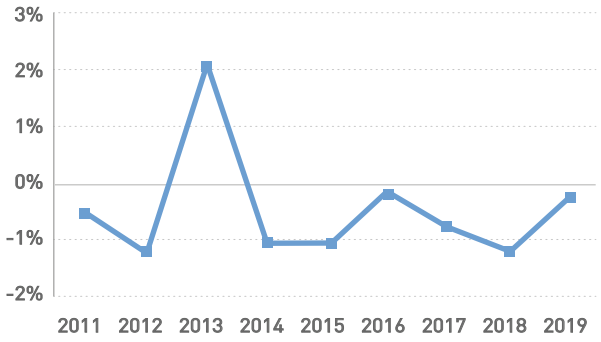
AIRPORT CHARGES SURVEY 2019

ACI EUROPE FACT SHEET

In 2019 headline airport charges levels decreased by -0.2% in real terms. This is the sixth year in a row of decreases in airport charges levels.

Change in weighted average level of headline airport charges



Aircraft-related charges remained stable at more than half the airports in Europe (50%) and decreased at 23.7% of airports. On the other hand, passenger-related charges remained unchanged at 52.6% of airports and decreased at 10.5% of airports.

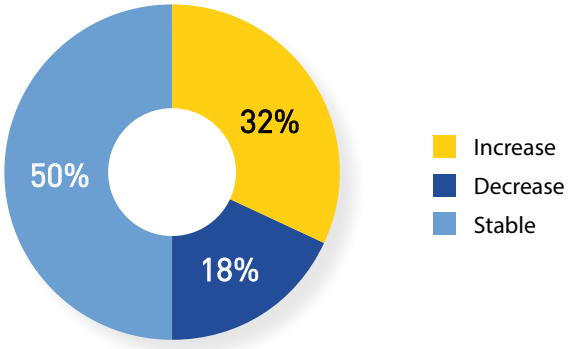
A variety of factors have kept headline airport charges flat or decreasing in recent years. First, airport operators continue to strive for efficiency through cost-control and by benefitting from favourable financial conditions. Secondly, competitive pressures mean that airports must ensure that their service offering retains current airlines and passengers, as well as attracts new users. Thirdly, large new capital expenditure programmes, which may impact the level of airport charges, have not yet commenced.

Airport charges are set at a level to allow an airport to recover the cost of providing services to airlines for aircraft and services to passengers, and the relative proportion of charges will vary by airport and over time.

- Airline-related charges are paid by the airline for the use of the runway (landing charges), the parking of aircraft (parking charges) and other aircraft-related infrastructure at the airport. These charges have been typically based on the weight of the aircraft and are not related to the number of passengers on board, but can be modulated based on an aircraft's noise and environmental performance.

- Passenger-related charges are usually paid by the passenger to the airport, mainly for the use of the terminal. In order to simplify passenger processing at the airport, these charges are included in the ticket price and levied by the airline on behalf of the airport – as recommended by ICAO in its Policy Guidance document 9082.

Change in overall charges (% of airports)



In 2019, as in previous years, passenger-related fees accounted for nearly 2/3 of airports' total aeronautical revenues, with airline-related charges covering the remaining 36%, as airports continue to share highly in traffic risk with airlines.

It remains to be seen how long charges can remain flat given the pressing need for investment to develop airport infrastructure to serve forecast passenger demands. In 2018, passenger traffic across the European airport network showed strong momentum, posting an average growth of +6.1%. Freight traffic grew across Europe's airports by +1.8%, with a decrease in the last quarter of 2018. Aircraft movements grew by +4%, reflecting significant airline capacity expansion compared to previous years and increasing requirements for infrastructure investments.

NOISE & ENVIRONMENTAL CHARGES

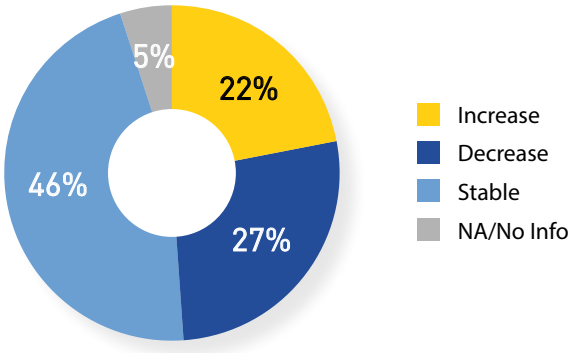
According to responses to the survey, 46% of airports apply a charge based on aircraft noise. The noise-based charge revenue can be hypothecated to support noise abatement projects, or can serve as an economic nudge to incentivise airlines to operate quieter aircraft.

When it comes to charges for emissions, only around 15 of airports in Europe apply a charge based on nitrogen oxide or hydrocarbon emissions. These charges require some complexity in development, and while they are supported by politicians and environmental groups, they are not always welcomed by airport users. Emission charges are receiving attention from the airports and these types of charges are likely to become more prevalent in the near future.

SECURITY CHARGES

In 2019, 46% of European airports did not change their security costs, despite the many security threats and national obligations on airports for more security equipment. 22% of airports increased security charges, while 27% actually decreased security charges. European and national aviation security rules can result in costly obligations to airport operators.

Change in security charges (% of airports)

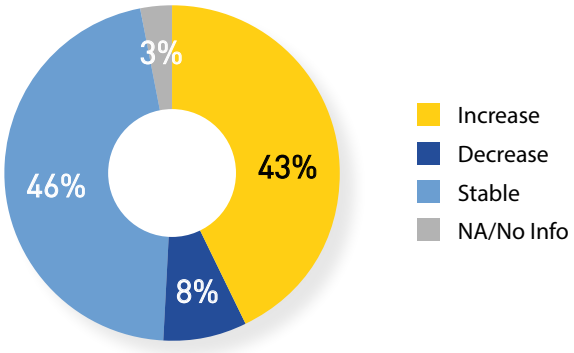


PRM CHARGES

According to Regulation 1107/2006, disabled persons or persons with reduced mobility (PRM) have the right to assistance under the responsibility of the airport managing body (art 7). The regulation states that the airport managing body may, on a non-discriminatory basis, levy a specific charge on airport users for the purpose of funding this assistance. The charge shall be reasonable, cost-related and established in cooperation with airport users (art. 8).

The European Commission's Interpretative Guidelines on Regulation 1107/006 clarified the concept of "in cooperation with airport users", which means "a real exchange of views concerning the elements of calculation of the charge". The Guidelines also underline that "at the end of the consultation process the airport managing body is the competent authority that may finally decide upon and apply the policy and the level of the charge. The Regulation does not allow airport users as defined by the Regulation to take the decision on the level of the charge and impose this on airport managing bodies". With different airlines, different types of customers and different connections, an airport faces varying demand for PRM services, and must adapt its charges to the needs. In 2019, 46% of European airports had a stable PRM charges, while 43% had to increase the charges to cover costs, and 8% decreased the charge. The average amount of PRM charges is €0.55, with an average increase of €0.02

Change in PRM charges (% of airports)



METHODOLOGICAL NOTE

The ACI EUROPE Airport Charges Survey 2019 includes data from 30 European airport operators, representing 83 airports. These airports represent 44% of the total passenger traffic in Europe. The reference period for the survey is the level of airport charges as of 1 April 2019, compared to the previous reporting period. Changes to airport charges implemented later than 1 April 2019 are not taken into account in this survey, to reflect the Summer and Winter IATA seasons, and in order to ensure the comparability with previous versions of the survey. Annual inflation figures for individual countries are sourced from the World Bank and are weighted according to the number of passengers traveling through the sampled airports for each year.