

2004 ANNUAL REPORT

ANTWERP INTERNATIONAL AIRPORT

D/2005/3241/007

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1. MANAGEMENT AND MANAGEMENT RESULTS

The Ministry of the Flemish Community's Passenger Transport and Airport Division manages the Flemish regional Airport of Antwerp since 1992. The organic rules of its "Separate Management Service" status were drafted by the Flemish Government Decree of 8 June 1994 (Belgian Official Gazette of 20 October 1994). This form of management allows the Airport to operate autonomously to a certain extent and to conduct its own commercial policy, while providing the Airport with the opportunity to benefit from being integrated within the Ministry of the Flemish Community.

Next to its aeronautical and non-aeronautical revenues, Antwerp Airport receives an operating and investment allocation from the Flemish Region.

The Airport's operational staff falls under the Ministry of the Flemish Community. Belgocontrol is in charge of traffic control, the radio and meteorological services. Under the Co-operation Agreement of 30 November 1989 between the Belgian State and the Flemish and the Walloon Regions, Belgocontrol also finances the costs related to these activities.

In July 2004, a new Flemish Government was installed. The ensuing coalition agreement recognised the importance of the regional airports within the economic fabric. This is particularly the case for Antwerp Airport, located in an area where 24,500 partially multinational businesses are operating. In accordance with the coalition agreement, it was decided that the airport would continue the procedure for establishing a Public Private Partnership (PPP).

The ICAO rules oblige civil airports to have a certificate, issued by the national airport authority (Aviation Directorate-General), which guarantees airport users a certain quality level of services and security. Antwerp Airport has a category 3C certificate. In 2004, great care was taken to draft this certification application.

2. AIRPORT PROFILE

Antwerp Airport is a compact, time-efficient and comfortable regional city airport committed to business traffic, where customer-friendliness, reliability and personal service are considered to be of prime importance. The main flow of traffic is generated by the scheduled service from Antwerp to London City, charter flights and ad hoc business flights.

Major assets of the Airport are its unique location close to industrial centres, the port and the city, and also efficient handling. The Airport also plays an important role in pilot training.

The airline company VLM Airlines and the business aviation company "Flying Partners" use Antwerp Airport as their home base. In 2004, 53 companies and associations were operating from the Airport. The Airport directly employs about 560 people (flying and ground crew), of which 120 in the public sector and 440 in the private sector.

3. TRAFFIC

Traffic evolved as follows:

	Movements	Passengers	Freight in tons
1992	65,590	181,419	1,300
1993	56,361	212,970	1,582
1994	58,956	253,215	2,239
1995	57,625	260,966	10,807
1996	61,182	272,989	9,883
1997	66,109	257,887	8,010
1998	62,462	221,523	6,860
1999	74,370	231,113	7,281
2000	66,909	261,576	7,997
2001	69,515	273,208	6,684
2002	67,435	190,362	5,240
2003	64,000	168,283	4,903
2004	58,132	152,682	4,281

3.1. Movements

Most movements at Antwerp Airport are attributed to training: training flights account for 43% of the total number of movements.

In 2004, the total amount of movements decreased by about 9%, mainly as a result of a decline in the number of training flights by 26%.

The Airport nevertheless retained its important function as training base for pilots in Flanders. What is striking, is the marked increase in the number of local flights by 41%.

Number of movements by flight type.

	1998	1999	2000	2001	2002	2003	2004
Commercial traffic							
Scheduled flights	6,371	6,520	7,318	6,876	4,510	3,293	3,394
Business flights	3,526	3,564	3,856	3,404	3,433	3,720	
Ad hoc flights > 3 tons							5,362*
Charter flights	190	162	188	213	224	228	190
<i>Total</i>	<i>10,087</i>	<i>10,246</i>	<i>11,362</i>	<i>10,493</i>	<i>8,167</i>	<i>7,241</i>	<i>8,946</i>
Non-commercial traffic							
Local flights	10,388	9,454	8,941	9,437	11,036	8,717	12,258
Training flights	30,120	40,632	32,935	35,794	33,602	33,241	24,714
Touring flights	10,545	12,827	12,492	12,402	13,409	13,415	
Ad hoc flights < 3 tons							11,986*
Other flights	1,322	1,211	1,179	1,389	1,221	1,386	228*
<i>Total</i>	<i>52,375</i>	<i>64,124</i>	<i>55,547</i>	<i>59,022</i>	<i>59,268</i>	<i>56,759</i>	<i>49,186*</i>
General Total	62,462	74,370	66,909	69,515	67,435	64,000	58,132

*As from 2004, the rather arbitrary distinction between touring flights and business flights was replaced by a distinction based on the aeroplane's maximum mass allowed. As a consequence, the 2004 data can no longer be compared to the data of previous years.

Ad hoc flights with an aircraft of less than 3 tons are considered to be flights with a mainly tourist or recreational motive. Flights with an aircraft of over 3 tons (twin-engined aircraft) are considered to be flights with a mainly business-like motive.

Out of the 11,966 flights with an aircraft of less than 3 tons, 7,458 were domestic flights (62,2%) and 4,528 flights had a foreign origin or destination (37,8%).

The flights with an aircraft of over 3 tons were mainly international: 4,886 out of 5,362 or 91,1%, as opposed to 476 domestic flights (8,9%).

As from 2004, the number of "other flights" has been limited by better assignment of these flights to the other categories.

3.2. Passenger transport

The total number of passengers at Antwerp Airport declined both in 1997 and 1998 but subsequently rose again reaching a level of 273,208 passengers in 2001.

This positive trend ended abruptly in the first half of 2002 due to the termination of certain scheduled flights, and the decrease in the number of passengers on local flights, training flights and ad hoc flights with an aircraft < 3 tons.

The new Antwerp-Prague connection, which started in June 2004, was ended on 6 January 2005.

Number of passengers by flight type (evolution 1998-2004)

	1998	1999	2000	2001	2002	2003	2004
Commercial traffic							
Scheduled flights	155,060	157,120	179,578	181,884	102,134	81,889	85,939
Business flights	8,971	8,985	9,288	8,052	7,036	9,841	
Ad hoc flights > 3 tons							9,241*
Charter flights	3,740	3,499	4,606	7,032	5,687	6,792	3,753
<i>Total</i>	<i>167,771</i>	<i>169,604</i>	<i>193,472</i>	<i>196,968</i>	<i>114,857</i>	<i>98,532</i>	<i>98,933*</i>
Non-commercial flights							
Local flights	12,986	12,687	12,912	12,314	18,201	12,781	15,319
Training flights	27,326	32,927	36,147	39,848	40,796	38,923	25,133
Touring flights	11,315	13,670	16,226	15,727	13,794	15,192	
Ad hoc flights < 3 tons							13,017*
Other flights	2,125	2,225	2,819	8,351	2,714	2,865	280*
<i>Total</i>	<i>53,752</i>	<i>61,509</i>	<i>68,104</i>	<i>76,240</i>	<i>75,505</i>	<i>69,761</i>	<i>53,749*</i>
General total	221,523	231,113	261,576	273,208	190,362	168,283	152,682

- Figures cannot be compared to those of 2003 and previous years (see the note to the previous table).

The scheduled flights and charter flights generate 59% of the passengers with hardly 6% of the movements.

Commercial traffic accounts for 64.8% of the passengers (with 15.4% of the movements), whereas non-commercial flights account for 35.2% of the passengers and 84.6% of the movements.

3.3. Freight transport

Antwerp Airport is a compact airfreight distribution centre. Freight is placed on pallets in the freight centre at the Airport, and transported by trucks, under airfreight consignment note, to large airports for intercontinental transport.

In 2004, a total of 4,281 tons of freight was transported via the Airport, of which:

- by truck: 3,543 tons;
- as luggage: 617 tons;
- by aeroplane: 121 tons.

4. FINANCIAL RESULTS

Despite a further decline in the number of passengers, the aeronautical revenues increased by 7.7% compared to 2003. Non-aeronautical revenues increased by 9%.

The Airport made special efforts to restrict staff and operating costs without affecting the service level.

Aeronautical and non-aeronautical revenues cover 55.4% of the Airport's staff and operating expenditure. This is an increase of 5% to 2003.

5. INVESTMENTS

5.1. Investment allocation

In 2004, the airport infrastructure was further modernised. The airport received a separate investment allocation to that end. In recent years, its level evolved as follows:

	Investment allocation, VAT excluded in € 1,000
1997	1,095
1998	1,240
1999	1,442
2000	1,373
2001	1,945
2002	1,900
2003	1,850
2004	1,850

The major part of the 2004 investment allocation was spent on the second phase of the project for the renovation of the departure and arrival hall (€ 998,000). The first part of the assignment was laid down in 2003.

This realisation will provide the departing and arriving passengers with a sufficiently large, high-quality accommodation, and will considerably improve the working conditions for the security and inspection personnel.

Additionally, the technical installations in the passenger building will be renovated. In collaboration with the new operator (BVBA Belair), also the restaurant will be fully renovated and considerably extended. This renovation will also be part of the current works.

A temporary T-terminal with departure and arrival zone was set up for the duration of these works. An amount of € 265,000 was spent to that end and € 273,000 was spent for the maintenance of signposts, asphaltting and sewer systems.

The calculation of the noise contours, the analysis of the results of the noise measurement system and the maintenance contract of the measurement system software cost € 27,000.

5.2. Airport's own investments

The Airport's own investments in equipment goods and the improvement of the installations were once again kept at a minimum, given the limited revenues:

	Airport's own investments in €
1993	22,000
1994	102,000
1995	312,000
1996	109,000
1997	949,000
1998	59,000
1999	159,000
2000	45,000
2001	76,000
2002	13,000
2003	16,000
2004	12,000

6. STAFF

At Antwerp Airport, 68 staff members of the Ministry of the Flemish Community were employed at the end of 2004, 5 of who were part-time.

	Staff
Management, administration, accountancy, navigation	13
Airport inspection	4
Airport security	19
Fire brigade	22
Electricity	3
Cleaning	7
<i>Total</i>	<i>68</i>

The airport staff proved to be strongly involved and motivated to further develop the airport and ensure a customer-friendly operation.

7. AIRPORT SECURITY

The large investments of the past years regarding airport security were consolidated in 2004. The renovation of the perimeter fencing was continued among other things.

In view of the renovation of the terminal zone of the airport building, a first adaptation of the airport's automated security system was commissioned.

In the field of equipment, new intervention vehicles were acquired for the airport inspection/security services and the airport fire brigade. Preference was given to multipurpose all-terrain vehicles, equipped with the necessary signs and communication apparatus.

7.1. Evolution of the airport security regulation

The permanent expert working group for airport security of the National Security Committee wound up its activities with regard to the elaboration of a National Security Plan (imposed by the EU Regulation

of 16/12/2002) establishing security measures for the Belgian airports and the structure of a quality inspection in that respect.

Furthermore, in 2004, the European Commission promulgated two new regulations amending and clarifying the basic regulation 2320/2002 and the regulation 0622/2003 establishing common rules in the field of civil aviation security.

7.2. “Naaikie” disaster exercise at Antwerp Airport

On 23 October 2004, a global disaster exercise under the code name “Naaikie” was held at Antwerp Airport, in order to test the airport emergency plans and the co-ordination with the emergency plans of Antwerp province. The Flemish Minister for Public Works, Kris Peeters, provincial governor Camille Paulus and the mayors of Antwerp, Mortsel and Borsbeek attended this disaster exercise.

During the exercise, 270 rescue workers and relief workers were deployed, as well as simulators and extras, who played the role of victims and family members, dozens of intervention vehicles of fire brigades, medical services, police services, the Red Cross and the civil protection, a C-130 Hercules and a Seaking helicopter of the Belgian Air Force.

8. ENVIRONMENTAL LICENCE

On 30 December 2004, the Flemish Minister for Public Works, Energy, Environment and Nature granted on appeal the environmental licence for Antwerp Airport. This licence is valid until 17 June 2024.

9. PROMOTION

The Airport follows a specific marketing plan for the different target groups: scheduled services, air freight market, business aviation, charters and pilot training. Through media planning in specialist journals, the regional city airport is given a more distinct profile. The airport also supports market-oriented activities by its users, partners and tour operators.

The Airport publishes the three-monthly magazine, “Antwerp Approach”, which contains information for staff, users, customers, guests, visitors and the people living in the neighbourhood of the Airport.

In co-operation with AXE, the “Antwerp Airport Magazine” is published every year (Dutch and English). The aim of this publication is above all to create a distinct profile for the Airport as a city airport with an added value for the industrial region, the port, tourism in the historical city of Antwerp, co-operation with the Antwerp-Waasland Chamber of commerce and trade and the diamond sector in all its aspects.

Airport information is available at the web site www.AntwerpAirport.be.

10. EVENTS

Numerous events took place again at Antwerp Airport in 2004.

- 2 May: Inauguration and official commencement of operations of the new "Classic Wings" hangar.
- 18 May: Press conference with the signing of the PPS agreement in principle between the regional partners and the Flemish District, the Diamond High Council, the Antwerp Regional Development Company and the Antwerp Port Authority in the Stampe & Vertongen Museum. At the same time, Flemish Minister Dirk Van Mechelen inaugurated the new press centre.
- 22 May-23 May: 14th Antwerp Stampe fly-in, with static show and SV4 demonstrations.
- 7 June: Arrival of flight FLT 832, opening flight of Discovery Travel, new scheduled service Antwerp-Prague, with BEA 146. A press and promotion flight took place on 13 July.
- 23 August: Press conference followed by a reception at the Antwerp Stampe Centre on the occasion of the acquisition of a few valuable museum pieces, among with the original propeller of the Blériot of Jan Olieslagers.
- 16 September: 26th "Jeugd & Luchtvaartdag voor mindervaliden" (Youth & Aviation Day for the disabled) under the patronage of Minister of State A. Kinsbergen, Governor C. Paulus and airport commander P. Paridaens. This event came about thanks to the efforts of the airport management and the airport staff, Aviapartner, SN-Brussels Airlines, Virgin, VLM Airlines, the "Licht Vliegwezen" (light aviation), the various sponsors and the numerous volunteers.
- 25 September: Day of the Dutch DAKOTA Association. 130 participants made round trips on board a Dakota DC-3 over the city of Antwerp, Sint-Niklaas, Zelzate, Gent and Bruges.
- 15 December: Opening of the exhibition "75 jaar luchthavengebouw Antwerpen" (75th anniversary of the Antwerp Airport Building) combined with the presentation of the book "Luchthaven Deurne, een vergeten pionier" (Deurne Airport, History and Future of an Aviation Landmark).