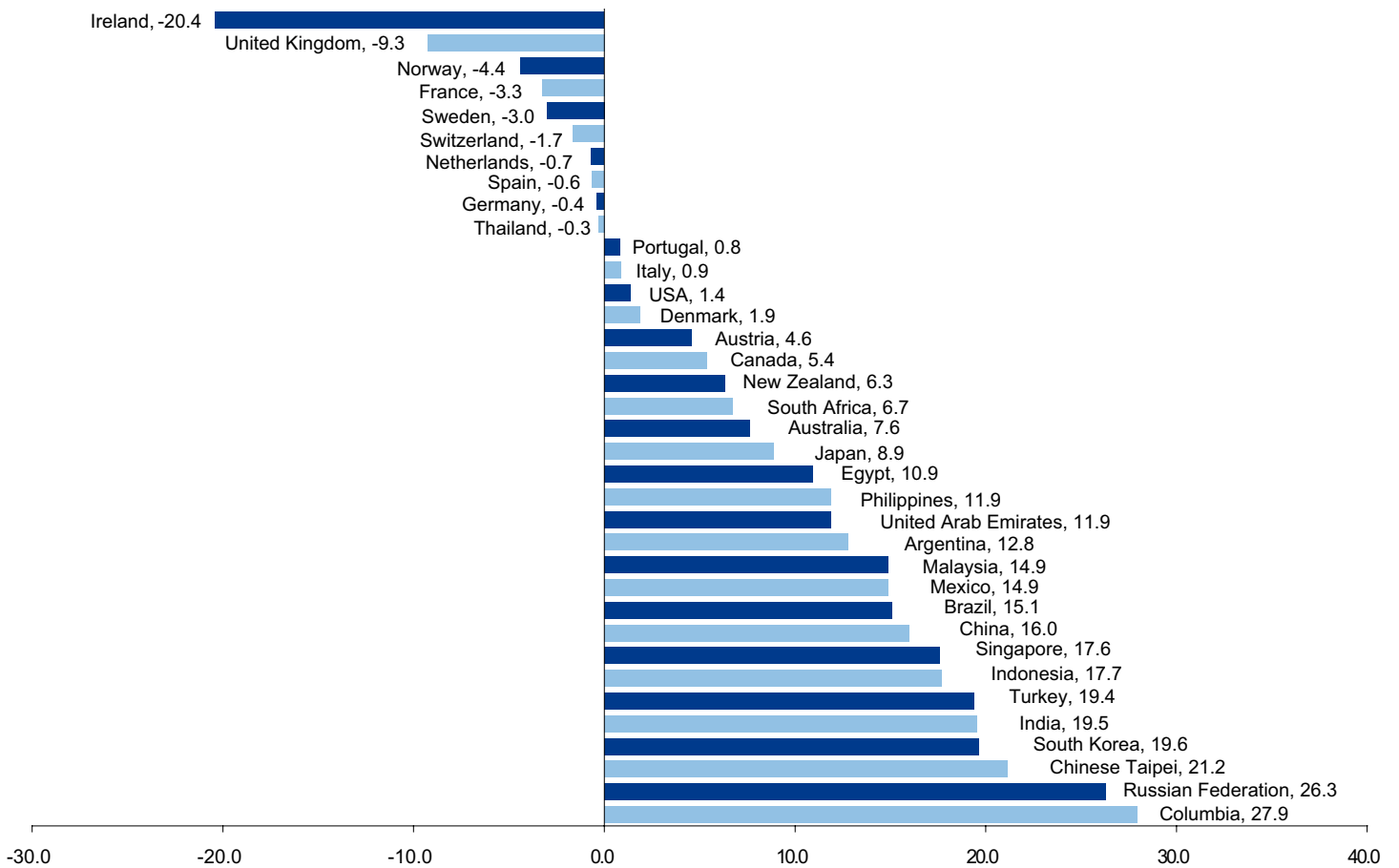


Figure 11: 30 airports reporting biggest year-on-year growth in Q2 2010

City, Country	CODE	total passengers	% change
ISTANBUL, TR	SAW	2 805 437	93.5
MOSCOW, RU	SVO	4 929 511	35.2
MILWAUKEE WI, US	MKE	2 592 586	33.7
BOGOTA, CO	BOG	4 440 754	32.9
CANCUN, MX	CUN	3 216 084	32.2
SHANGHAI, CN	PVG	10 130 237	31.5
BANGALORE, IN	BLR	2 898 628	25.8
HA NOI, VN	HAN	2 275 099	24.2
MOSCOW, RU	VKO	2 397 845	22.8
TAIPEI, TW	TPE	6 351 042	22.7
XIAMEN, CN	XMN	3 271 550	22.4
ANTALYA, TR	AYT	6 519 869	21.9
INCHEON, KR	ICN	8 048 652	21.8
HANGZHOU, CN	HGH	4 369 362	21.5
CALCUTTA, IN	CCU	2 325 190	21.5
SHANGHAI, CN	SHA	7 775 430	21.4
BRASILIA, BR	BSB	3 466 929	21.0
BUSAN, KR	PUS	2 106 741	20.4
MOSCOW, RU	DME	5 477 777	20.2
SÃO PAULO, BR	GRU	6 093 043	19.9
JAKARTA, ID	CGK	10 953 652	19.7
NEW DELHI, IN	DEL	7 304 823	19.1
MADRAS, IN	MAA	2 972 656	18.4
SEOUL, KR	GMP	4 653 862	17.9
MUMBAI, IN	BOM	7 236 342	17.8
SINGAPORE, SG	SIN	10 294 125	17.6
JEJU, KR	CJU	4 318 286	17.4
NANJING, CN	NKG	3 068 298	16.8
KUALA LUMPUR, MY	KUL	8 311 029	16.6
OSAKA, JP	KIX	3 439 692	16.2

Figure 12: Airports reporting biggest year-on-year declines in Q2 2010

City, Country	CODE	total passengers	% change
CINCINNATI OH, US	CVG	2 066 963	-29.1
DUBLIN, IE	DUB	4 581 758	-17.1
EDINBURGH, GB	EDI	2 120 248	-13.3
LONDON, GB	LTN	2 212 430	-11.3
MANCHESTER, GB	MAN	4 530 257	-10.6
BIRMINGHAM, GB	BHX	2 199 618	-10.2
LONDON, GB	STN	4 600 916	-10.1
MILAN, IT	LIN	2 016 582	-9.7
LONDON, GB	LHR	15 519 157	-7.8
LONDON, GB	LGW	7 840 131	-7.8
ATHENS, GR	ATH	4 035 871	-6.8
RIO DE JANEIRO, BR	GIG	2 625 252	-6.7
BRUSSELS, BE	BRU	4 325 854	-6.4
ST LOUIS MO, US	STL	3 184 142	-6.3
LAS VEGAS NV, US	LAS	9 902 075	-6.0
BANGKOK, TH	BKK	8 632 534	-5.8
NICE, FR	NCE	2 640 723	-5.7
PALMA DE MALLORCA, ES	PMI	6 061 761	-5.3
PRAGUE, CZ	PRG	2 906 057	-5.1
PARIS, FR	CDG	14 506 697	-4.7
PARIS, FR	ORY	6 419 825	-4.1
HELSINKI, FI	HEL	3 118 169	-3.8
MALAGA, ES	AGP	3 222 702	-3.6
BUDAPEST, HU	BUD	2 035 267	-3.6
STUTTGART, DE	STR	2 352 853	-3.4
STOCKHOLM, SE	ARN	4 179 624	-3.3
COLOGNE, DE	CGN	2 542 919	-3.2
CLEVELAND OH, US	CLE	2 513 898	-3.0
MINNEAPOLIS MN, US	MSP	8 244 210	-2.9
TAMPA FL, US	TPA	4 331 985	-2.5

Figure 13: Q2 2010 year-on-year growth per size category

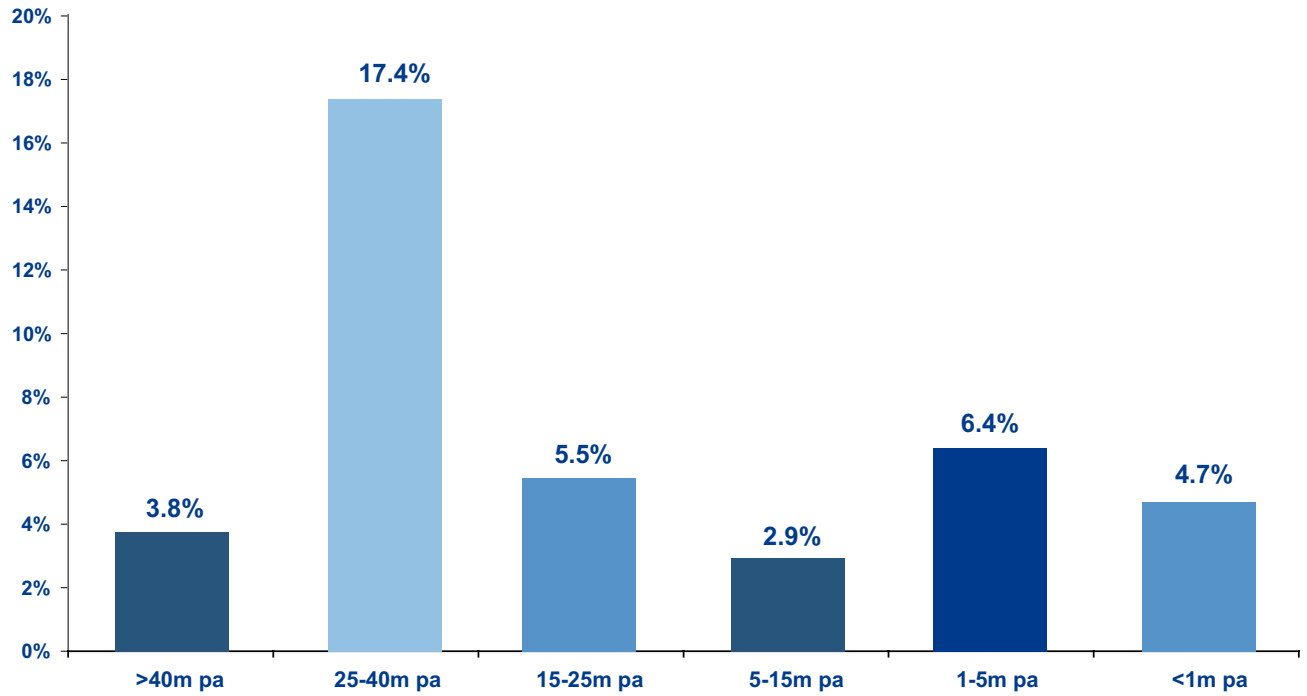


Figure 14: Q2 2010 airport size category and market share

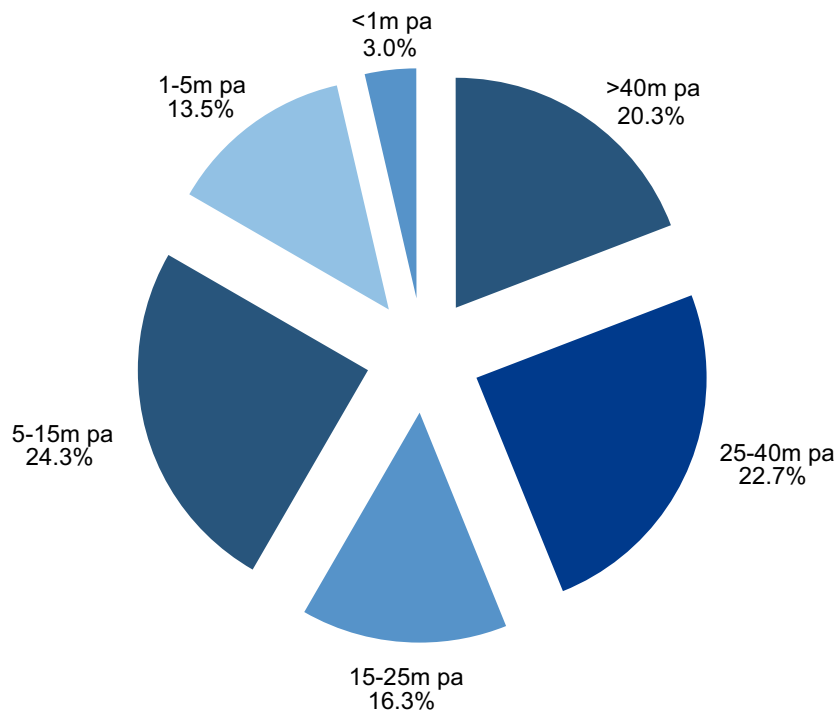
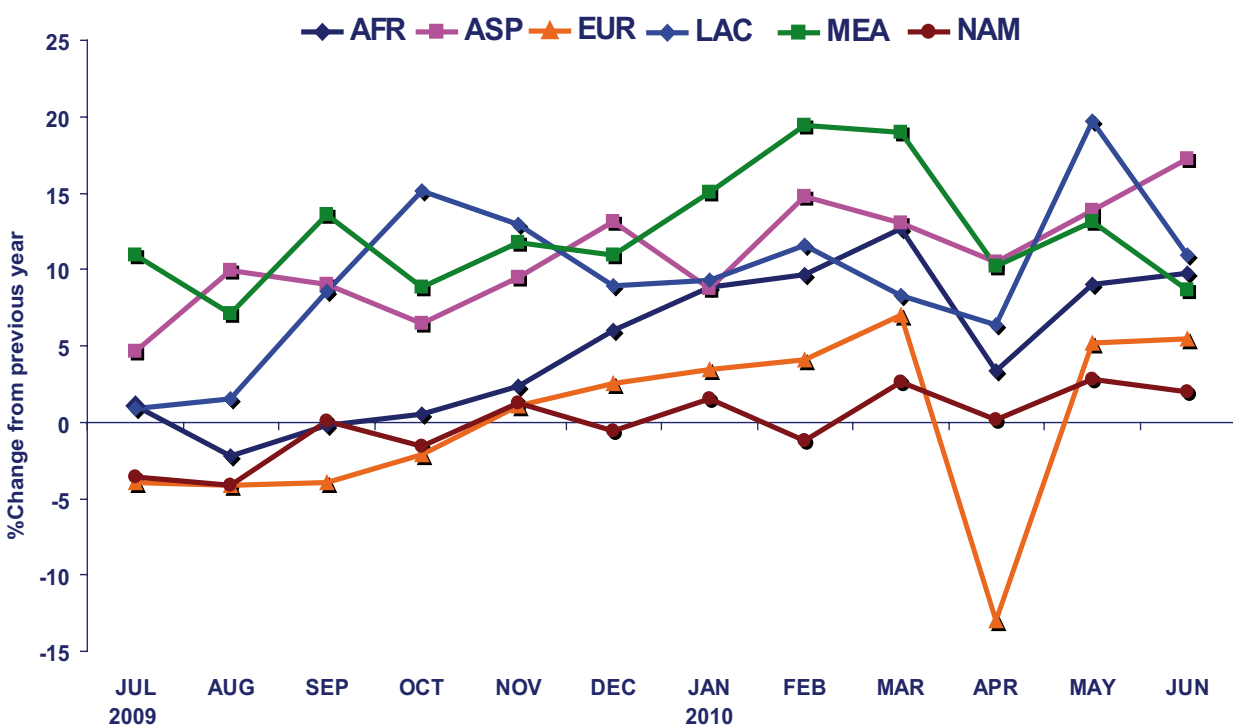


Figure 15: Top 20 international airports Q2 2010
 (international traffic only - year-on-year percentage change)

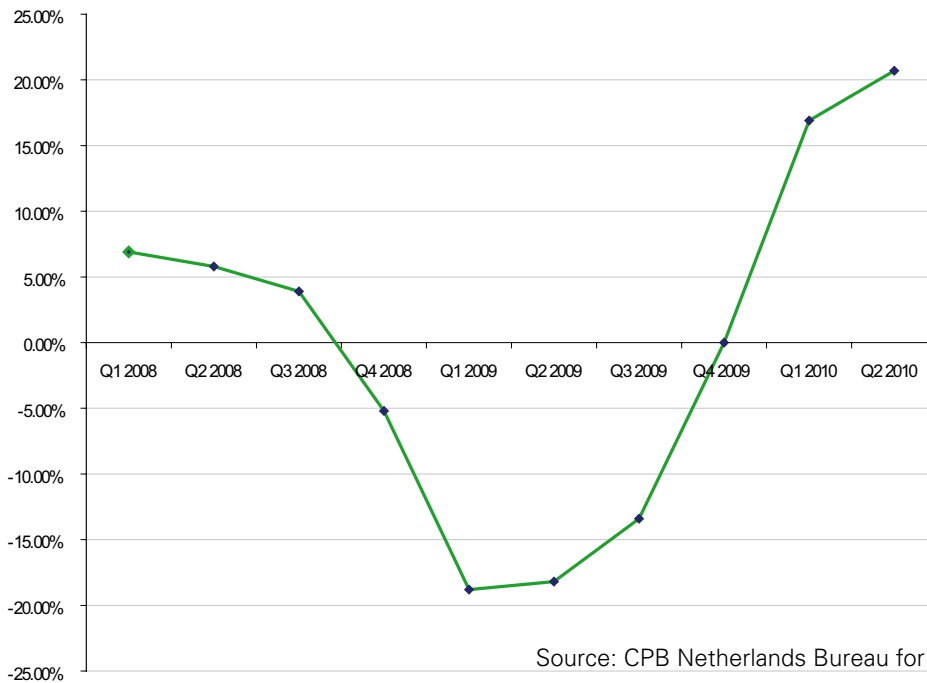
City, Country	Code	Passengers	% change
LONDON, GB	LHR	27 951 697	(2.5)
PARIS, FR	CDG	24 790 841	(2.1)
HONG KONG, HK	HKG	23 956 000	9.9
DUBAI, AE	DXB	22 151 168	16.6
FRANKFURT, DE	FRA	21 292 919	1.4
AMSTERDAM, NL	AMS	20 463 622	1.1
SINGAPORE, SG	SIN	19 696 938	17.6
TOKYO, JP	NRT	15 952 124	10.4
INCHEON, KR	ICN	15 826 303	18.4
BANGKOK, TH	BKK	15 110 851	10.2
MADRID, ES	MAD	14 463 042	5.4
LONDON, GB	LGW	12 514 519	(4.2)
MUNICH, DE	MUC	11 435 112	4.9
TAIPEI, TW	TPE	11 400 364	23.6
KUALA LUMPUR, MY	KUL	11 054 168	26.2
NEWYORK NY, US	JFK	10 653 184	5.8
ROME, IT	FCO	10 542 954	11.0
ZURICH, CH	ZRH	10 154 909	2.9
TORONTO ON, CA	YYZ	9 398 613	6.4
ISTANBUL, TR	IST	9 289 295	13.5

Figure 16 : International passenger regional trends



World trade volume growth accelerated further in the second quarter at +20.7 percent (Fig 17). Despite the rapid recovery in 2010, pre-crisis volumes have not yet been reached as second quarter volumes were -1.5 percent below the second quarter of 2008. As volumes started to improve in the third quarter 2009 it is likely that second quarter growth represented the peak of the rebound.

Figure 16: World trade volume



International freight growth began slowing down in June (Figure 18) possibly indicating that the global inventory cycle is coming to an end while pre-crisis volumes are achieved. Latin America-Caribbean was an exception and expanded growth rates further, as a result of GDP in key countries in Latin America that grew at a record pace in the second quarter.

Figure 18: International freight regional trends

