

SINGLE USER
PDF VERSION

SRS Low-Cost Monitor 2008



A comprehensive annual
review of low-cost airline
operations in UK & Europe



rdcaviation
Business Intelligence



2008 SRS Low Cost Monitor

We are delighted to introduce the 2008 Low Cost Monitor. This is the sixth edition of the popular "Low Cost Monitor" series, the most comprehensive so far. There are several carriers included this year for the first time as the low-cost phenomenon has expanded into new territories.

This year's edition shows that low cost carriers have continued to grow their market share of intra-European capacity reaching 35% in 2007, increasing from 31% in 2006. Low cost annual capacity growth has now remained above 20% each year from 2003. Conventional capacity reversed the decrease recorded in 2006 posting an increase of 3.2% in 2007, the largest increase since 2004. However with low-cost capacity growth continuing to outpace their conventional counterparts their capacity share could reach 50% by 2012.

The results for 2007 again emphasise that the majority of new low-cost seat capacity is provided by the three major carriers (Ryanair, easyJet and Air Berlin) who had a combined increase of 23 million seats in 2007. With Ryanair introducing several new aircraft in 2008 they should overtake Lufthansa as the airline offering the most intra-European capacity. Several small and medium sized low-cost carriers have comparably higher capacity growth rates, such as Clickair, MyAir, Blueair and Veuling, as they have introduced new aircraft throughout the year.

Most European countries have maintained positive low cost growth with the United Kingdom still offering the most low cost capacity. The largest increase was from Spain, over 12 million seats, which puts the country into second position overtaking Germany. Following the accession of Romania and Bulgaria to the European Union low-cost capacity growth in these countries has been substantial in 2007 — Romania enjoyed 156% growth with over 800,000 more seats whilst Bulgaria grew by 123% from a more modest base. Continued expansion into these markets should be expected through 2008 and beyond.

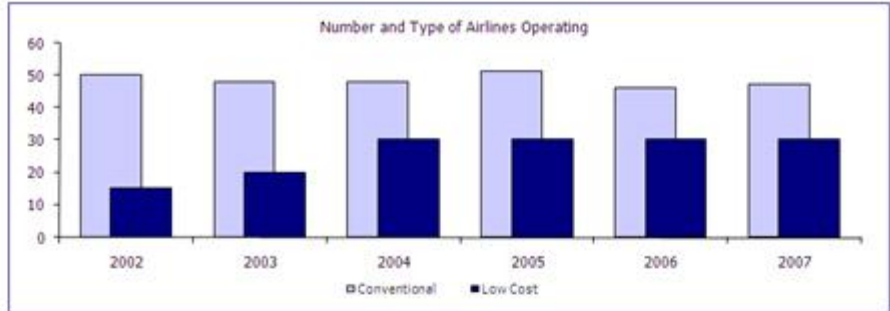
The rate of consolidation that took place in previous years has increased in 2007 as low-cost carriers have attempted to increase market share and enter into new markets - easyJet increased their presence at London Gatwick and Manchester with the purchase of GB Airways; Air Berlin entered the long haul market with its purchase of both LTU and Condor whilst Norwegian has increased its influence in Scandinavia purchasing Stockholm based flynordic. Continued consolidation should be expected throughout 2008 with merger talks already in place between Germanwings and TUIfly and rumours of a possible collaboration between Clickair and Veuling.



Spain

A Airport Intra European Capacity Top 10

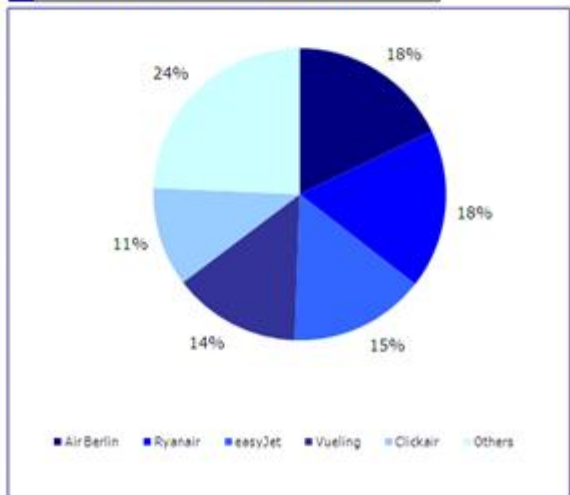
Airport	Capacity	LC Cap	LC %
Madrid	30,305,583	4,076,262	13.5%
Barcelona	22,653,445	7,358,664	32.5%
Palma De Mallc	11,794,844	6,732,235	57.1%
Málaga	7,815,849	4,098,636	52.4%
Alicante	5,077,191	3,143,464	61.9%
Las Palmas	4,597,831	772,113	16.8%
Valencia	4,209,073	1,958,764	46.5%
Seville	3,081,135	1,556,314	50.5%
Gerona	2,978,921	2,826,370	94.9%
Bilbao	2,965,104	460,879	15.5%



B Low Cost Airlines - Departing Capacity

Carrier	2006	2007	% Chg
Air Berlin	6,994,224	7,240,148	3.5%
Ryanair	4,517,627	7,143,444	58.1%
easyJet	4,920,682	6,073,301	23.4%
Vueling	3,936,060	5,723,389	45.4%
Clickair	230,580	4,454,820	1832.0%
Hapag Lloyd Express	253,570	1,617,338	537.8%
Thomsonfly	681,246	1,384,413	103.2%
Jet2	712,536	1,182,647	66.0%
Transavia	810,563	843,075	4.0%
brb baby	676,498	696,942	3.0%
FlyGloboSpan	545,330	696,068	27.6%
Sterling	734,638	689,351	(6.2%)
Aer Lingus	567,797	647,352	14.0%
Germanwings	332,668	454,669	36.7%
Niki	338,294	387,066	14.4%
MyAir	129,404	209,440	61.8%
FlyBE	294,692	179,351	(39.1%)
Norwegian	106,056	167,844	58.3%
Blueair	64,560	145,064	124.7%
SkyEurope	86,792	112,455	29.6%
Others	930,618	421,009	(54.8%)

C Low Cost Airlines - Capacity Share





Spain

D Low Cost Capacity & Departures by Destination (Top 40)

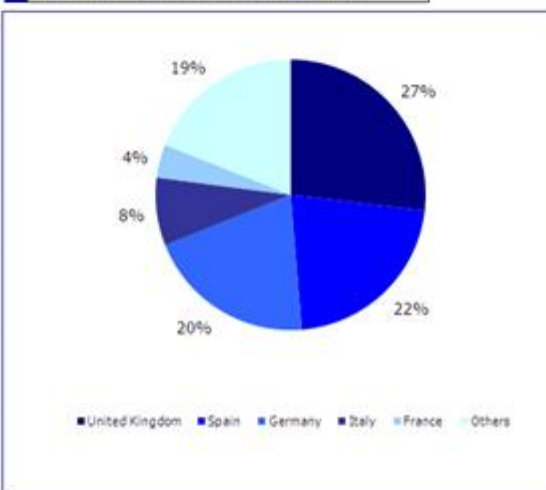
Rank	Airport	Departures	Capacity	Ac Size
1	Barcelona	13,981	2,503,453	179.1
2	Stansted	12,358	2,137,155	172.9
3	Gatwick	7,373	1,190,015	161.4
4	Palma De Mallorca	6,376	1,133,509	177.8
5	Amsterdam	6,744	1,119,481	166.0
6	Dublin	5,833	1,100,536	188.7
7	Madrid	5,269	913,120	173.3
8	Seville	4,977	896,098	180.0
9	Liverpool	5,229	876,542	167.6
10	Luton	5,465	868,933	159.0
11	Dusseldorf	4,680	850,093	181.6
12	Cologne	4,055	697,481	172.0
13	Melaga	3,780	681,292	180.2
14	Paris (Charles De Gaulle)	3,790	678,252	179.0
15	Milan (Malpensa)	3,815	649,334	170.2
16	Manchester	3,599	637,402	177.1
17	Hamburg	3,598	620,597	172.5
18	East Midlands	3,599	617,470	171.6
19	Rome (Fiumicino)	3,238	581,447	179.6
20	Hahn	3,042	574,938	189.0

Rank	Airport	Departures	Capacity	Ac Size
21	Stuttgart	3,592	573,340	159.6
22	Newcastle	3,335	561,583	168.4
23	Berlin (Tegel)	3,105	555,531	178.9
24	Bergamo	2,998	551,559	184.0
25	Bristol	3,487	545,083	156.3
26	Frankfurt	3,075	537,968	174.9
27	Hanover	2,905	506,654	174.4
28	Rome (Ciampino)	2,730	505,704	185.2
29	Lisbon	2,682	483,183	180.2
30	Leeds Bradford	2,466	465,440	188.7
31	Geneva	2,885	460,980	159.8
32	Munich	2,565	455,571	177.6
33	Paris (Orly)	2,583	442,107	171.2
34	Glasgow	2,661	428,436	161.0
35	Dortmund	2,366	392,038	165.7
36	Basle Mulhouse	2,381	385,093	161.7
37	Nuremberg	2,154	384,302	178.4
38	Santiago De Compostela	2,059	370,417	179.9
39	Niederrhein	1,858	351,162	189.0
40	Berlin (Schonefeld)	2,204	345,908	156.9

E Low Cost Capacity by Destination Country

Country	2006	2007	% Chg
United Kingdom	8,996,450	10,915,981	21.3%
Spain	4,313,618	8,870,808	105.6%
Germany	6,184,971	8,222,004	32.9%
Italy	1,811,682	3,308,703	82.6%
France	755,938	1,611,099	113.1%
Netherlands	1,223,395	1,562,107	27.7%
Ireland	905,356	1,347,315	48.8%
Switzerland	847,983	1,091,309	28.7%
Portugal	418,447	866,447	107.1%
Belgium	994,543	563,358	(43.4%)
Sweden	344,821	426,160	23.6%
Denmark	332,426	411,954	23.9%
Austria	270,134	381,121	41.1%
Norway	263,507	379,850	44.2%
Romania	64,560	250,096	287.4%
Czech Republic	73,141	143,027	95.5%
Poland	75,168	101,604	35.2%
Hungary	33,051	70,519	113.4%
Greece		40,840	
Slovakia	21,961	29,057	32.3%
Others	567	51,408	8966.7%

F Low Cost Capacity - Country Share



G LCC Capacity, Departures and Aircraft Size by Route Pairing

Rank	From	To	Capacity		% Chg	Departures		% Chg	Aircraft Size		% Chg			
			2006	2007		2006	2007		2005	2006				
1	BCN	SVQ	324,540	608,087	87.4%	↑	1,803	3,383	87.6%	↑	180	180	(0.1%)	↓
2	AGP	BCN	101,340	416,825	311.3%	↑	563	2,318	311.7%	↑	180	180	(0.1%)	↓
3	BCN	AMS	296,068	385,167	30.1%	↑	1,812	2,309	27.4%	↑	163	167	2.1%	↑
4	FMI	DUS	217,680	350,015	60.8%	↑	1,222	1,877	53.6%	↑	178	186	4.7%	↑
5	FMI	CGN	289,528	336,286	16.1%	↑	1,630	1,866	14.5%	↑	178	180	1.5%	↑
6	BCN	MAD	131,040	318,266	142.9%	↑	728	1,774	143.7%	↑	180	179	(0.3%)	↓
7	FMI	HAM	203,193	299,495	47.4%	↑	1,214	1,687	39.0%	↑	167	178	6.1%	↑
8	BCN	FCO	165,780	280,159	69.0%	↑	921	1,560	69.4%	↑	180	180	(0.2%)	↓
9	BCN	LIS	107,640	261,474	142.9%	↑	598	1,455	143.3%	↑	180	180	(0.2%)	↓
10	FMI	STR	204,799	252,787	23.4%	↑	1,269	1,469	15.8%	↑	161	172	6.6%	↑
11	FMI	HAI	208,787	244,309	17.0%	↑	1,249	1,375	10.1%	↑	167	178	6.3%	↑
12	FMI	MUC	135,099	237,379	75.7%	↑	755	1,287	70.5%	↑	179	184	3.1%	↑
13	BCN	CDG	226,980	234,131	3.2%	↑	1,261	1,305	3.5%	↑	180	179	(0.3%)	↓
14	GRO	STN	235,305	233,415	(0.8%)	↓	1,245	1,235	(0.8%)	↓	189	189		
15	MAD	MRP	99,372	230,422	131.9%	↑	591	1,388	134.9%	↑	168	166	(1.3%)	↓
16	AGP	DUB	194,282	219,735	13.1%	↑	980	1,042	6.3%	↑	198	211	6.4%	↑
17	ALC	STN	172,963	211,219	22.1%	↑	1,117	1,305	16.8%	↑	155	162	4.5%	↑
18	MAD	LGW	163,020	207,064	27.0%	↑	1,045	1,346	28.8%	↑	156	154	(1.4%)	↓
19	FMI	DTM	195,447	202,148	3.4%	↑	1,115	1,172	5.1%	↑	175	172	(1.6%)	↓
20	BCN	LGW	198,588	201,228	1.3%	↑	1,273	1,305	2.5%	↑	156	154	(1.2%)	↓
21	FMI	TXL	195,629	201,199	2.8%	↑	1,078	1,107	2.7%	↑	181	182	0.2%	↑
22	MAD	CDG	113,040	199,320	76.3%	↑	628	1,119	78.2%	↑	180	178	(1.0%)	↓
23	BCN	GVA	135,216	196,560	45.4%	↑	848	1,190	40.3%	↑	159	165	3.6%	↑
24	SCQ	BCN	43,920	195,353	344.8%	↑	244	1,087	345.5%	↑	180	180	(0.2%)	↓
25	GRO	BVA	133,623	194,481	45.5%	↑	707	1,029	45.5%	↑	189	189		
26	GRO	CIA	135,324	194,103	43.4%	↑	716	1,027	43.4%	↑	189	189		
27	VLC	STN	184,323	192,689	4.5%	↑	1,042	1,088	4.4%	↑	177	177	0.1%	↑
28	GRO	BGY	146,286	188,244	28.7%	↑	774	996	28.7%	↑	189	189		
29	FMI	FRA	139,060	187,491	34.8%	↑	789	1,067	35.2%	↑	176	176	(0.3%)	↓
30	FMI	FMO	154,703	183,883	18.9%	↑	879	1,000	13.8%	↑	176	184	4.5%	↑

Country **Romania**

IATA Code **OB**

Main Base **Bucharest - Baneasa**

A Key Facts

Address
Makor Gheorghe Sontu, Nr. 6, etaj 2/4
Sector 1, Bucuresti

Telephone
+40 21 208 86 86

Ownership
Blue Air Transport Aerian S.A

Website
<http://www.blueair-wib.com/>

Launch Date
2004

C.E.O.
Gheorghe Răcaru

Route Development Contact

Passengers (2006)
901,447

Blue Air was established in 2004 and is a low cost airline operating services to European destinations, primarily from its base at Bucharests secondary airport (Baneasa) using four Boeing 737 aircraft. It was the first low cost carrier in Romania. In November of 2007, Blue Air was forced to withdraw services from Cluj Napoca due to increasing competition from TAROM and Wizzair

Fleet
2 x B737-300
1 x B737-400
1 x B737-500

On Order
2 x B737-800

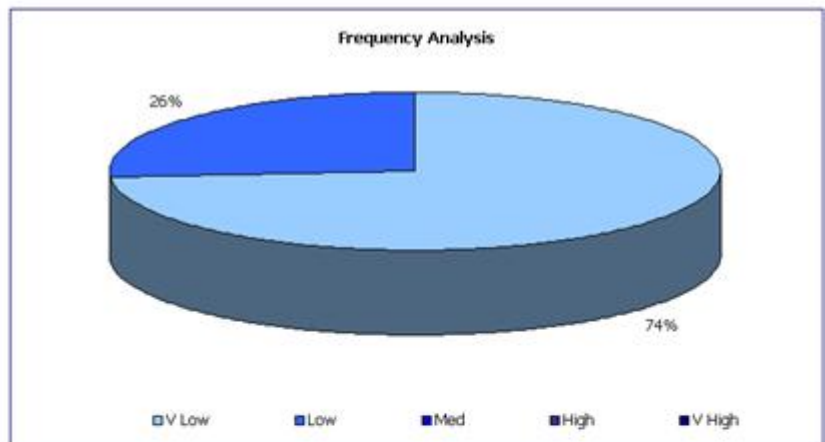
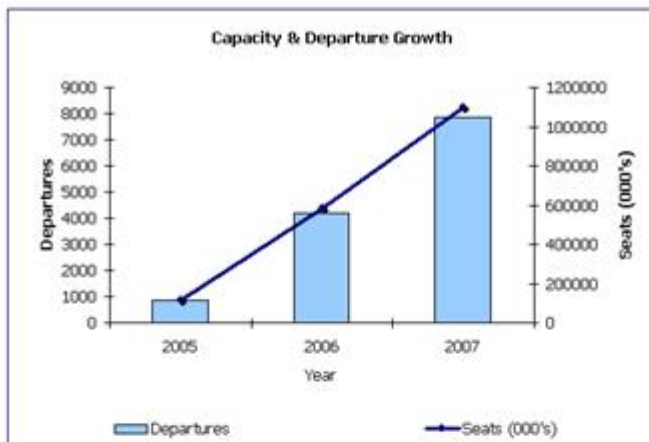
Main Bases
Bucharest - Baneasa
Valencia
Cluj Napoca
Cologne (Bonn)
Arad
Cuneo
Barcelona

B 3 Year Production

	2005	2006	2007
Departures	640	4,172	7,657
Seats (000's)	116	583	1,098
Change in Seats		400.3%	88.5%
Average Aircraft Size	138.6	139.7	139.8
Change in Aircraft size		0.7%	0.1%

C Performance Indicators

	Summer 2006
Return flights per week	266
Departures per week	133
City pairs	26
Average weekly frequency	10
Aircraft in fleet	4
City pairs per aircraft	6.5
Frequency per aircraft per week	67



D Production By Base

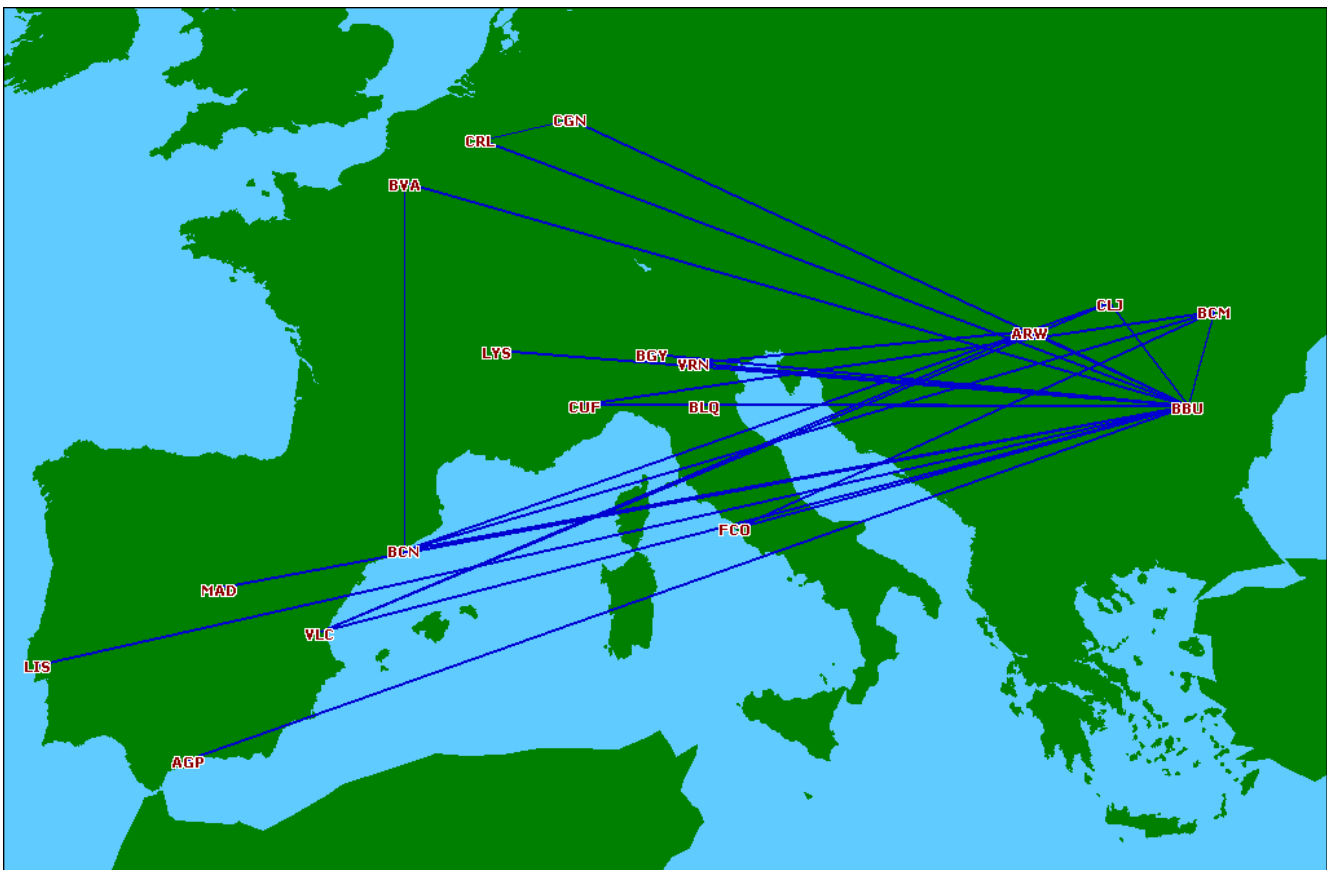
Base		Capacity			Departures			Average Aircraft Size			Capacity Increase	
		2005	2006	2007	2005	2006	2007	2005	2006	2007		
BBU	Bucharest - Baneasa	56,970	265,080	445,676	411	1,898	3,199	138.6	139.7	139.8	682.3%	+
ARW	Arad	23,380	61,008			167	436	140.0	139.9		160.9%	+
VLC	Valencia		15,680	59,932		112	429	140.0	139.7		282.2%	+
CUF	Cuneo		33,780	39,680		242	284	139.6	139.7		17.5%	+
CLJ	Cluj Napoca		6,020	38,216		43	274	140.0	139.5		534.8%	+
BCN	Barcelona	10,928	31,980	37,892	79	229	271	138.3	139.7	139.8	246.7%	+
CGN	Cologne (Bonn)			30,316			217			139.7		

Country **Romania**

IATA Code **OB**

Main Base **Bucharest - Baneasa**

E European Network Coverage





Dublin

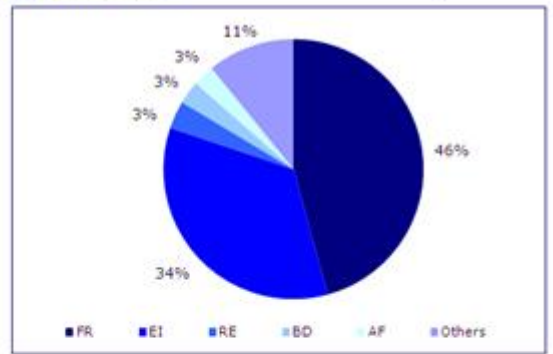
Ireland

EIDW / DUB

A Key Facts

Passengers - 2007 (Oct 06-Sep 07)	22,806,000
Growth vs previous year	8%
Number of carriers	36
Number of LCCs	11
Number of low cost destinations	131
Total capacity	13,595,663
Low cost capacity	11,312,334
Low cost %	83.2%
Low cost weekly frequencies	1,180
Avg frequency / destination	9
Major airline	Ryanair
Major low cost airline	Ryanair
Most served destination	Heathrow
Most served country	United Kingdom
DUB LC capacity / Ireland LC capacity	61.9%

B Carrier Share



C Low Cost Airline Capacity and Departures

IATA	Destination	Carrier	Capacity	Departures
1 LHR	Heathrow	EI	948,184	4,626
2 STN	Stansted	FR	628,425	3325
3 LGW	Gatwick	FR	411,264	2176
4 AMS	Amsterdam	EI	330,620	1837
5 ORK	Cork	FR	311,472	1648
6 MAN	Manchester	FR	259,875	1375
7 BRS	Bristol	FR	240,597	1273
8 MAN	Manchester	EI	240,000	1378
9 SHN	Shannon	EI	237,251	834
10 LTN	Luton	FR	229,068	1212
11 EDI	Edinburgh	FR	213,759	1131
12 BHX	Birmingham	EI	210,616	1210
13 LPL	Liverpool	FR	200,151	1059
14 EMA	East Midlands	FR	199,017	1053
15 CDG	Paris (Charles De Gaulle)	EI	194,337	1108
16 LBA	Leeds Bradford	FR	187,866	994
17 BHX	Birmingham	FR	181,629	961
18 PIK	Frestwick	FR	175,392	928
19 BVA	Beauvais	FR	159,327	843
20 AGP	Malaga	EI	140,544	623
21 GLA	Glasgow	EI	140,282	806
22 NCL	Newcastle	FR	135,135	715
23 FRA	Frankfurt	EI	123,018	707
24 BRU	Brussels	EI	118,320	680
25 CRL	Charleroi	FR	111,321	589

IATA	Destination	Carrier	Capacity	Dep / wk
26 HHN	Hehn	FR	108,864	576
27 MAD	Madrid	EI	99,684	567
28 DUS	Dusseldorf	EI	98,946	568
29 FCO	Rome (Fiumicino)	EI	96,520	513
30 MUC	Munich	EI	93,432	535
31 BCN	Barcelona	EI	92,398	526
32 CIA	Rome (Ciampino)	FR	85,617	453
33 EDI	Edinburgh	EI	84,542	485
34 AGP	Malaga	FR	79,191	419
35 FAO	Faro	EI	73,660	409
36 SOU	Southampton	BE	73,429	956
37 BOH	Bournemouth	FR	72,387	383
38 ALC	Alicante	EI	68,994	369
39 VIE	Vienna	EI	68,888	359
40 BGY	Bergamo	FR	68,796	364
41 DSA	Doncaster Sheffield	FR	68,796	364
42 BLK	Blackpool	FR	68,607	363
43 EIN	Eindhoven	FR	68,607	363
44 GRO	Gerona	FR	68,040	360
45 MAD	Madrid	FR	68,040	360
46 NCE	Nice	EI	66,968	384
47 SXF	Berlin (Schonefeld)	FR	66,906	354
48 SXF	Berlin (Schonefeld)	EI	64,940	373
49 RIX	Riga	FR	64,638	342
50 TRF	Oslo (Torp)	FR	63,504	336
Others			3,050,470	17,369

