

# Yearbook 2001



Association of European Airlines

July 2001

Dear Reader of the AEA Yearbook,

Welcome, once again, to the world of the AEA. Regular readers will find some familiar messages, and some new ones, but underlying everything is a simple truth - the airline business is a dynamic industry operating in a challenging environment.

The pages which follow provide detailed analysis of a year in which demand remained as strong as ever, yet once again we were unable to turn this vote of confidence for our product into sustainable financial results.

According to our preliminary figures, for every hundred dollars of revenue last year, we kept only twenty cents as profit. Yet we did this with load factors at an all-time high; our seat occupancy rate in 2000 was 73.5%. For us to achieve a modest profit margin of, let us say, 5%, all other things being equal, that would have to rise to 77% - an impossible target for a year-round operation.

So what can the industry do to rectify the situation? We are a highly competitive industry so higher fares are not an option. Lower unit costs, of course, are the ultimate goal, and they are best achieved through growth.

This topic is treated in more depth in the second section of the Yearbook. The first chapter heading says it all - growth is our

lifeblood. It is not enough, however, that the airlines plan for growth; that planning has to be carried through into our infrastructure - airports have to invest, and above all Air Traffic Control in Europe must be rationalised.

On this last subject, we stand, currently, closer to our ambition of a Single European Sky than we have done during our 12-year campaign. The airlines, the airports, the European institutions, even Eurocontrol itself, agree that the fragmented, national-based system simply does not work any more.

So, the situation has distilled down to what we in AEA have said it was all along - a purely political problem. The only resistance remaining in support of the status quo comes from certain national interests.

At the time of writing, we must look beyond the congested core of Europe to see the biggest obstacle to progress in European ATC - it is Gibraltar which bars the way to a Single Sky.



K-H Neumeister

This AEA Yearbook, as always, is the product of a team effort.

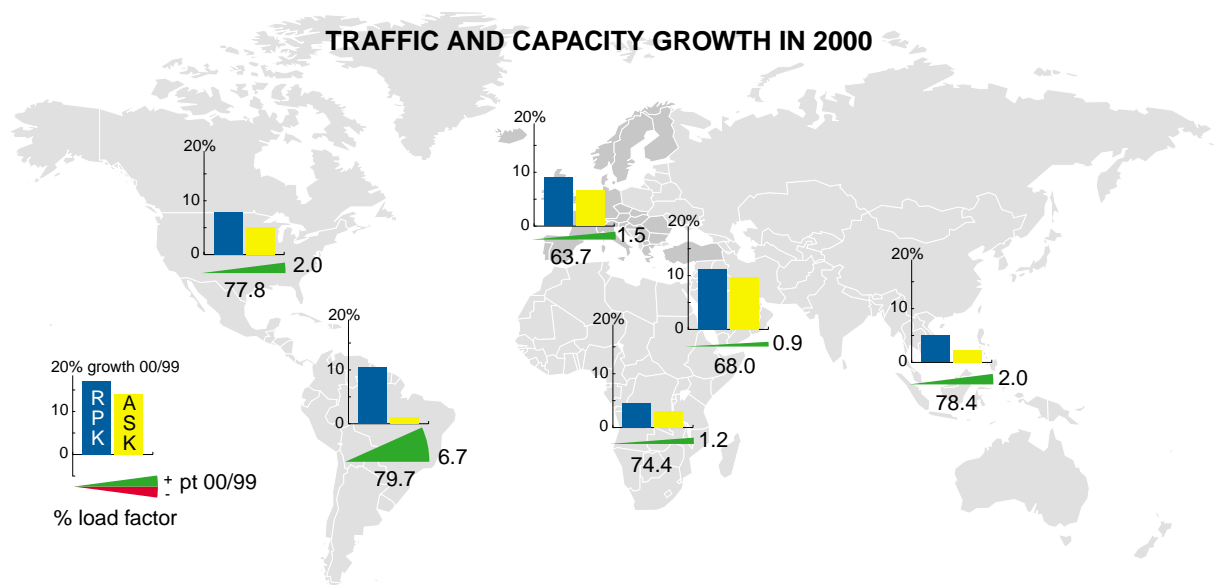
**Sue Lockey** was the overall co-ordinator, and was responsible for the production of Section III. **David Henderson** wrote the text. **Dario Spila** produced the graphics, and was assisted by **David Lyssens** in production of the statistics and supporting data. **Didier Poriau** was in charge of preparing the layout for the colour printing, which was done in-house by **Jef Swalus**.

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<b>AEA AIRLINES' TRAFFIC, CAPACITY AND YIELD International Routes per Calendar Year</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>% change 00/99</b>
Passengers (000)	174,960	186,293	201,442	8.1
Passenger Kilometres (RPK mill)	485,354	519,364	559,985	7.8
Seat Kilometres (ASK mill)	674,027	728,768	762,231	4.6
Passenger Load Factor %	72.0	71.3	73.5	2.2 pt
Passenger Yield (current US cent/RPK)	9.9	9.1	8.4	-7.7
Average N° of Seats per Aircraft	212	209	206	-1.4
Average Stage Distance (Kms)	1,549	1,569	1,588	1.2
Freight Tonne-Kilometres (mill)	26,906	27,928	31,807	13.9
% Freight on Freighter Services	57.2	57.4	55.8	-1.6 pt
Freight Yield (current US cent/RFTK)	29.9	23.5	22.8	-6.4

<b>AEA AIRLINES' OPERATING RESULT International Routes per Financial Year</b>	<b>1998</b>	<b>1999</b>	<b>2000 est.</b>	<b>% change 00/99</b>
Overall Load Factor %	69.0	69.3	70.5	1.2 pt
Break-even Load Factor %	64.3	68.0	68.8	0.8 pt
Yield (current US cent/RTK)	72.2	66.0	62.1	-5.9
Unit Cost (current US cent/ATK)	46.4	44.8	42.7	-4.7
Operating Ratio before Interest	107.3	101.9	102.5	0.6 pt
Net Interest Rate %	2.5	2.7	2.3	-0.4 pt
Operating Ratio after Interest	104.7	99.2	100.2	1.0 pt
Profit/Loss after Interest (current US\$ mill)	2,426	-424	100	



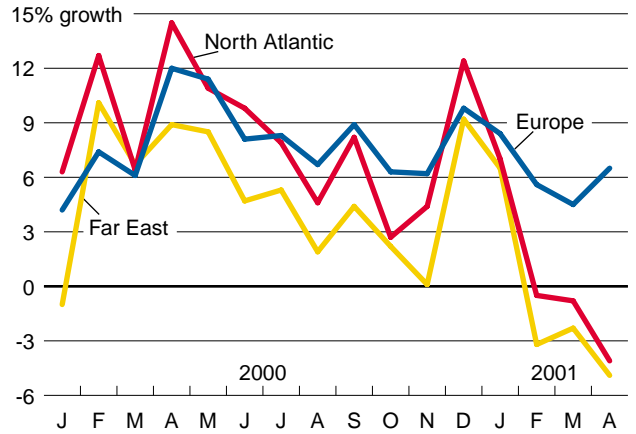
## 2000 AT A GLANCE

It was a year of strong growth in Europe, less so on long-haul routes, which were following a weakening trend.

For more details, see pages I-5 to I-9.

And to understand the importance of growth to the industry, see page II-2.

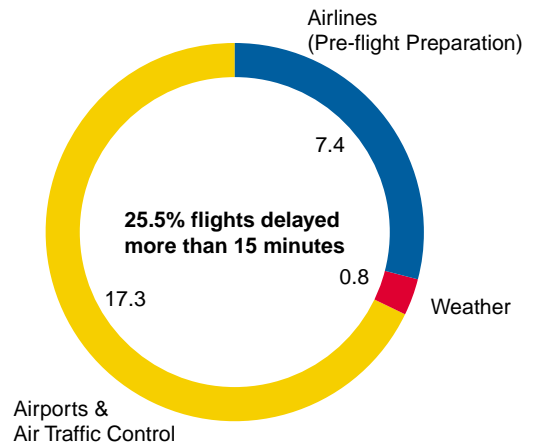
### GROWTH RATES IN RPKs



Delay was still endemic in 2000, the great majority due to factors outside the airlines' control.

Fuller information is available on pages I-11 to I-13.

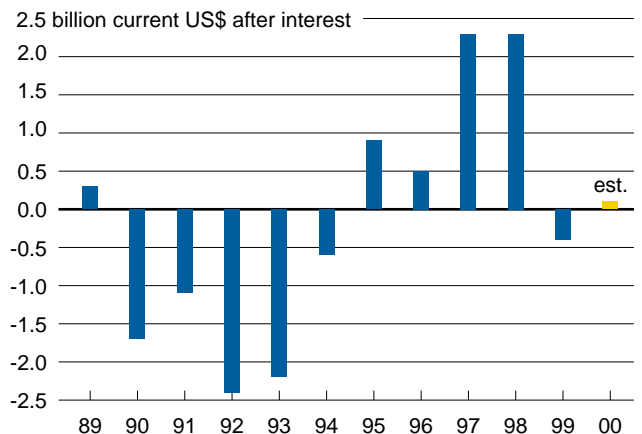
### REASONS FOR EUROPEAN DEPARTURE DELAYS IN 2000



The indications are that the AEA airlines, collectively, broke even in 2000, by the smallest of margins.

Find out more on pages I-17 and I-18.

### OPERATING PROFIT/LOSS - Int'l routes



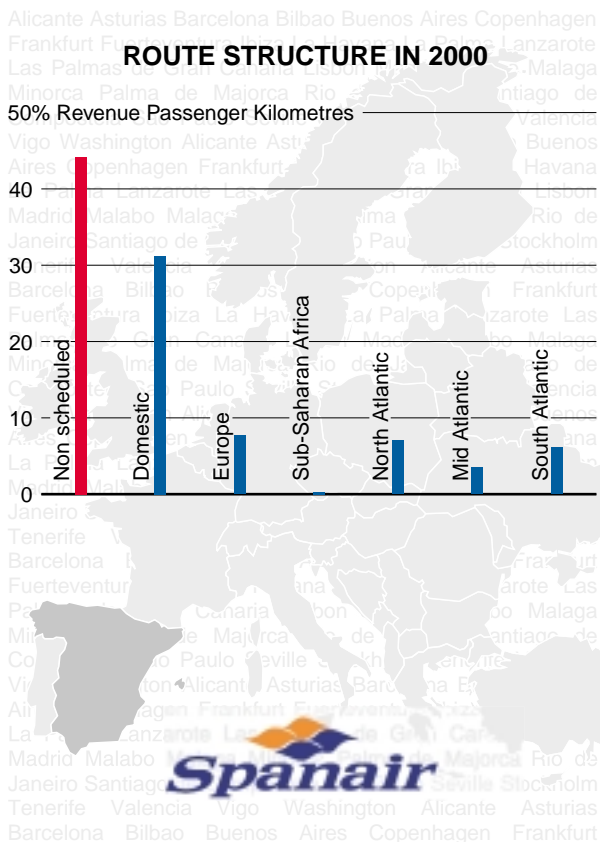
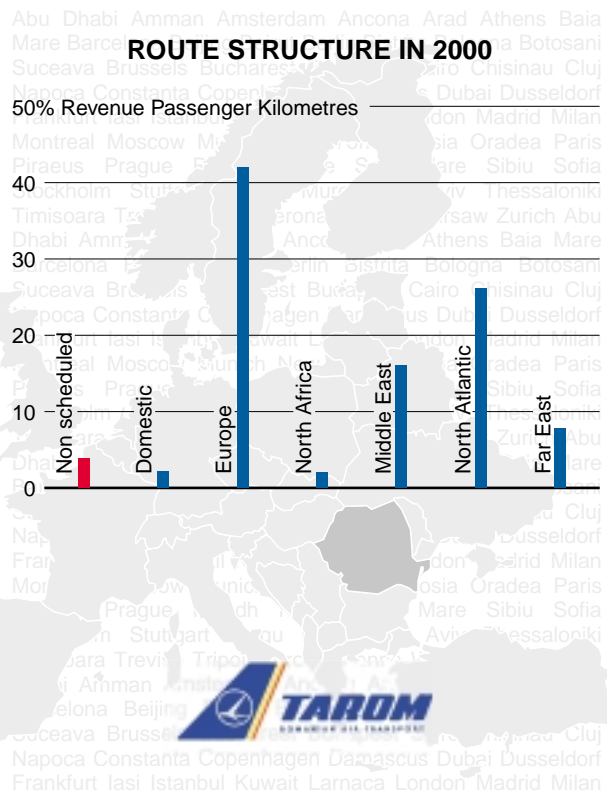
## WELCOME TO TAROM AND SPANAIR

During 2000, AEA gained its 28<sup>th</sup> and 29<sup>th</sup> members in the form of the Romanian national airline Tarom and Spain's second airline, Spanair.

Tarom dates from 1954, although it can trace its ancestry back to 1920. It has a fleet of 14 Boeing and Airbus jets, and 7 turboprops. It is currently in the initial stages of a comprehensive fleet renewal cycle.

Tarom operates an extensive domestic, European and Middle Eastern scheduled network, as well as long haul-services to Beijing and to Montreal and New York.

Spanair is a much younger organisation, in many respects a product of the European liberalisation process. It was established in 1986, initially to serve the charter sector, but took advantage of the new market opportunities by expanding



into scheduled services in 1994 with a domestic network, expanding into intra-European and long haul services in 1997.

In 1999 Spanair's scheduled traffic overtook charter, and by 2000 accounted for 56% of the airline's total passenger-kms.

Spanair also has recently embarked on a complete overhaul of its short-haul fleet, involving orders and options for 45 Airbus aircraft.

Although not formally part of one of the global alliances, Spanair is 49% owned by SAS, and has extensive co-operation agreements with Lufthansa.

The early part of 2001 has seen the suspension of services by Balkan Bulgarian Airlines, an AEA member since 1992. At the time of writing, the future of Balkan is uncertain.

## TRAFFIC & CAPACITY - OVERVIEW

Passengers carried by AEA members on international routes increased from 186.3 million in 1999 to 201.4 million in 2000, a growth of 8.1%.

Expressed in passenger-kilometres, the growth was 7.8% in 2000, compared to 7.0% the year before.

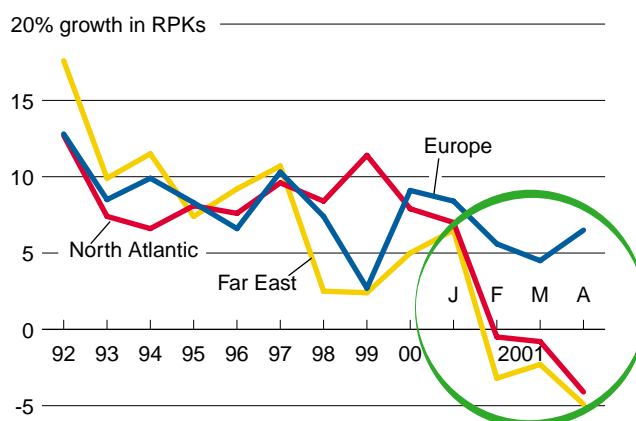
Apart from some out-of-line figures in January and December, possibly connected with the fall-off in demand over the Millennium period, the trend was for strong growth in the early part of the year to weaken towards year-end. Growth in October was down to 3.9% and in November, 3.0%.

More remarkable than the traffic growth figures was a very modest capacity increase. For the year, seat-km increased 4.6%, although from June onwards the monthly figures scarcely showed above 3%.

Double-digit passenger-km growth was recorded on the relatively small route groups of Europe-North Africa (+17.3%) and the South Atlantic (+13.5%).

Among the major operating regions, intra-European traffic posted the best

## GROWTH RATE IN RPKs



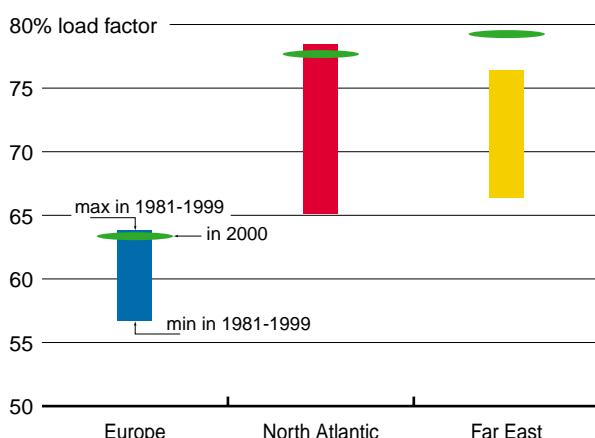
result, with plus 9.1%. North Atlantic traffic grew 7.9%, while Far East/Australia lagged with 5%.

Capacity growth in all regions was lower than the traffic increase. Seat-kilometres on European routes increased 6.6%, while the growth on the North Atlantic was 5.1% and to the Far East, 2.3%.

Consequently, load factors were very high indeed. Overall, the figure was an all-time high of 73.5%, beating 1999 by two percentage points and the previous record figure (1997) by 1.1 points.

On European routes the load factor was 63.7%, failing to match the 1998 record by the narrowest of margins. Load factor on Far East/Australasia (78.4%) was an all-time high, the North Atlantic (77.8%) was the second-highest on record.

## PASSENGER LOAD FACTOR



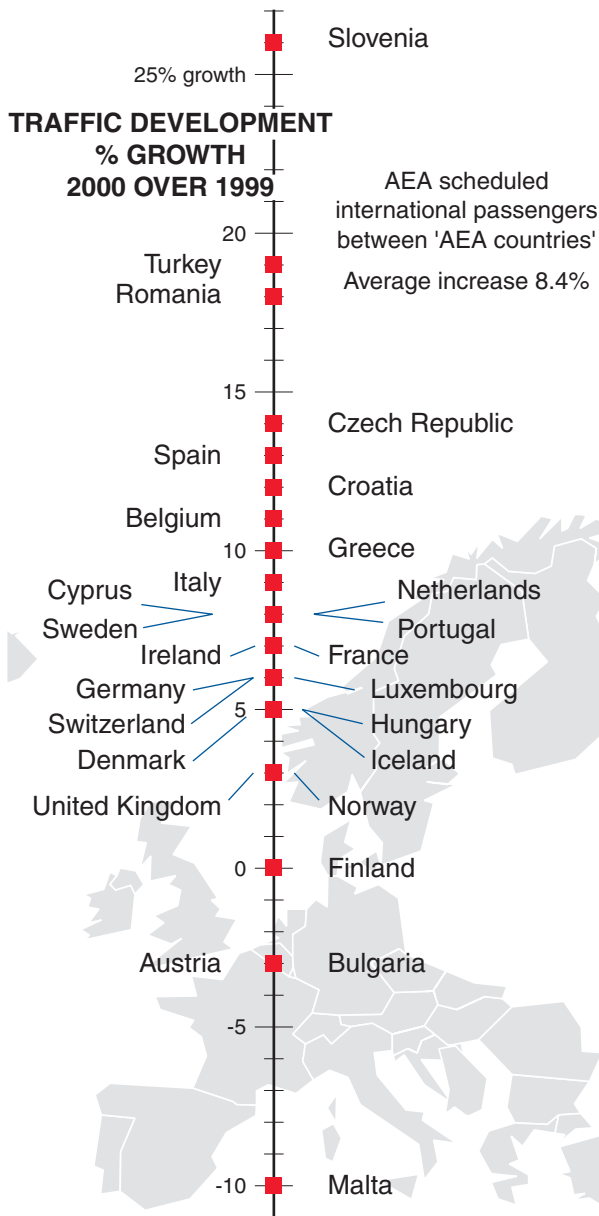
The market slowdown evident at the end of 2000 has continued into 2001, with a 4-monthly passenger traffic increase of just 1.8%, although still just ahead of the capacity increase of 1.6%.

The intra-European sector has shown the most resistance to the downturn, with plus 6.2% in the first four months. North Atlantic and Far East traffic have slipped into the negative, with -0.1% and -1.1% respectively for January-April 2001.



## TRAFFIC & CAPACITY - EUROPE

AEA members' passengers on intra-European routes in 2000 increased by 10.7 million to 138.2 million, a growth of 8.4%. Passenger-kilometres showed a slightly higher growth, at 9.1%.

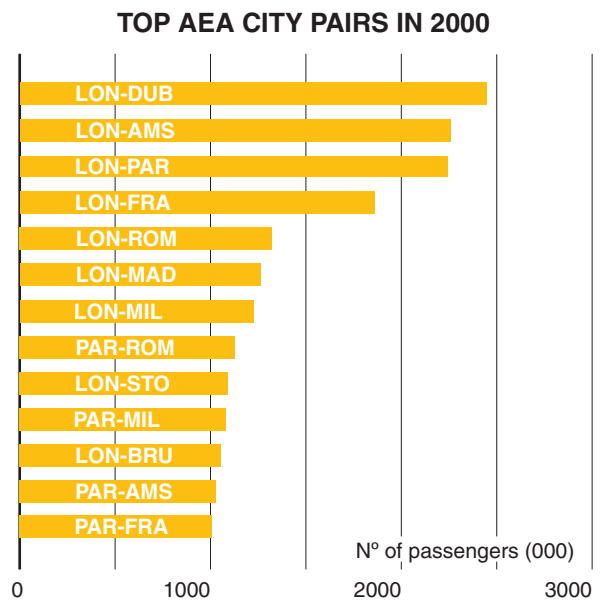


This compares with an average annual growth rate over the last decade of 6.6%.

Growth remained reasonably buoyant throughout the year, with the slowdown in the last months much less in evidence than in the long-haul markets.

The seven busiest intra-European routes for the AEA carriers were all London services. In order they were Dublin, Amsterdam, Paris – each with more than 2 million passengers – Frankfurt, Rome, Madrid and Milan.

Other routes with over a million passengers were Paris to Rome, Milan, Amsterdam and Frankfurt, and the London routes to Stockholm and Brussels.



United Kingdom markets accounted for 38.5 million intra-European passenger boardings, followed by Germany at 35.1 million. Next largest country markets, in order, were France, Italy and Spain.

72.7% of AEA intra-European traffic was between the countries of the EU. With the inclusion of Norway and Iceland – both members of the deregulated single aviation market – the figure rose to over 75%.

As is normally the case, the fastest-growing markets were to be found at the periphery of Europe, headed by Slovenia and Turkey. The most vigorous EU market was Spain, at plus 13%, followed by Belgium with a plus 11%.

Malta suffered a 10% drop in traffic and small decreases were registered in flows to/from Bulgaria and Austria.

At the end of 2000, there were 142 scheduled passenger airlines in the European countries which make up the Single Market (the EU, Norway and Iceland). This was a net increase of five over the previous year.

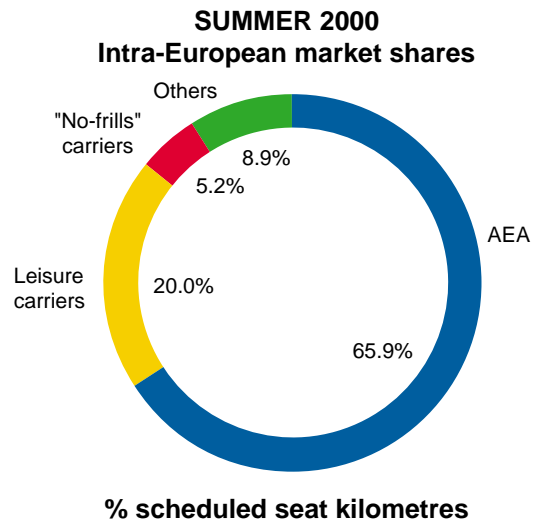
The figure compares with a total of 135 at the time deregulation was introduced in 1993, although the turnover which has taken place in the intervening period has been enormous.

As an example, France's 12 airlines currently is half the number in 1993, while the number of Italian airlines has grown from 8 to 21.

The 'no-frills' sector continues to grow strongly. As anticipated in last year's AEA Yearbook, Summer 2000 saw a massive expansion, with seats offered by the five principal carriers in this segment increasing by no less than 72.5%.

A much smaller growth is expected for

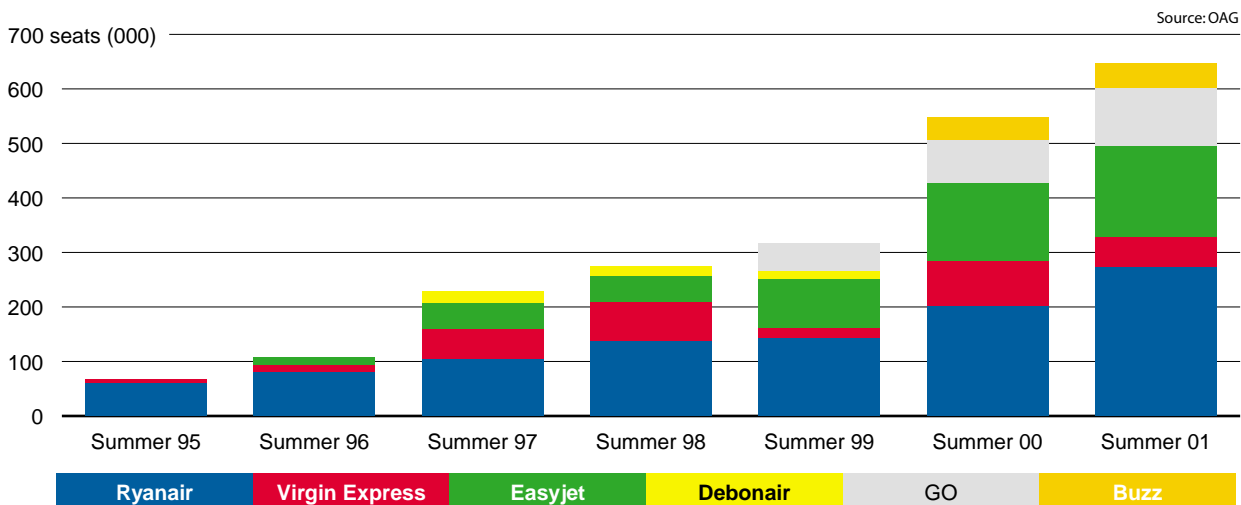
Summer 2001, although it will still be a substantial increase, of around 18%.



Despite the growth in this segment, it remains a very small part of the overall air travel market, with 5.2% of intra-European scheduled seat-km, up from 3.9% the year before.

AEA airlines maintain the major share of the market, with 65.9%. The other major segment, with 20% of the total, comprises those charter airlines which publish their schedules and market part of their capacity to seat-only customers.

**"NO-FRILLS" CARRIERS' WEEKLY SEATS**



## TRAFFIC & CAPACITY – NORTH ATLANTIC

AEA members' passenger boardings on North Atlantic routes in 2000 reached 26.6 million, up from 24.8m in the previous year.

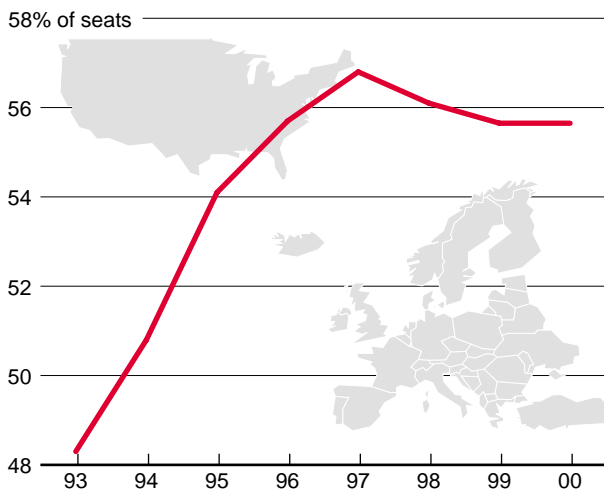
This 7.2% growth translated into a 7.9% increase in passenger-kilometres.

This, coupled with a 5.1% growth in seat capacity, produced a two-point increase in load factor to 77.8%, the second-highest on record.

As also experienced on Far Eastern routes, the North Atlantic market slowed towards the end of 2000 and shifted into decline in February-April of 2001.

On Europe-US routes, European carriers (AEA and non-AEA) maintained their capacity advantage, with over 55% of the seats in the Summer schedule.

### EUROPEAN CARRIERS' CAPACITY SHARE OF EUROPE-US 3<sup>RD</sup>/4<sup>TH</sup> FREEDOM



Source: OAG

All the major players maintained their relative positions in the market although US Airways, with a 43% capacity increase, climbed into the top ten carriers on the route.

77% of Europe-US seats were offered by the major alliances, including about 27% for Oneworld and 17% each for Star and Sky Team.

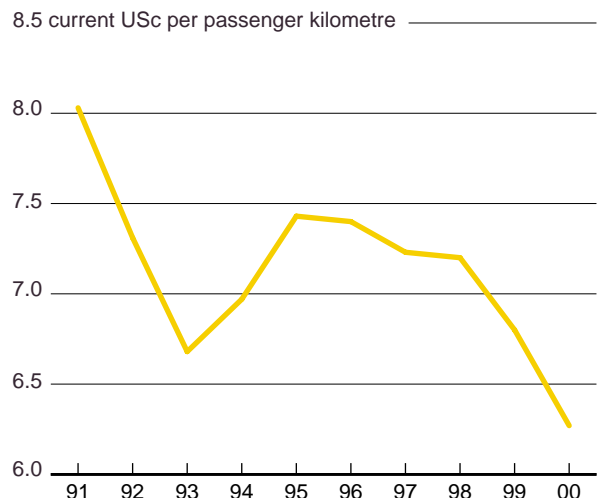
Alliance	% Seats on Europe-US	Of which...	
Oneworld	26.7	BRITISH AIRWAYS	13.5
		American Airlines	9.0
Star Alliance	17.6	United Airlines	8.5
		LUFTHANSA	6.9
Sky Team	17.2	Delta	11.1
		AIR FRANCE	6.1
KL/NW	8.5	Northwest	5.5
		KLM	3.0
Qualiflyer Group	6.9	SWISSAIR	3.0
Non-aligned	23.1	Continental Airlines	6.3
		Virgin Atlantic	6.1
		US Airways	3.1

The other market in the North Atlantic route group, Canada, accounts for about 11% of AEA traffic, with a total passenger count of 2.7 million in 2000.

With a growth rate over 1999 of 4.4%, Canadian traffic has been rather less buoyant than in the US market.

Yields on North Atlantic routes continued to fall, and in 2000 were down 8%, from 6.80¢ to 6.27¢ per passenger-km.

### NORTH ATLANTIC YIELDS



## TRAFFIC & CAPACITY - ASIA

The Asia/Pacific region is a very important one for the AEA airlines, accounting for 17.7% of their passenger traffic (in RPKs) in 2000.

Nevertheless, the market is much less vigorous than in the mid-1990s, when it was at the forefront of global industry expansion.

Following passenger growth rates of only 2.2% in 1998 and 2.4% in 1999, the figure for 2000 was slightly higher, but again below the total AEA average, at 5.0%.

The 2000 traffic growth was accommodated with a 2.3% increase in capacity, leading to a two-point rise in load factor, to 78.4%.

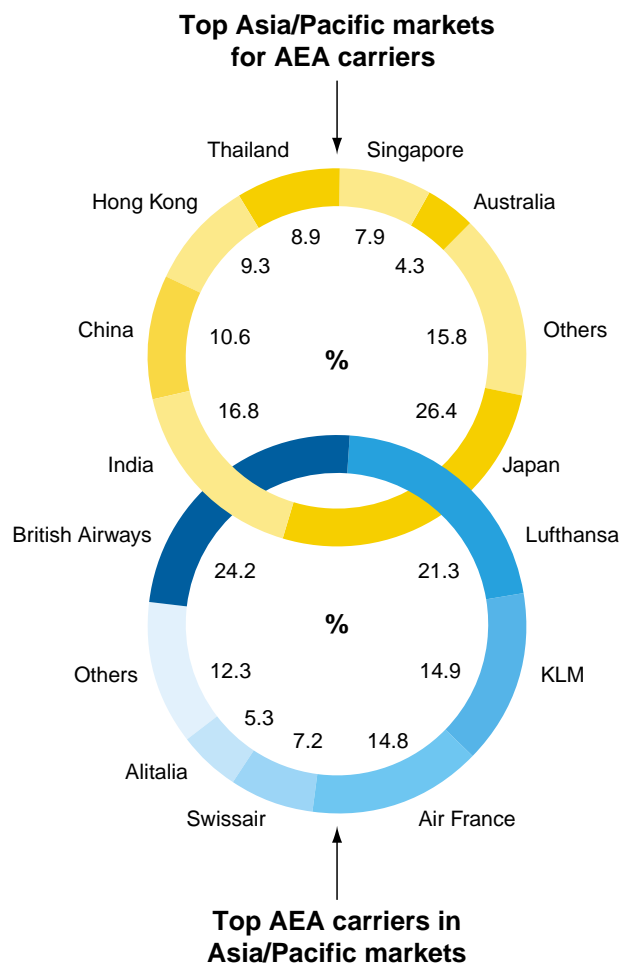
The market took a further nosedive in early 2001, with RPK decreases posted in February, March and April – the last of these a substantial minus 4.9%.

By far the most important market in the region is Japan which, at over 3 million passengers in 2000, accounts for more than a quarter of the AEA's Asia/Pacific total. Japan-Europe traffic increased at slightly more than the average for the region.

The next two markets in terms of size, India (1.9m passengers) and China (1.2m), both had substantially higher growth rates, at plus 11.6% and plus 22.7% respectively.

On the other hand, traffic decreases were recorded in Thailand, minus 0.2% to 1.0m passengers, and Australia, minus 12.3% to 0.5m. Amongst the smaller markets, there were also substantial declines in volume to Indonesia and Pakistan.

### AEA CARRIERS' ASIA/PACIFIC OPERATIONS IN 2000



AEA's market share to/from the region cannot be measured precisely, since there is no comprehensive source of data from the Eastern end of the route.

However, passenger traffic in the eleven country markets for which the Association of Asia Pacific Airlines data is available – East Asia/Australasia excluding China – is divided 55:45 in favour of the Far Eastern carriers.

In the all-important Europe-Japan market, however, the European airlines in Summer 2000 had 32% more flights and 14% more seats than their Japanese counterparts.

## AIR CARGO

Cargo transported by AEA carriers in 2000 reached five million tonnes, an increase of 10.6% on the year before.

Month-by-month, the market appeared particularly buoyant in the early part of the year, but there was a marked slowdown in later months.

The slowdown has continued into 2001, with only very modest market growth in the first quarter of the year.

The area of strongest growth was between Europe and Far East/Australasia, which is the main cargo market for AEA – one-third bigger than the North Atlantic – accounting for 44% of members' total freight.

While freight, of course, differs from passenger traffic in that it is uni-directional, most of the major markets are reasonably well-balanced in terms of exports from, and imports to, Europe.

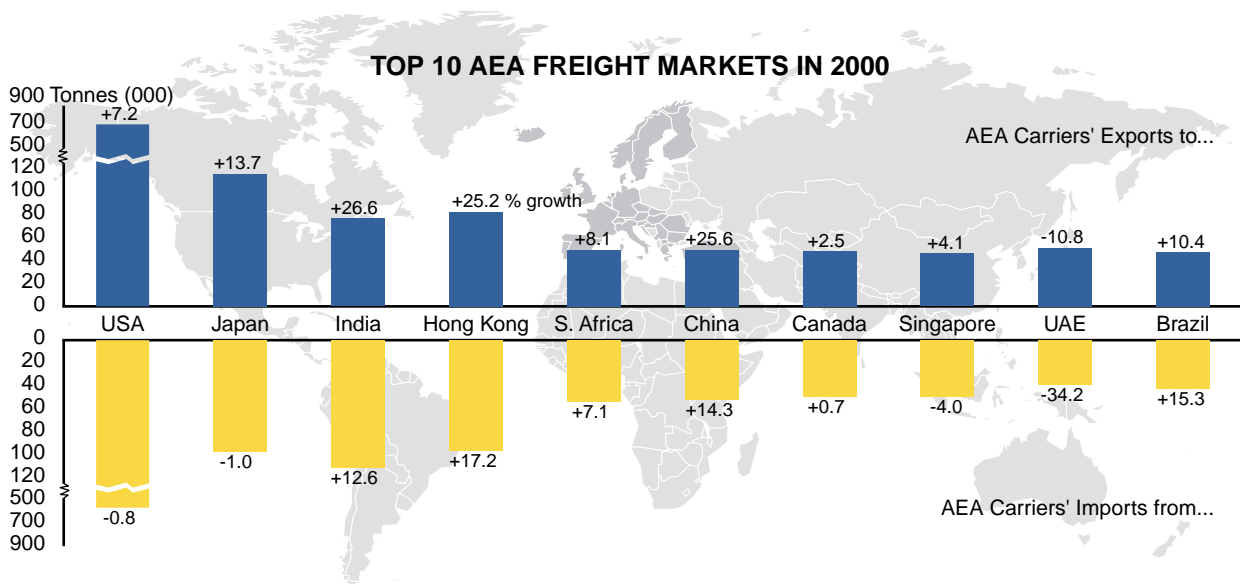
In the case of the Far East, Japan has a slight imbalance in favour of Eastbound traffic while three of the four next-largest markets – Hong Kong, China and Singapore – export slightly more to Europe than they import.

India is the only major market which is significantly directional, with 60% more Westbound than Eastbound traffic, although in some smaller markets, notably Thailand, Malaysia and Pakistan, the traffic is also mainly one-way, into Europe.

The largest single country market for cargo is, of course, the USA, which accounts for 30% of total AEA uplift. This is a surprisingly directional market, with almost 30% more traffic moving to the US in 2000 than travelling the other way. The imbalance was heightened by a growth of 7.2% in European exports compared with a marginal reduction in imports into Europe.

Two other long-haul markets amongst the AEA's top ten were South Africa and Brazil.

AEA airlines are major players in the world airfreight market. While the sector is dominated by the integrated carriers in the shape of Federal Express and UPS, five AEA members – Lufthansa, British Airways, Air France, KLM and Swissair – feature in the world's twenty largest cargo carriers.



## PUNCTUALITY PERFORMANCE - OVERVIEW

After the disastrous delay situation in 1999, a slight improvement was generally predicted for 2000, but the outcome was still the second-worst result on record, with 25.5% of all intra-European departures delayed more than 15 minutes.

This compared with the previous year's figure of 30.3% which, of course, included the period of disruption and airspace closure which accompanied the Kosovo conflict.

During the second half of the year, when the comparison was with a 1999 baseline free of distortion, monthly delay rates were consistently about one percentage point lower than previous year – scarcely a dramatic improvement.

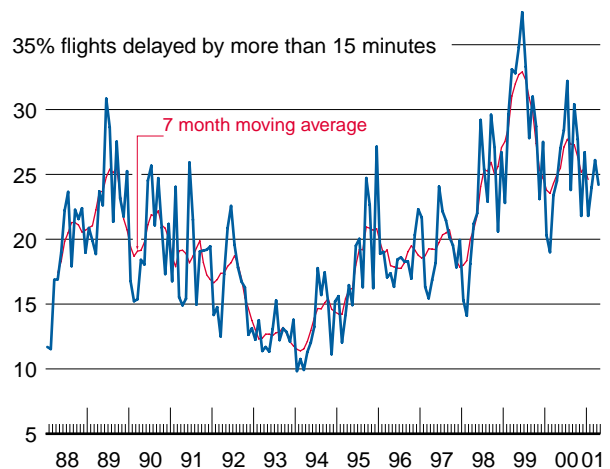
Individual monthly delay rates ranged between 19% in February to 32.2% in July. The 30% level, which prior to 1999 had been reached only once before, was also surpassed in September.

Breaking down the delays into the reason for their occurrence, the pattern is one which has been observed consistently in recent years. There is a virtually static proportion of about 6-8% of departures delayed during the flight preparation phase, and a very small number of occasions where the flight

preparation has been disrupted by weather.

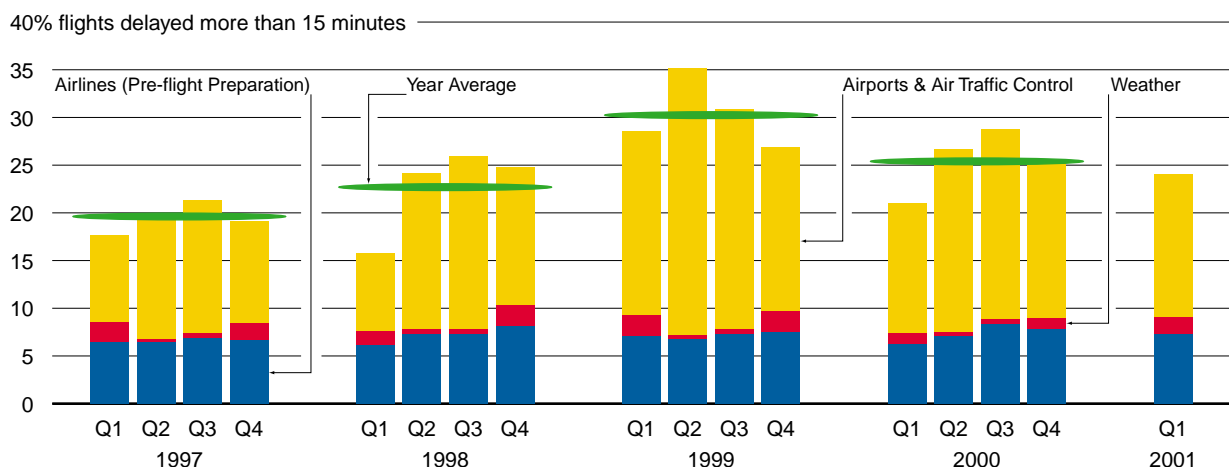
On top of this, there is a large block of flights which have been identified as having a delay reason in the category 'Airport and Air Traffic Control'. Most commonly, they have been given a 'slot' delay by ATC. It is this category which, over the years, has produced the variability in delay rates.

### EUROPEAN DEPARTURE DELAYS



In 2000, these delays were consistently down on the previous year. Early 2001, however, has seen a reversal of this trend, and in the first quarter, total delays were once again on the increase, affecting 24% of all intra-European departures, up from 21% in 2000.

### REASONS FOR EUROPEAN DEPARTURE DELAYS



## PUNCTUALITY PERFORMANCE - AIRPORTS

2000 saw the completion of the second year of AEA's regular punctuality reports at 27 major European airports.

Evidently, the information they contained gave depth to a gloomy picture.

It is important to remember that, while the bulk of delays are attributable to unfavourable situations which arise along the aircraft's route - notably airspace congestion - it is only at their start and end points, i.e. airports, that airlines can measure them.

Thirteen of the airports on the AEA list had a delay rate (intra-European departures delayed more than 15 minutes) worse than the overall average for the year of 25.5%.

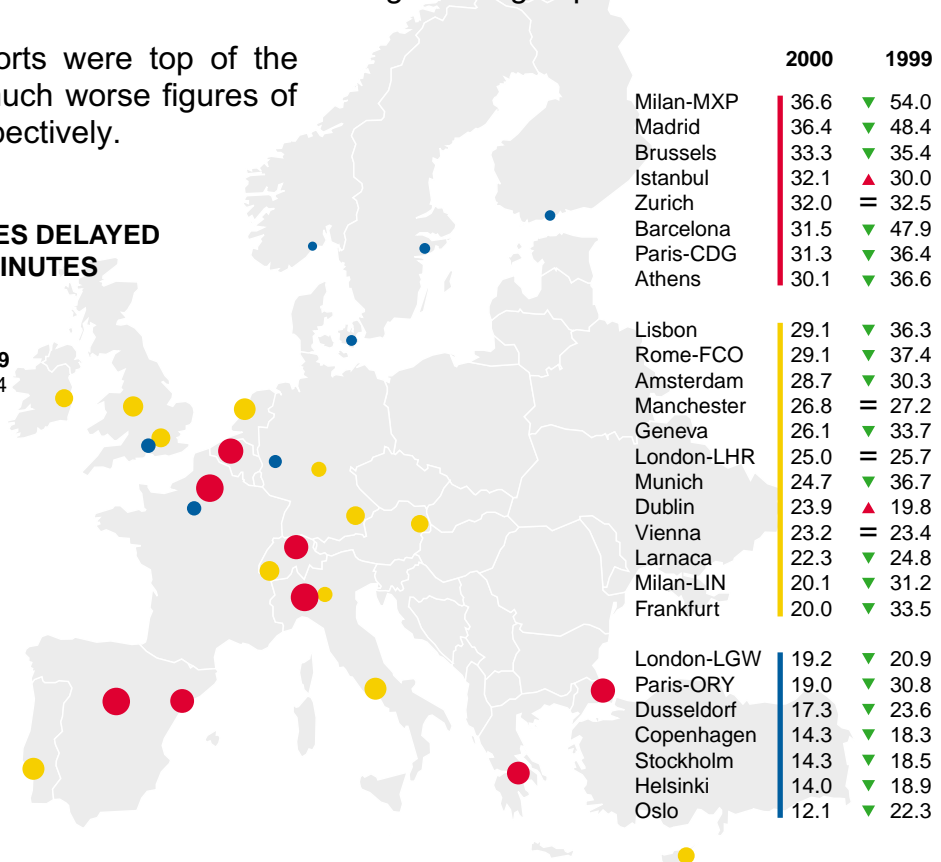
Heading the list were Milan Malpensa and Madrid, both with over 36%, followed by Brussels, Istanbul and Zurich.

The same two airports were top of the 1999 list, but with much worse figures of 54% and 48.4% respectively.

### % FLIGHT DEPARTURES DELAYED MORE THAN 15 MINUTES

2000 25.5 ▼ 1999 30.4

● ≥ 30  
● < 30  
● <



Istanbul and Dublin were the only airports to suffer higher delay rates in 2000 compared with 1999, although a number of other major hubs, including Heathrow, Amsterdam and Zurich failed to improve much on their previous year's figures.

Oslo recorded the lowest delay rate, with 12.1%. The next three places were filled by the best performers from 1999 - Helsinki, Stockholm and Copenhagen.

Malpensa also featured high on Eurocontrol's list of airports penalised by Air Traffic Flow Management delay, with almost 35% of departures being given a slot delay, averaging 23 minutes.

Only nearby Venice, Bologna and Geneva ranked higher on the Eurocontrol list, demonstrating again how ATC deficiencies on a regional scale have an immediate impact on the statistics at neighbouring airports.

## PUNCTUALITY PERFORMANCE - AIR TRAFFIC CONTROL

As in previous years, Europe's airspace problems directly impacted AEA members' punctuality results.

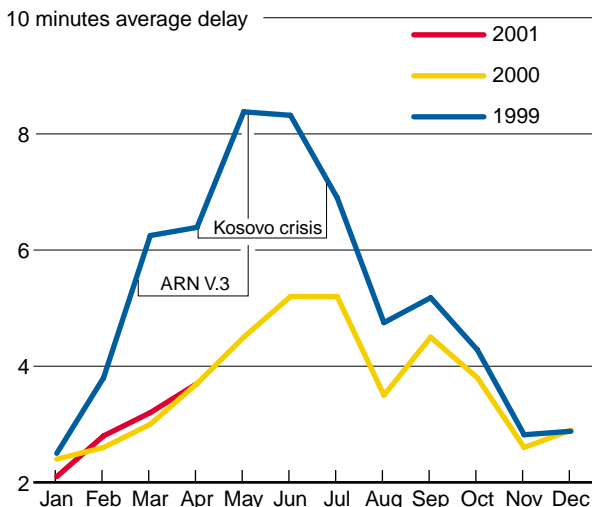
Eurocontrol's Performance Review Commission points out that, over time, airspace capacity has grown at a similar rate to traffic, but constantly lags behind demand. It estimates that the capacity to handle traffic effectively last year was equivalent to the volume in 1997.

Eurocontrol's figures measure Air Traffic Flow Management delay – that is, delays assigned by the Central Flow Management Unit in response to an inability of the infrastructure to accommodate individual flights which are ready to depart.

Eurocontrol's most commonly-used measure is minutes of ATFM delay per flight – which, incidentally, portrays a massive problem in terms of very small numbers.

In Summer 2000, ATFM delay averaged 4.5 minutes per flight, down from 6.3 minutes in 1999. For Summer 2001, it is expected to rise to 4.9 minutes, despite Eurocontrol having set itself the target of bringing the figure down to 3.5 minutes, roughly equivalent with the 1997 level.

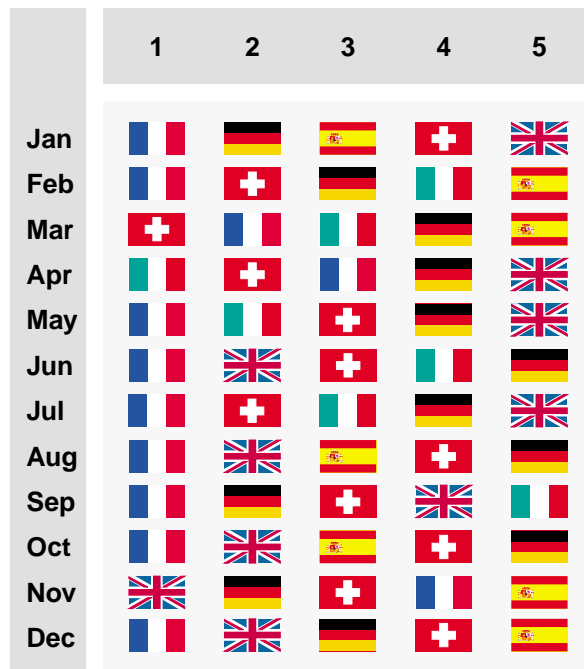
### AVERAGE ATFM DELAY PER MOVEMENT



Source: CODA

The ATFM delay data also identifies the source of the restrictions which create the delay. In 2000, France was the source of 19.9% of ATFM delay, followed by Switzerland, Germany, the UK, Italy and Spain. Overall, more than 80% of all delay was generated by these six countries.

### 'Top 5' National Systems in terms of imposed ATFM delay in 2000



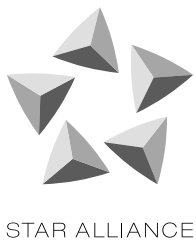
Source: CODA

More specifically, the control centres which were responsible for the highest amount of en-route delay were Padua, Geneva, Zurich, Madrid, Rheims and London.

A November 2000 study by the Institut du Transport Aérien estimated that the cost to airspace users of en-route ATFM delay amounted to between 1.3 and 1.9 billion euro, while the cost to passengers of time lost due to delay was between €1.7-2.2bn.

Previous studies have calculated that inefficiencies in European Air Traffic Control, resulting in circuitous routings and sub-optimal flight levels, cause an increase in fuel burn – and hence impact on the environment – of between 6-12%.





STAR ALLIANCE

	MEMBER From...	1999 PAX (mill)	WORLD TRAFFIC Rank % Share		HUBS
	United Airlines	May-97	87.0	2	Chicago, Denver, Los Angeles, Washington
	LUFTHANSA	May-97	41.9	8	Frankfurt, Munich
	Air Canada	May-97	16.2	20	Montreal, Vancouver
	Thai Airways International	May-97	16.0	21	Bangkok
	SAS	May-97	22.0	14	Copenhagen, Oslo, Stockholm
	Varig	Oct-97	10.3	31	Rio de Janeiro, Sao Paulo
	Air New Zealand	Mar-99	7.2	38	18.5 Auckland
	Ansett Australia	Mar-99	11.8	29	Melbourne
	All Nippon Airways	Oct-99	42.7	7	Tokyo, Osaka
	AUSTRIAN AIRLINES GROUP	Mar-00	6.2	44	Vienna
	Singapore Airlines	Apr-00	13.5	26	Singapore
	Mexicana	Jul-00	7.8	36	Mexico City
	BMI BRITISH MIDLAND	Jul-00	6.5	40	London Heathrow
	<b>ALLIANCE</b>		<b>289.3</b>		



	American Airlines	Feb-99	81.5	3	Dallas, Miami, Chicago
	BRITISH AIRWAYS	Feb-99	36.6	10	London Heathrow
	Qantas	Feb-99	16.8	19	Sydney
	Cathay Pacific Airways	Feb-99	10.5	30	11.8 Hong Kong
	IBERIA	Sep-99	21.9	15	Madrid
	FINNAIR	Sep-99	6.1	45	Helsinki
	LanChile	Jun-00	4.3	62	Santiago
	AER LINGUS	Jun-00	6.3	42	Dublin
	<b>ALLIANCE</b>		<b>183.9</b>		



	Aeromexico	Jun-00	8.7	34	Mexico City
	AIR FRANCE	Jun-00	37.0	9	Paris CDG, Paris Orly
	Delta Air Lines	Jun-00	105.5	1	11.1 Atlanta, Dallas, Cincinnati
	Korean Air Lines	Jun-00	20.4	17	Seoul
	CSA Czech Airlines	Apr-01	1.9	95	Prague
	<b>ALLIANCE</b>		<b>173.5</b>		



	SWISSAIR	Mar-98	13.3	27	Zurich
	SABENA	Mar-98	10.0	33	Brussels
	TAP	Mar-98	4.8	56	Lisbon
	TURKISH AIRLINES	Mar-98	10.1	32	Istanbul
	AOM	Mar-98	2.9	80	Paris Orly
	Crossair	Jul-98	2.7	82	3.5 Basel-Mulhouse
	Air Europe	May-99	1.2	110	Milan Malpensa
	LOT	Jan-00	2.1	89	Warsaw
	PGA	Jan-00	0.8	132	Lisbon
	Volare	Jan-00	0.7		Milan Malpensa
	Air Littoral	May-00	1.6	100	Nice
	Air Liberté	Sep-00	4.0	66	Paris Orly
	<b>ALLIANCE</b>		<b>54.2</b>		



	KLM	Nov-92	15.5	22	4.7 Amsterdam
	Northwest	Nov-92	57.5	4	Minneapolis, Detroit, Memphis
	<b>ALLIANCE</b>		<b>72.9</b>		

<b>World Total Scheduled Traffic</b>	<b>1,560.0</b>	<b>≅ 100%</b>		
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## ALLIANCES

After an eventful start to the year 2000, as outlined in last year's Yearbook, alliance activity in Europe subsided into the quietest period since the consolidation process began some ten years ago.

Compared to the situation of a year ago, no substantial changes have taken place within the five main groupings. However, the newest of these, centred around Air France, strengthened its identity with the adoption of a name – Sky Team.

Into 2001, the only change has been the addition of CSA Czech Airlines to the Sky Team grouping. This brings to fifteen the number of AEA members within the global alliances.

Rather more activity was taking place on the other side of the Atlantic, which could have important consequences for the industry.

Two of the three largest US airlines, American and United, have made moves to increase their market presence substantially, through the acquisition of TWA and US Airways respectively. This would create two mega-carriers, each with about a quarter of the US market.

As a defensive response, it is widely anticipated that a third powerful grouping would emerge from the remaining three US international airlines – Delta, Northwest and Continental.

The implications for the European airlines are clear. As recently as 1997 there were five US majors of a size that made them potential alliance partners; it is not impossible that in the near future there will be only three.

While multinational alliances are in principle a response to the difficulties in

achieving cross-border airline mergers, that particular scenario came close to realisation in 2000, when Swissair announced its intention to increase its stake in Sabena from 49.5% to 85%.

Swissair also rationalised its holdings in several smaller French and Italian airlines.

By early 2001, both Swissair's tie-up with Sabena and its French market strategy had been thrown into question by the financial results of the principals in a weakening commercial environment.

Consequently, Europe's first true cross-border merger of major airlines remains still to be achieved.

The five alliances account for just under half the world's scheduled passenger traffic. Of the five major airlines still outside these groupings, three are US carriers whose future alignment is uncertain, one is the largest international airline in the Far East, and the other is Alitalia, whose membership of the KLM/Northwest partnership was short-lived.

### THE LARGEST NON-ALIGNED CARRIERS ...for the time being

World Rank		1999 Pax (mill)
5.	US Airways	55.8
6.	Continental Airlines	44.0
11.	JAL	32.9
12.	TWA	25.8
13.	ALITALIA	24.2
<b>% of World Total Scheduled Traffic</b>		<b>11.7</b>

Source: IATA/ICAO

## FLEET DEVELOPMENT

The AEA fleet at the end of 2000 numbered 2225 aircraft – an increase of 126 units over 1999, of which 65 were contributed by new members Spanair and Taron.

Of the latest total, 1252, or 56%, were of Boeing/McDonnell Douglas manufacture and 615 (28%) were various Airbus models. 214 were small jets and 144 were turboprops.

During the year AEA members placed orders for 90 new aircraft. 55 were with Airbus, 23 Boeing – all but three for the B777 – and the remainder were regional jets.

By the end of the year there were 426 aircraft on order, of which 70% were Airbus.

Among the high-density long-haul aircraft, the most numerous remained the Boeing 747, with 215 examples (of which 35 were all-cargo). This represented a small reduction over last year's figure.

Growth in this sector was concentrated amongst the mid-size wide-bodies, with 13 more B777s in the fleet, 15 additional A340s and 5 more A330s.

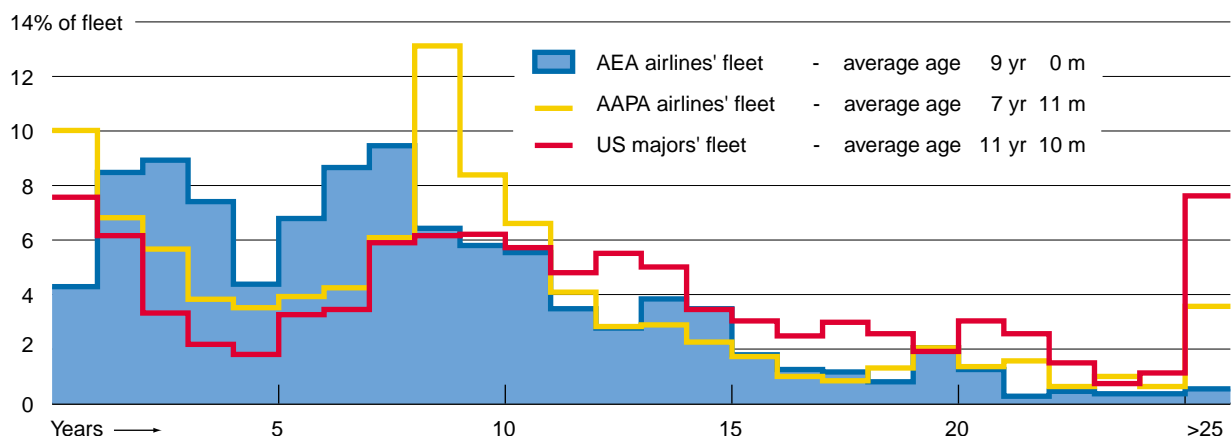
The average age of the AEA fleet at the end of 2000 was nine years, which compared favourably with the major Asia-Pacific airlines (7 years 11 months) and was almost two years per aircraft younger than for the US majors.

It cannot have escaped attention that recent months have seen major developments in the long-term strategies of the two principal airframe manufacturers.

Airbus have finally launched the Super-Jumbo A380, with a seating capacity upwards of 550. Several major airlines have signed letters of intent to buy the A380, which has a planned in-service date of 2006, including Air France, with a planned ten orders and four options.

Boeing's response has been to abandon plans to stretch the 747 and to look to a new direction for development – high speed. Their recently-announced Sonic Cruiser would carry 250-300 passengers at just below the speed of sound, reducing US West Coast-Europe journeys, for example, by about 2 hours. It too could be in service by 2006.

**AGE OF PASSENGER FLEET (end March 2000)**



## OPERATING RESULTS

Note:

Data in this section are aggregated from members' financial year results and may differ slightly from the calendar year figures elsewhere in the document. Figures refer to international scheduled services, and those for 2000 are estimates.

The year 2000 was a disturbed period for AEA airlines' profitability with significant swings of fortune, both up and down, amongst the membership.

The outcome – provisionally, since final figures are not yet available – was that in aggregate a very small net profit was made, amounting to just US\$ 100 million, compared to the 1999 deficit of \$ 424m.

The 2000 profit figure represented an Operating Ratio (income over expenditure) of 100.2, up from the previous year's 99.2.

While a number of member airlines – including most of the largest ones – reported modest profits, the majority of AEA carriers were loss-making in 2000, including an alarming number whose operating ratio was below 90.

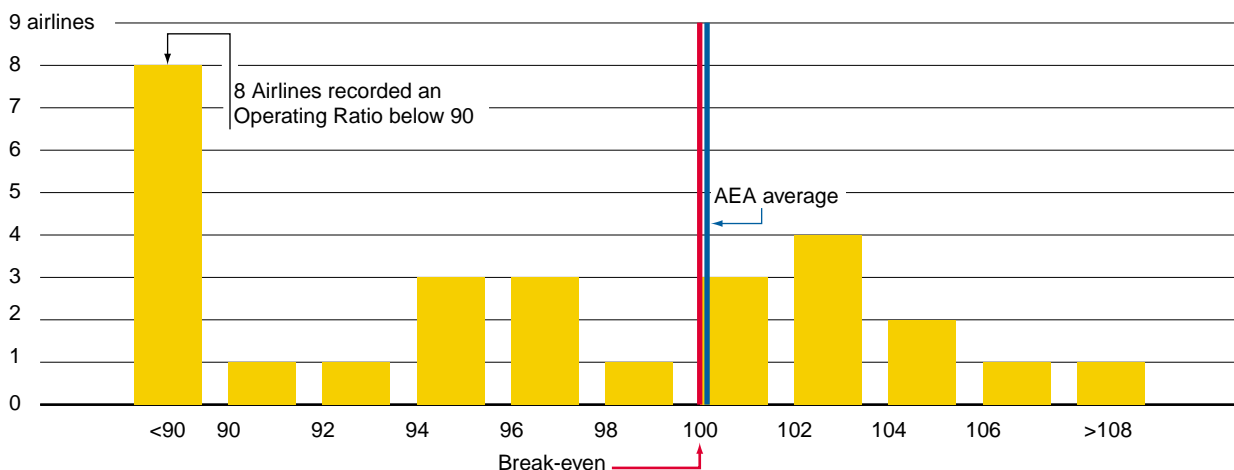
Of the elements affecting the change in profitability, the improvement in overall load factor from 69.3% to 70.5% had the greatest impact. A small benefit was also felt in a reduction in the net interest rate, from 2.7% of operating expenditure to 2.3%.

### FACTORS AFFECTING OPERATING RATIO 2000 compared with 1999

	1999	2000
<u>Operating ratio after interest</u>	<b>99.2</b>	<b>100.2</b>
Change in operating ratio		
● Change in load factor		+0.85
+ Cost dev. vs revenue dev.		-0.25
+ Change in net interest rates		+0.40
=		
● TOTAL CHANGES		+1.00

Overall, the total interest burden was down from \$ 1.4 billion in 1999 to \$ 1.2bn in 2000.

### OPERATING RATIOS - International routes after Interest



In dollar terms, yields and unit costs both declined in 2000. Yields per revenue tonne-km – that is, both passenger and freight combined – were 5.9% down on 1999, while unit costs were 4.7% lower.

The unit cost decrease was achieved despite upward pressure from a continuing, and substantial, rise in the cost of fuel.

European spot prices for kerosene, having gone from 30 US¢ a gallon to almost 80¢ during the course of 1999, continued to escalate to 105¢ in September-November 2000 before falling back slightly at the end of the year and into early 2001.

The AEA airlines routinely shield themselves from the full impact of fuel price rises by effective hedging; nevertheless the cost of fuel per available tonne-km rose by 42% between 1999 and 2000.

Thus, in 2000, fuel represented 15.9% of total operating costs, compared with 10.6% in 1999.

The fuel price increases do not take account of the additional impact of the dollar exchange rate, which continued to climb relative to the European currencies in 2000.

In 2000, the dollar appreciated against the Euro by 15.3%. Given that the airlines normally purchase their fuel in dollars, the combined effect of prices and exchange rates produced a very substantial impact on the bottom line.

The yield effect was influenced by differential growth rates among business-class and economy passengers.

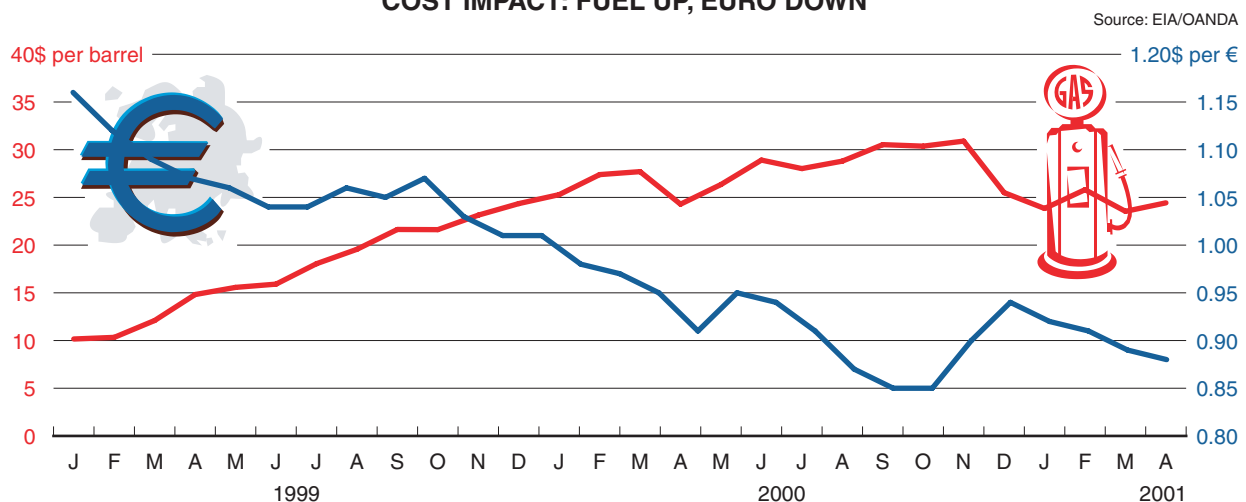
In Europe, business-class traffic grew by only 2.6%, compared to a 9.3% increase in economy.

Such a change in the fare mix, in isolation, would be expected to cause yields to fall by about 1.3%, with a loss of revenue in the order of US \$ 250 million.

However, the situation on long-haul routes was somewhat different. On the North Atlantic, business-class traffic increased by 12.9%, while loads in economy were up only 6.8%, giving an anticipated effect on yields of about plus 1.4%, generating about \$150m extra revenue.

A similar, but less marked, effect was reported on Far Eastern routes, where again, traffic in business-class grew at a significantly higher rate than for economy.

### COST IMPACT: FUEL UP, EURO DOWN



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## GROWTH – THE INDUSTRY’S LIFEblood

Air transport is a growth industry, having increased virtually every year since the Second World War.

Compound growth is a powerful phenomenon. At 8% per year – roughly the AEA’s traffic increase in 2000 – the industry would double in size in nine years. At 4.2%, which was the capacity increase, the doubling would take 17 years.

Whatever the time period, it can be taken for granted that the air travel market will want to double again, in the foreseeable future. In the last forty years, the market has doubled in size five times – that is to say, in 2000 it was 32 times bigger than in 1960. The last cycle took ten years, the one before, twelve.

It is clear that the last two cycles ended in periods of intense airspace congestion, as this aspect of the industry’s infrastructure fell behind the progress in demand. It is also clear from the delay history shown on page I-13 that airspace capacity managed to get more or less back on track in the mid-1990s before falling behind again.

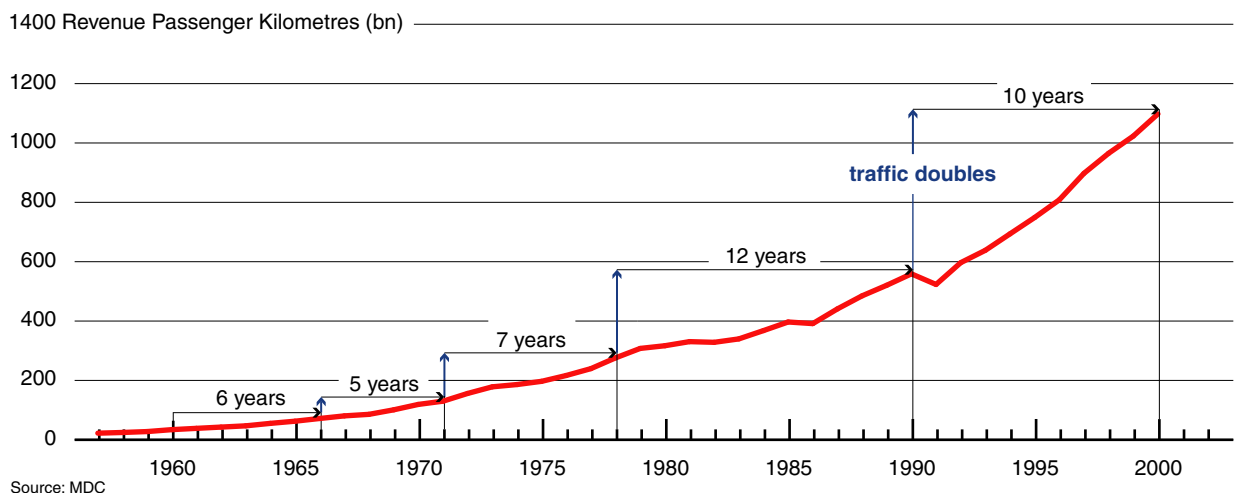
From a historical standpoint, there is no reason to doubt that capacity will be available to accommodate the current growth cycle, but it is ever more imperative that the infrastructure providers – airports and air traffic control – meet demand in a proactive way, rather than find themselves lagging behind and constantly trying to catch up.

The question, of course, might reasonably be asked: is growth a good thing? From the airlines’ point of view, continued growth is a signal that they are doing their job well: that they are providing what their customers want, at the right price.

Operating within a growth industry allows airlines to align their business along a path of efficiency and productivity. Operating within a growth industry allows airlines to invest with confidence; to promote new technologies which bring other benefits, for example in the environmental field.

Operating within a growth industry expands the marketplace, making room for new entrants with new strategies, consequently delivering consumer choice.

## TRAFFIC TO/FROM & WITHIN EUROPE



## AIRPORT CAPACITY – A QUESTION OF INVESTMENT

The key issue involving airports is not just that the airlines are growing, but the way in which they are growing.

The airlines which make up the AEA membership are global players, and their priority is to develop networks which give them a global reach. That means having adequate access at their hub airports.

The capacity of an airport is an amalgam of different factors, of which terminals and runways are the most important. Each terminal has a notional limit to the number of passengers it can handle, each runway a limit to the number of movements.

For the European airlines, however, the key elements in airport capacity are the departure and arrival slots. These are the intangible assets which are the essential building-blocks with which they construct their entire operations.

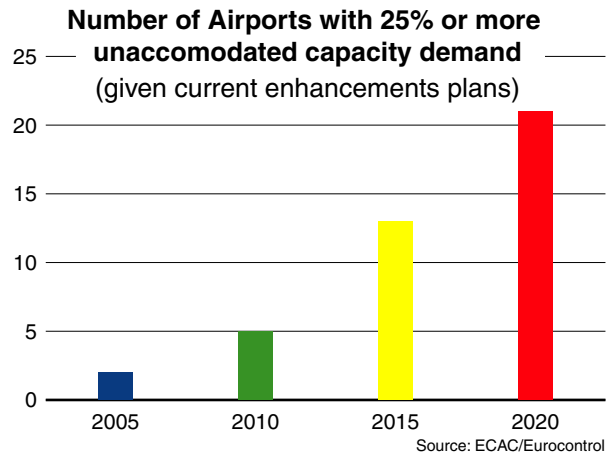
To a network airline, its portfolio of slots at its hub airport – and at other busy airports – are used to build interconnecting schedules and linkages with partners' networks.

The ability to carry slots over from one season to another – assuming they have been properly utilised – permits a continuity of scheduling which, in turn, encourages airlines to invest in and develop their networks.

The European Commission has always linked the slot issue to their aspirations for a multiple-choice status for all major city-pair markets. It was believed that lack of slots would constitute a barrier to entry for an anticipated surge of new entrants under deregulation.

The first Slot Regulation, dating from

1993, established the concept that new entrants should be favoured in the allocation of any capacity that might be created or otherwise become available.



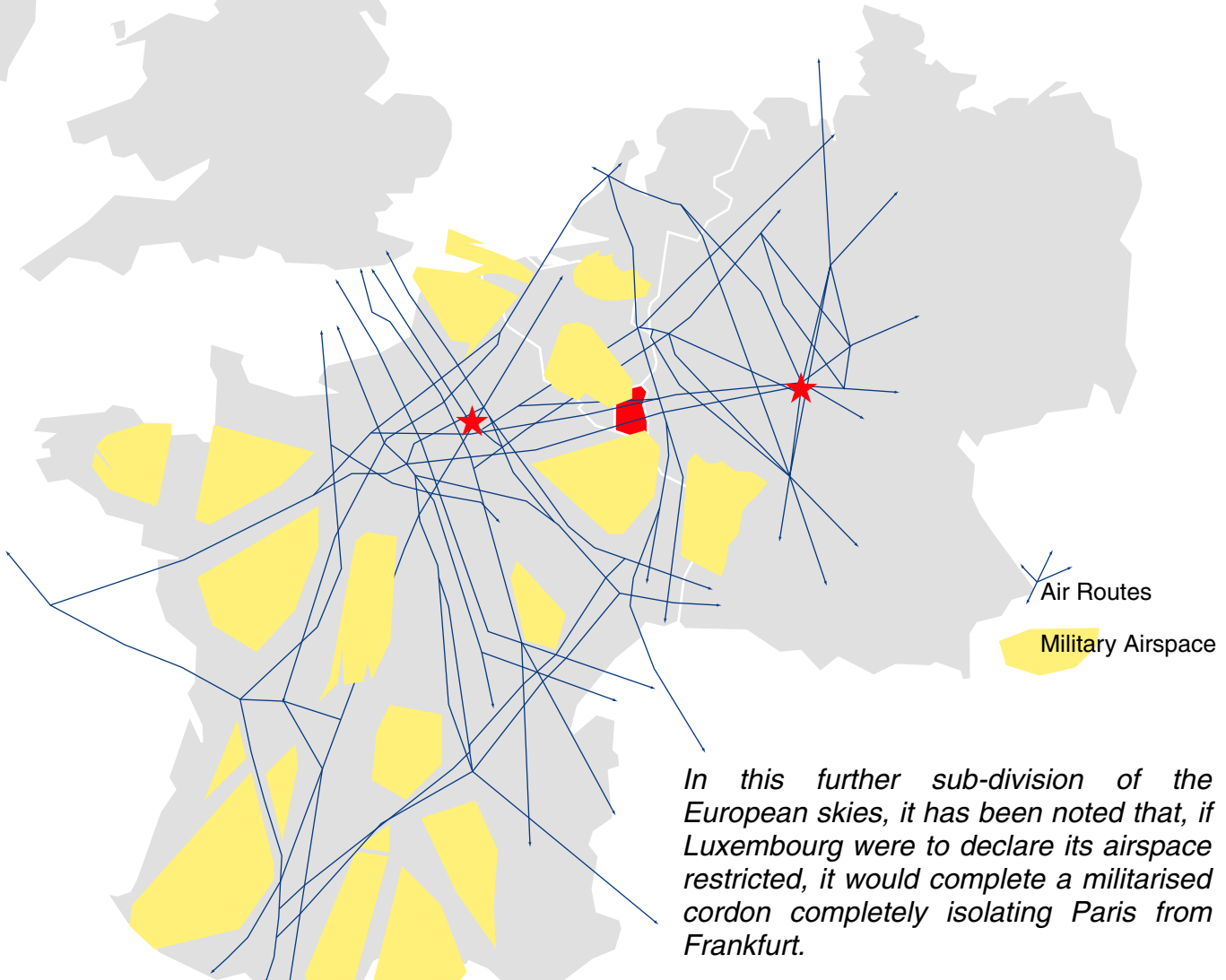
Subsequently, the Commission has concluded that deregulation has not delivered the 'desired' level of competition (broadly, three airlines on all major routes), so the problem must lie with access to airports. In 2000 it attempted to re-write the Regulation with much harsher conditions, including confiscation of slots from incumbent carriers.

AEA has pointed out that the availability or lack of slots at busy airports has played little or no part in the most visible consequence of the liberalisation process – the upsurge of 'no-frills' carriers. Where they serve secondary airports, it is because they have chosen to do so. Where they have sought to serve major airports, they succeed in finding the slots.

Continuing growth in airport capacity is an essential component of personal mobility and the development of the Single Market. Rather than seeking to distort demand by the rationing of scarce resources, the regulators of the airport sector should be encouraging the supply side of the equation.





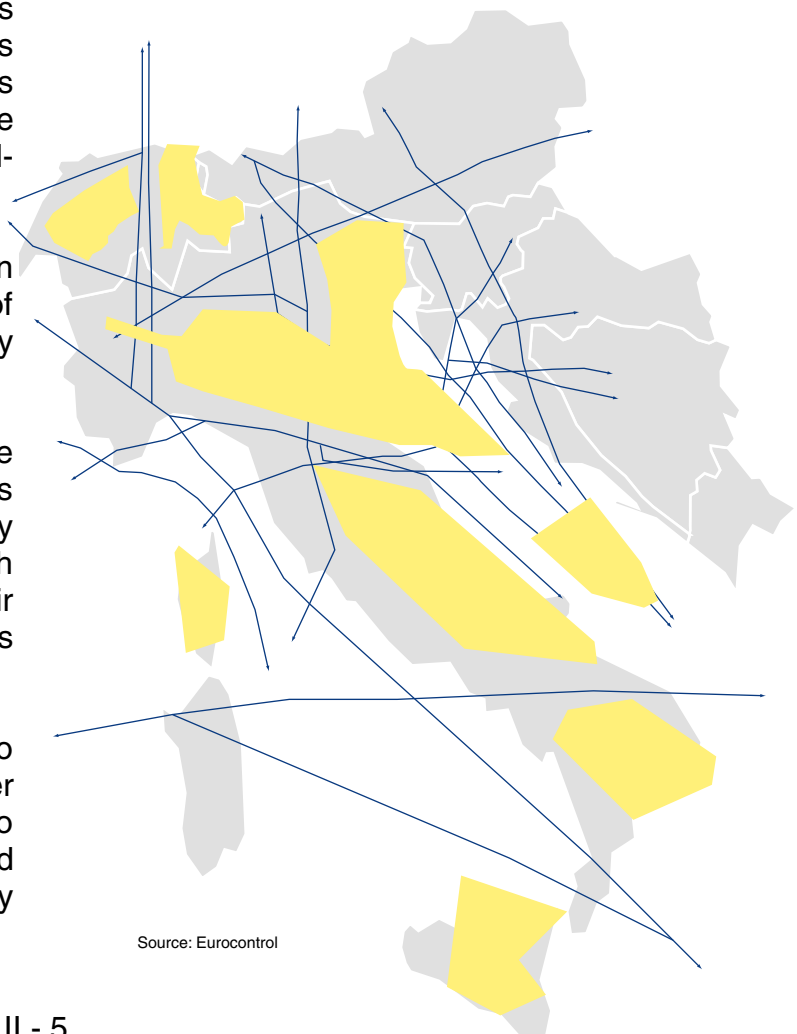


Despite the different positions represented, the process was constructive and progressive. It remains to be seen, however, how the initiative will fare in the real world of national-interest politics.

Amongst the problems to be tackled in this regard is the continuing dedication of much of Europe's airspace to military flying.

In a situation which harks back to the 1980s and beyond, the military has exclusive or priority access to very substantial areas, while throughout much of Europe's core area the commercial air routes are squeezed into the gaps between.

The Single Sky initiative has not got off to a very good start. Even before her Communication on the matter was due to be published in early March, the UK and Spain made it clear they would employ the Gibraltar Issue to halt the process.



Source: Eurocontrol

## A BETTER DEAL FOR THE CONSUMER

European liberalisation, and the increase in consumer choice that additional competition in a market-driven environment has brought, has provoked a revolution in airlines' orientation towards their customers.

Nevertheless, for the passenger, the processes involved in making a journey: purchasing a ticket, passing through pre-flight procedures, undertaking a flight, being reunited with their baggage and getting from the aircraft to the kerbside can still be a bewildering experience.

The European Commission has made clear its desire that the air travel experience should become a more transparent and consumer-friendly process. AEA has responded by proposing an Airline Passenger Service Commitment, entered into, voluntarily but diligently, by signatory airlines.

The Commitment, which was developed in an extensive consultation process with other airline groupings, air travellers, European Governments and the Commission, has been formally adopted and is in the process of being integrated into EU policy.

At the heart of the AEA plan is the recognition that European airlines – particularly since liberalisation – compete vigorously to meet customers' needs over a range of products and service levels. The key, of course, is pricing freedom, which has brought affordable air travel to a much wider market.

For this reason, it does not make sense for airlines to commit to a single standard for each aspect of their customer service.

Rather, it is envisaged that signatory airlines will each develop their own

individual service plans incorporating the Airline Passenger Service Commitment.

These plans will be made available, in an entirely transparent way, to the airlines' customers, allowing them to make a more informed choice of carrier when planning their travel arrangements.

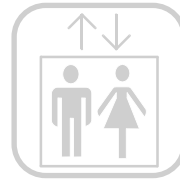
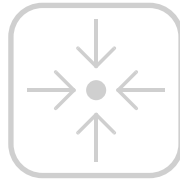
Consequently, airlines who sign the Commitment can expect to have their performance closely monitored by the market, and the extent to which they achieve their own published standards made public.

The Commitment is a framework containing 14 elements of customer service. Evidently, some of these touch on issues which are outside the control of the airlines – especially delay, which, for the most part, arises from shortcomings in infrastructure which are outside the control of the airlines.

Nevertheless, the AEA accepts that in the chain of processes that make up a passenger journey, someone should take overall responsibility, and that should be the airlines.

The next steps are procedural. The Commitment will need to be translated into the national languages and ECAC will organise the signing at a national level, to secure the maximum airline participation beyond those who assisted in its formulation. Implementation is envisaged for early 2002.

Airline passengers in Europe have come to expect – justifiably – travel which is safe, reliable and affordable. The Airline Passenger Service Commitment will give passengers an extra reassurance that they are being treated fairly, consistently and openly.



*AIRLINES SIGNATORY TO THE AIRLINE PASSENGER SERVICE COMMITMENT SHALL...*

- 1. OFFER THE LOWEST FARE AVAILABLE THROUGH EACH OF ITS DIRECT OUTLETS*
- 2. HONOUR THE AGREED FARE AFTER PAYMENT*
- 3. NOTIFY PASSENGERS OF KNOWN DELAYS, CANCELLATIONS AND DIVERSIONS*
- 4. ASSIST PASSENGERS FACING DELAYS*
- 5. DELIVER BAGGAGE AS QUICKLY AS POSSIBLE*
- 6. ALLOW TELEPHONE RESERVATIONS TO BE HELD OR CANCELLED WITHOUT COMMITMENT OR PENALTY WITHIN 24 HOURS*
- 7. PROVIDE PROMPT REFUNDS*
- 8. PROVIDE ASSISTANCE TO PASSENGERS WITH REDUCED MOBILITY AND PASSENGERS WITH SPECIAL NEEDS*
- 9. MEET PASSENGERS' ESSENTIAL NEEDS DURING LONG ON-AIRCRAFT DELAYS*
- 10. TAKE MEASURES TO SPEED UP CHECK-IN*
- 11. REDUCE THE NUMBER OF PASSENGERS WHO ARE INVOLUNTARILY DENIED BOARDING*
- 12. PROVIDE INFORMATION TO PASSENGERS REGARDING ITS COMMERCIAL AND OPERATIONAL CONDITIONS*
- 13. PROVIDE INFORMATION ON OPERATING CARRIER*
- 14. BE RESPONSIVE TO PASSENGERS' COMPLAINTS*



## NOISE – ANOTHER CHAPTER

The civil aviation industry has been very active in paving the way for a new generation of quieter airliners.

Under current international noise rules, the last second-generation jets are presently being retired and by next year all aircraft will meet 'Chapter 3' standards.

However, these standards are long-established, and modern aircraft improve on them by a substantial margin. There is consensus that a new standard, continuing the progressive reduction process, is overdue.

An international forum in January 2001 reached agreement on a new noise standard – 'Chapter 4' – which is planned to be applicable to all new aircraft from 2006 onwards. The new standard represents a 10 decibel reduction vis-à-vis Chapter 3 (this reduction to be spread over the three measuring points – take-off, landing and sideline).

The 10db figure is an unsatisfactory compromise, in that it stands just beyond the level of a significant part of today's modern fleet, yet does not go far enough to stimulate substantial new technology.

Moreover, the new rules stopped short of planning for the gradual withdrawal of

aircraft which, while meeting current standards, fall well short of the new ones. AEA has supported the international noise-reduction initiative, even going so far as to contemplate the premature withdrawal of aircraft in a clearly-defined, coordinated process.

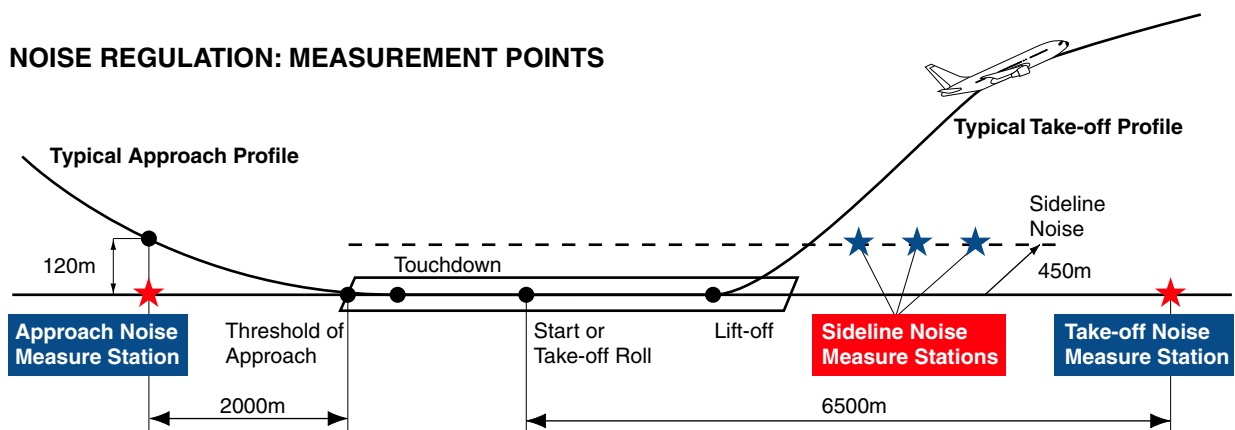
The reasons are straightforward. International agreement maintains stability and predictability within the industry. Failure to achieve such agreement leaves the door open for piecemeal regulation on a regional, national and local level.

Some areas of the world are less committed to a rigorous environmental programme than others. The AEA airlines' home territory is among the most advanced in this respect.

The message emanating from the authorities in Europe is clear: if the regulators don't think the rules proposed by the international community go far enough, they will make their own.

European airports already have a piecemeal framework of rules involving noise limits and quotas, curfews and discriminatory pricing. In the absence of a coherent policy this tendency is likely to increase, making life even more difficult for European airlines.

### NOISE REGULATION: MEASUREMENT POINTS



## SAFETY MATTERS

Throughout the airline business, safety matters. This section touches on safety-related topics at both macro and micro level, illustrating the range of issues facing airlines in their constant concern for the safety of their customers.

At the macro level, progress continues towards a European Aviation Safety Agency (EASA), essential if Europe's patchwork of national rules are to be harmonised.

Latest European Commission proposals, however, fall far short of what the airlines would like to see. In fact, the airline industry is scarcely affected by them, since EASA's mandate would extend to the certification of new aircraft types – and stop there, for the foreseeable future.

The areas directly affecting the airlines – maintenance, operations, licensing of flight crew – would remain, ultimately, in the hands of national authorities. While EASA could advise and recommend, it could not regulate – the same recipe for complication, duplication and frustration as characterises the provision of ATC.

An early test of the likely effectiveness of EASA will come in the setting-up phase. The industry will watch with interest whether the agency's core business will be given second priority to questions such as location, languages and political appointments to its top management.

Turning to specific matters of passenger safety, there has recently been an upsurge of attention directed at Deep Vein Thrombosis (DVT), a condition associated with blood clots formed during long periods of physical inactivity.

DVT, misleadingly labelled as 'economy class syndrome' has been linked in the



public's perception with air transport although it may equally involve sustained immobility in other transport modes, and indeed in other activity.

Nevertheless, the airlines have been proactive in their approach. Many AEA members have taken steps to inform passengers about the possible health aspects of immobility whilst flying, through in-flight magazines and websites.

AEA has also provided a forum for its members' medical experts to pool their knowledge, although their main conclusion was that there is no reliable scientific data available to link DVT specifically with air travel. To clarify the situation, AEA has proposed that the European Commission undertake a neutral study, involving a trans-modal comparison.

Safety is a priority for all who work in aviation, but that does not prevent some parties from giving the impression that they are its sole guardians.

For several years, a live issue has been the proposed harmonisation of European rules on pilots' flight duty and rest time.

This complex issue involves elements such as length of duty and corresponding rest period; number of consecutive duty days and subsequent rest days, number of sectors per duty; hours per month and per year, all taking into account day/night duties, number of time-zones crossed, and many other factors.

Each country has its own rules and each set of rules delivers an operating pattern which is, evidently, 'safe'. Additionally, major airlines typically have negotiated agreements with their pilots which are more generous than the national rules.

The resulting flexibility has led to a situation in which different airlines have evolved different working cultures and different benefit structures.

All, however, have resulted in work-day versus recovery-day patterns for pilots, both long- and short-haul, which are exceptionally generous compared with their ground-based counterparts.

Attempts to achieve a unified set of rules have led, inevitably, to the pilot

community seeking a solution in which they, individually, are not penalised either in terms of working hours, or of time off.

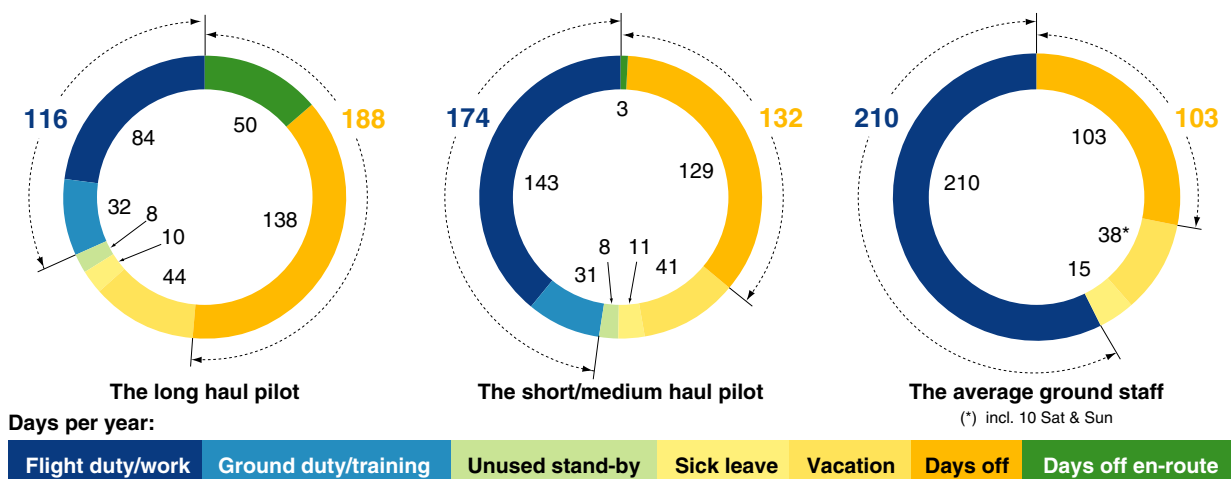
Any model which incorporated the most generous conditions for each of the parameters would impose unacceptable financial penalties on the airlines. In the ongoing debate, which ultimately is about social conditions, the 'safety card' has been played in a very public fashion by the pilot factions.

The 'safety card' has also been used by the opponents of Air Traffic Control reform. Specifically, the airlines' call for a more commercial and customer-oriented ATC service provision have met with a wall of resistance built around the supposition that a business orientation would lead to a degradation of safety.

This has about as much merit as arguing that today's privatised major airlines are less safe than when they were nationalised corporations responsible only to their civil-service masters.

A safety culture permeates air transport far more than in any other mode. It is in the interests of the airlines, both internally and in dealing with their service providers, to ensure that it remains so.

**THE AVERAGE AEA AIRLINE EMPLOYEE IN THE '90s**



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## **AEA HIGHLIGHTS OF 2000**

In January 2001, Mr Jean-Cyril Spinetta, Chairman of Air France, took up the position of AEA Chairman. He succeeded Mr Xabier de Irala, Chairman & CEO of Iberia, who chaired the AEA throughout the past year - 2000. Air Traffic Control, air transport and the environment, the creation of a European aviation safety agency (EASA), the transatlantic common aviation area (TCAA) and aircrews' flight duty and rest time, were some of the on-going topics on the agenda during the year.

Year 2000 flight departure delays for AEA carriers were second only to those of 1999 (when punctuality suffered due to the Kosovo war), with one quarter of all flights delayed by more than 15 minutes. AEA expressed a vote of 'no confidence' in the sixth meeting of ECAC ministers on the air traffic system in Europe (MATSE/6), following the failure to turn years of promises of improvements in ATC into concrete actions. Instead, AEA pinned its hopes on EU involvement in the process, by contributing to, and supporting the findings of the High Level Group for a Single Sky initiative launched by Mrs Loyola de Palacio, Vice-President of the European Commission. See Section II.

On the subject of aircrews' flight duty and rest time, AEA continues to play a major role in the negotiation process between Europe's operators and unions in arriving at a common standard, for application within the framework of the EU-OPS 1 exercise (formerly JAR-OPS 1) which provides for a European Community ruling on safety issues.

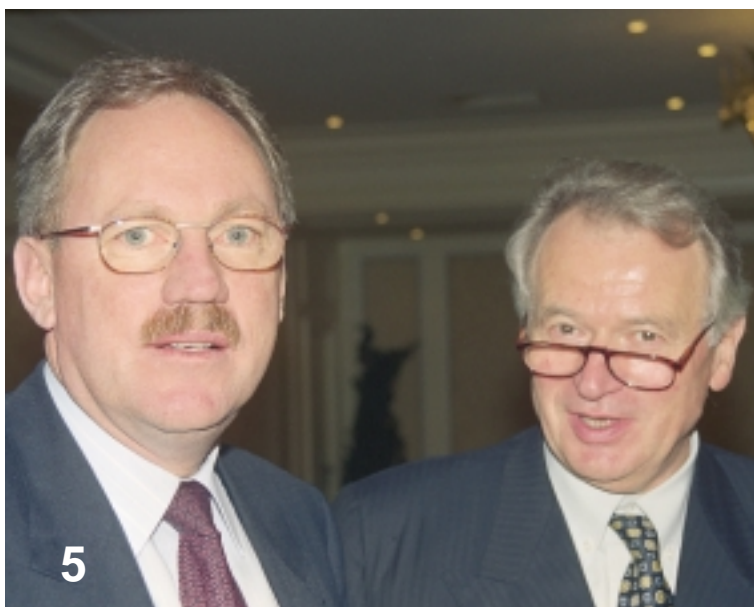
Air Passenger Rights is a topic, which also featured on both the AEA and EU work programs. The AEA has been instrumental in formulating a voluntary Commitment, in consultation with consumer representatives, the EU and ECAC. See Section II.

In 2000, two new member airlines joined the AEA: Romania's Tarom and Spanair of Spain. Carrier profiles can be found in Section III.

More details about the activities of the AEA can be found under 'Press Releases' on [www.aea.be](http://www.aea.be).

### **Photo Gallery**

1. In November 2000, presidents of AEA member airlines, representatives of ERA (regional airlines association) and IACA (leisure carriers association) met representatives of the ECAC coordinating committee at the AEA offices in Brussels. From left to right: Jean-Cyril Spinetta, Chairman of Air France and current AEA Chairman; Xabier de Irala, Chairman & CEO of Iberia and Chairman of AEA in 2000; Karl-Heinz Neumeister, Secretary General of AEA and Fausto Cereti, Chairman of Alitalia.
2. Alfredo Roma, President of ECAC and President of the Italian Civil Aviation Authority.
3. On the left, Hans-Jürgen Froböse, Director General of Civil Aviation for Germany, talking with Kees Veenstra, Deputy Secretary General of the AEA, on the right.
4. From left to right: David Condon, European Affairs Manager for Aer Lingus; Sefik B. Yüksel, AEA General Manager Trade & Social Affairs; Raymond Benjamin, Executive Secretary of ECAC.



**Photo Gallery**

5. At the Assembly of Presidents, held in Madrid in October 2000, Rod Eddington, Chief Executive of British Airways (left) and Karl-Heinz Neumeister, Secretary General of AEA.



6. Sir Michael Bishop, Chairman of BMI British Midland on the left, and Jan Stenberg, President & CEO of SAS until May 2001, on the right.

7. On the left, Mario Rehulka, Joint President of Austrian Airlines, with Loyola de Palacio, Vice President of the European Commission (right) and guest speaker at the Assembly.

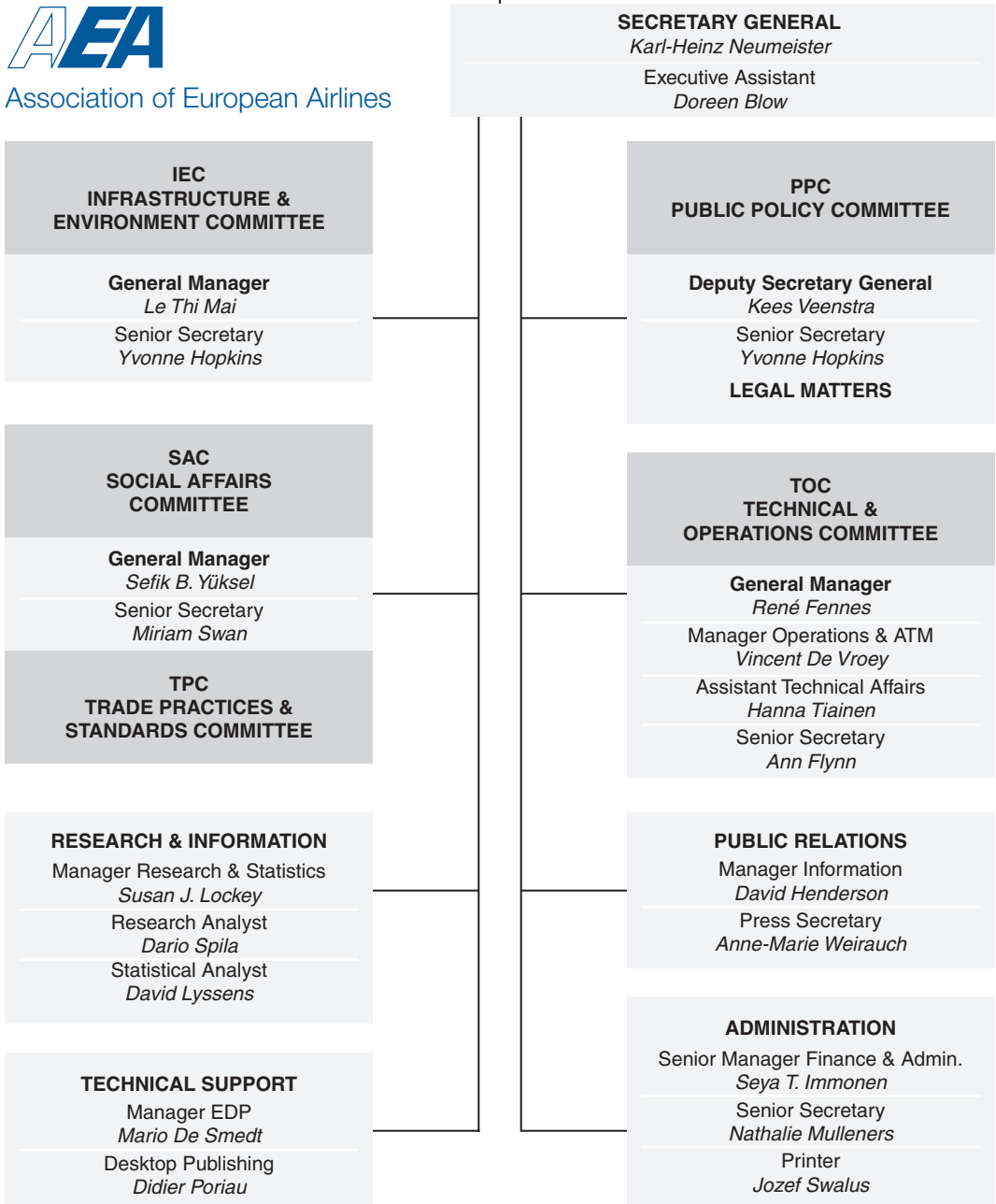
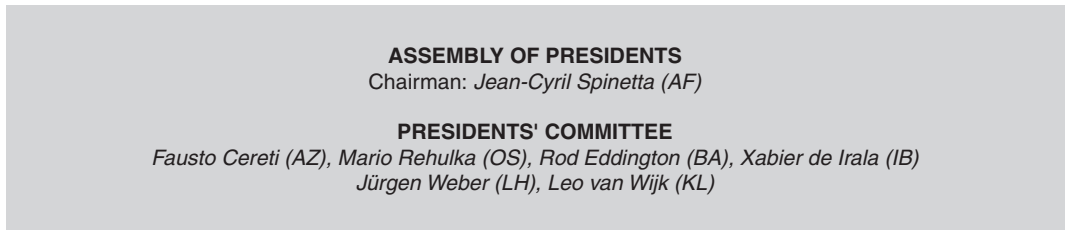


8. At the top table. From left to right: Xabier de Irala, Chairman & CEO of Iberia, Chairman of the AEA in 2000 and host to the autumn AEA Assembly of Presidents in Madrid; Loyola de Palacio; Daniel Calleja Crespo, Head of Cabinet of the Office of Mrs de Palacio; Michel Ayrat, Director of Air Transport at DG Transport & Energy (DG Tren).

9. The Assembly in progress. Twice a year the Presidents and representatives of the member airlines of the AEA gather to discuss the state of the industry.

10. From left to right: Michel Ayrat (DG Tren); Victor M. Aguado, Director General of Eurocontrol; the Spanish Minister responsible for transport, Francisco Alvarez-Cascos and Xabier de Irala (Iberia).





## MISSION STATEMENT

The Association of European Airlines shall in general serve the common interests of the members of the Association.

It shall represent the interests of its members to the institutions of the European Union, to the European Civil Aviation Conference, to any other institutional organisation or association involved in or likely to be involved in issues of interest to AEA members and, as appropriate, to individual governments.

It shall advance the co-operation amongst its members on any matter likely to be of interest to the membership as a whole and permitted by the laws of the countries in which they operate, whilst respecting the independence of action of its members individually.

The committee structure of the AEA Secretariat can be found on the facing page.

## MEMBERSHIP CRITERIA

A new member of the AEA shall be registered in, licensed by, and with principal place of business in an eligible European country, as listed in the AEA statutes.

A new member should have been engaged in passenger or cargo air transport operations in the last three years. Membership is open to all airlines: international, domestic, scheduled and charter passenger operators and all-cargo operators.

The size of a member's operations shall be significant. When determining size of operations a number of criteria can be used but one guiding factor is number of aircraft seats operated, which shall be of the order of 3,000 minimum or for all-cargo operators a minimum payload of approximately 500 metric tonnes. If such criteria are not met by the major airline in a country, exemption from the above is possible.

New membership is subject to acceptance by the AEA Assembly of Presidents.

## Photo Gallery

On page III - 8, overleaf:

11. In November 2000, AEA and IATA delegates sat down for a round table session with Commission representatives from the Competition and Transport directorates. Pictured here, from left to right: Ms Olivi,

Cabinet of Commissioner Monti; Commissioner Monti; Jean-François Pons, Deputy Director General Competition and Michel Ayral, Director Air Transport.

12. From left to right: Jürgen Weber, Chairman & CEO of Lufthansa; Jean-Cyril Spinetta, Chairman of Air France and 2001 Chairman of AEA; Xabier de Irala, Chairman & CEO of Iberia and 2000 Chairman of AEA.

13. Commissioner Mario Monti, addressing the assembled experts.

14. From left to right: Pierre Jeannot, Director General & CEO of IATA; Fausto Cereti, Chairman of Alitalia; Xabier de Irala (Iberia); Commissioner Mario Monti, Jean-Cyril Spinetta, (Air France); Jürgen Weber (Lufthansa); Austin Reid, CEO of BMI British Midland; Karl-Heinz Neumeister, Secretary General of AEA.





**Review of 2000**

- \* 0.87 million passengers transported, 72% on scheduled services within Europe, 28% on charter services.
- \* 4.6 thousand tonnes of freight carried on passenger services.
- \* 581 employees worldwide.

Adria expanded its market presence in 2000. New destinations, such as Kristianstad in Sweden, were introduced, while frequencies on other routes were increased. Adria also co-operates with European partners: with flights from Ljubljana, its hub in Slovenia, to Paris in code-share with Air France; between Ljubljana and Frankfurt and Munich in code-share with Lufthansa; with Croatia Airlines to Split. Adria is an important charter carrier, with services principally to the Spanish and Greek islands, Turkey and the Adriatic coastline.

In March, Adria took delivery of its fourth Canadair Regional Jet CRJ-200. The CRJ-200 is used for regional traffic and has a seating capacity of 48 passengers. Adria's fleet also includes three 156-seater Airbus A320 aircraft.

At the start of the new year – 2001 – Adria enters an anniversary year. Established in 1961 as 'Adria Aviopromet', the carrier celebrates the fortieth year of its existence. Adria's first fleet consisted of four DC6 planes, operated on its predominantly long-haul charter and domestic scheduled network. In 1986 the Slovenian carrier was renamed Adria Airways. Adria became a member of the AEA in 1995.

Update: In an interim move, Branko Lučovnik took over the post of President from Peter Grašek who left the company in April 2001.



Branko Lučovnik,  
President (acting)

**Adria Airways**

Kuzmičeva 7  
61000 Ljubljana  
Slovenia

Tel +386 1 43 62 500/499  
Fax. +386 1 43 69 233  
info@adria.si  
www.adria.si

Branko Lučovnik, President (acting)

**21 Scheduled Destinations**

- 1 within Slovenia
- 19 rest of Europe
- 1 beyond Europe

**7 Aircraft in Fleet**

- 3 Airbus A320
- 4 Canadair CRJ-200

**0 Aircraft on Order**

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by ...**

- 91% Development Corporation of Slovenia
- 9% Nova Ljubljanska Banka

**Owner of ...**

-

**Major partnerships**

Code-share agreements with Air France, Croatia Airlines, Lufthansa.

**Financial Results**

	SIT '000	2000	1999
Turnover		21808	18231
Operating profit/loss		(34)	885
Net profit/loss		160.5	13.9



# Aer Lingus

## Review of 2000

\* 6.9 million passengers transported, 96% on scheduled services, of which: 72% within Europe, 16% on the North Atlantic and 8% on Domestic routes.

\* 41 thousand tonnes of freight carried on passenger services.

\* 6219 employees worldwide.

In June 2000, Aer Lingus became a fully-fledged member of the Oneworld alliance, offering a full range of services and benefits. Aer Lingus joins American Airlines, British Airways, Qantas, Iberia, Finnair, Cathay Pacific Airways and LanChile in the 'alliance that revolves around you'.

In 2000, Aer Lingus increased its number of US destinations with the addition of services between Dublin/Shannon and Baltimore/Washington International. Aer Lingus services to New York, Chicago, Boston and Los Angeles are now also operated in code-share with Oneworld partner American Airlines.

Aer Lingus acquired two operational lease BAe 146-300 aircraft, as a replacement for two BAe 146-200s, making a total of eight in the fleet. Aer Lingus also added to its family of Airbus aircraft, with the delivery of its second A330-200, for use on long-haul services, and the first of six new-generation A320-200s, to be deployed on European services. In addition options on four A319-100 aircraft were confirmed, for delivery in 2003.



Bernie Cahill  
Chairman

## Aer Lingus

Dublin Airport  
Dublin  
Ireland

Tel. +353 1 886 2222  
Fax. +353 1 886 3832  
www.aerlingus.ie

Bernie Cahill, Chairman

## 32 Scheduled Destinations

5 within Ireland  
21 rest of Europe  
6 beyond Europe

## 38 Aircraft in Fleet

5 Airbus A330-300  
2 Airbus A330-200  
6 Airbus A321-200  
1 Airbus A320-200  
7 Boeing 737-500  
5 Boeing 737-400  
8 BAe 146-300  
4 Fokker 50

## 10 Aircraft on Order

1 Airbus A330-200  
5 Airbus A320-200  
4 Airbus A319-100

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

## Owned by...

95% State ownership  
5% Aer Lingus employees

## Owner of...

100% Aer Lingus Commuter  
100% Futura

## Major partnerships

Member of Oneworld Alliance.  
Code-share agreements with: American Airlines, British Airways, KLM.

## Financial Results

Aer Lingus Group results	€ mill	1999	1998
Turnover		1174.7	1144.6
Operating profit/loss		74.2	72.9
Net profit/loss		51.9	74.6



### Review of 2000

\* 39.2 million passengers transported on scheduled services, of which: 42% on Domestic routes, 31% within Europe, 14% across the Atlantic, 8% to the African continent and the Middle East and 5% to the Far East.

\* 669 thousand tonnes of freight carried, 52% on all-cargo services.

\* 52213 employees worldwide.



In June 2000 SkyTeam was officially unveiled. The partnership of Air France, Delta, Aeromexico and Korean Air focuses on a strategy of passenger hub development with extensive use of code-share agreements. By September, SkyTeam Cargo, including cargo divisions of all four airlines, emerged as the world's 'largest commercial airline cargo alliance'.

Developments in regional markets saw the acquisition of French carriers Brit Air, Regional Airlines, Proteus and Flandre Air, and freight operator Aeropostale, whilst Irish-based Cityjet also became an Air France subsidiary.

Air France cargo took over as general sales agent for all Delta's European cargo operations.

Air France, together with Delta, United, Continental, American Airlines and British Airways launched an internet marketplace, bringing economies of scale to the purchase of airline-related goods and services.

Following the Concorde accident in July, all supersonic aircraft, owned by Air France and British Airways, were grounded.

Air France became the second carrier to commit to the purchase of the 555-seater Airbus A380, formerly referred to as the A3XX. The letter of intent to purchase ten aircraft, with options on a further four, was signed in July 2000.

In October, Air France announced a firm order for ten Boeing 777-300s, with options on a further ten aircraft.



Jean-Cyril Spinetta  
Chairman

**Air France**  
45 rue de Paris  
95747 Roissy CDG Cedex  
France

Tel. +33 1 41 56 78 00  
Fax. +33 1 41 56 70 29  
www.airfrance.fr

Jean-Cyril Spinetta, Chairman;  
2001 Chairman of the AEA  
Pierre-Henri Gourgeon, CEO

### 320 Scheduled Destinations

60 within France  
80 rest of Europe  
180 beyond Europe

### 230 Aircraft in Fleet

4 Concorde (grounded)  
21 Airbus A340-300  
14 Airbus A321  
45 Airbus A320-200  
13 Airbus A320-100  
25 Airbus A319-100  
4 Airbus A310-300  
6 Airbus A310-200  
14 Boeing 777-200  
5 Boeing 767-300  
13 Boeing 747-400  
4 Boeing 747-300  
10 Boeing 747-200  
11 Boeing 747-200F  
25 Boeing 737-500  
9 Boeing 737-300  
7 Boeing 737-200

### 56 Aircraft on Order

8 Airbus A330-200  
3 Airbus A321  
1 Airbus A320-200  
11 Airbus A319-100  
15 Airbus A318  
10 Boeing 777-300  
6 Boeing 777-200  
2 Boeing 747-400F

### Owned by...

56% State ownership  
33% Private and Institutional investors  
11% Air France employees

### Owner of...

100% Société d'Exploitation Aéropostale  
100% Air France Finance, owner of  
100% Regional Airlines  
100% Brit Air  
100% Cityjet  
90% Proteus Air  
36% Air Australe  
90% Proteus Air, owner of  
100% Flandre Air

### Major partnerships

Member of the SkyTeam Alliance.  
Various code-share agreements.

### Financial Results

Group Results, year ending 31<sup>st</sup> March  
€ mill 1999/00 1998/99

Turnover	10324	9100
Operating profit/loss	358	267
Net profit/loss	354	249



### Review of 2000

\* 1.6 million passengers transported, 86% on scheduled services, of which: 74% within Europe, 9% on North Africa, 3% to the Middle East.

\* 8.9 thousand tonnes of freight carried, 16% on all-cargo services.

\* 1953 employees worldwide.

During the financial year ending 31<sup>st</sup> March 2000 Air Malta Group continued to consolidate the financial results achieved in the previous year. A pre-tax profit of Lm 6.3 million (€15.4 million) was recorded, up 7% over previous year. These results were achieved despite the effect of the high cost of the US dollar, with aviation fuel, navigation charges, aircraft lease rentals and some aircraft financing costs denominated in this currency.

Traffic carried on Air Malta's scheduled and charter flights increased to reach a record level of 1.6 million passengers transported in 2000. There was a marked shift from charter to scheduled services with the number of passengers on the latter representing 86% of all passengers transported in 2000, compared to 78% in 1999.

Air Malta focused primarily on its established markets. Its network in 2000 covered 52 destinations throughout Europe, North Africa and the Middle East. Traffic from its main tourist markets, especially those in Western Europe, was also buoyant. Good growth was registered in the important markets of Germany and UK, as well as in some smaller markets: Ireland, Scandinavia, the Netherlands, Belgium and Austria.

Air Malta's foray into long-haul services, with the introduction of flights to New York for the Summer season was not extended into the Winter season, in the face of slow demand combined with a high cost base, including the Boeing 757 leased to operate the service. Flights to Bahrain were also discontinued, with new services to Kuwait featuring from the Summer timetable onwards.

Air Malta is planning to venture into the cruise industry, offering cruises around the Mediterranean starting and ending in Malta, linking up to its air routes.



Louis Grech  
Chairman

### Air Malta

Head Office  
Luqa LQA05  
Malta

Tel. +356 22 9990  
Fax. +356 673241  
info@airmalta.com.mt  
www.airmalta.com

Louis Grech, Chairman

### 54 Scheduled Destinations

2 on Malta  
39 rest of Europe  
13 beyond Europe

### 11 Aircraft in Fleet

2 Airbus A320-200  
7 Boeing 737-300  
2 Boeing 737-200

### 0 Aircraft on Order

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by ...

96.4% State ownership  
3.6% Private shareholders

### Owner of ...

100% Malta Air Charter Co Ltd  
49% AZZURRA Air

### Major partnerships

-

### Financial Results

Group Results. Year ending 31<sup>st</sup> March.  
€ '000 1999/00 1998/99

Turnover	305358	252470
Operating profit/loss	15997	15914
Net profit/loss *	15401	14419

\* before taxes



**Review of 2000**

\* 25.7 million passengers transported, mostly on scheduled services, of which: 54% on Domestic routes, 30% within Europe, 8% across the Atlantic, 5% to the African continent and the Middle East and 2% to the Far East.

\* 253 thousand tonnes of freight carried, 44% on all-cargo services.

\* 21203 employees worldwide.

Alitalia announced that soaring fuel bills, exchange rate effects and the political difficulties surrounding Milan's Malpensa airport, produced a 1999 financial result close to break-even and substantially down on preceding year.

In March 2000, Alitalia and KLM announced the break-up of their alliance, with the demerging process to be finalised by the end of August. Alitalia started work on a new strategic plan.

Despite strong growth in passenger and cargo traffic over the busy Summer months, an economic rationalisation was applied to the network for the Winter schedule, with reduced Italian domestic services, some flights to Africa and Asia suspended, and increased frequencies on more viable routes.

In November, Alitalia and Japan Airlines reached a code-sharing agreement enabling the two companies to operate in partnership on all flights between Italy and Japan. Alitalia also signed an agreement with Korean Air, and with Spain's Air Europa to cover certain domestic routes within Spain.

Towards year-end, state holding company IRI transferred its 53% controlling stake in Alitalia to the Government's Treasury Department.

The Group fleet saw the addition of several aircraft in 2000, including one 747-400F, one A321, 4 A320s and the delivery of six 48-seater Embraer RJ-145s for use by Alitalia Express. At year-end, the company replaced an order for Boeing 747s by a firm order for six 777-200s, with options on six of the 777-300 variant.

Update: Following the resignation of Domenico Cempella at the beginning of 2001, Francesco Mengozzi took the position of Alitalia's Managing Director and CEO.



Fausto Cereti  
Chairman

**Alitalia – Linee Aeree Italiane Spa**

Viale Alessandro Marchetti 111  
00148 Roma  
Italy

Tel. +39 06 65621  
www.alitalia.it

Fausto Cereti, Chairman  
Francesco Mengozzi,  
Managing Director & CEO

**110 Scheduled Destinations**

24 within Italy  
58 rest of Europe  
28 beyond Europe

**158 Aircraft in Fleet**

23 Airbus A321 (AZ Team)  
6 Airbus A320 (AZ Team)  
9 Boeing 767-300 (AZ Team)  
1 Boeing 747-400F  
7 Boeing 747-200 (AZ Team)  
2 Boeing 747-200F  
89 MD82 (AZ Team)  
8 MD11 (AZ Team)  
6 Embraer RJ-145 (AZ Express)  
7 ATR 72 (AZ Express)

**25 Aircraft on Order**

5 Airbus A320 (AZ Team)  
12 Airbus A319 (AZ Team)  
6 Boeing 777-200 (AZ Team)  
2 Embraer RJ-145 (AZ Express)

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by...**

53% State ownership  
27% Private investors  
20% Alitalia Personnel

**Owner of...**

100% Alitalia Team  
100% Alitalia Express  
100% Eurofly

**Major partnerships**

Co-operation agreement with:  
Continental Airlines.  
Franchisees: AZZURRA Air, Minerva Airlines.  
Various code-share agreements.

**Financial Results**

Alitalia Group Results:			
	€ mill	1999	1998
Turnover		4806	4621
Operating profit/loss		(105)	313
Net profit/loss		6	211

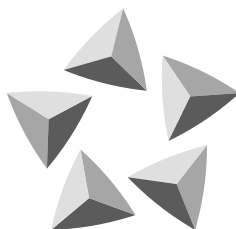
# AUSTRIAN AIRLINES

## Review of 2000

\* 3.7 million passengers transported on scheduled services, of which: 70% within Europe, 10% on the North Atlantic, 12% to the African continent and the Middle East and 8% to the Far East.

\* 59 thousand tonnes of freight carried on passenger services.

\* 5000 employees worldwide.



STAR ALLIANCE

The Austrian Airlines Group, comprising Austrian Airlines, Lauda Air and Tyrolean Airways, officially took up its membership of the Star Alliance at the end of March 2000. Other members of the Star Alliance – the airline network for earth – are: Lufthansa, SAS, Air Canada, United Airlines, Varig, Thai Airways, Air New Zealand, Ansett Australia, ANA, Singapore Airlines, BMI British Midland and Mexicana.

Austrian Airlines posted a positive result in 2000, despite the high cost of fuel and the dollar, and financial provisions for loss-making Lauda Air. Austrian Airlines, which was already Lauda Air's largest shareholder at 35.9%, further expanded its stake in the company to 54.6%, including the acquisition of 11.1% of shares formerly held by Lufthansa. Austrian Airlines Group is also reviewing its organisational structure.

In the network, North Atlantic services were boosted 12% following Star membership, with new services to Chicago and Washington, with Toronto to be added in 2001. Services to Atlanta, Capetown and Shanghai were dropped.

As part of its fleet renewal program, Austrian Airlines took delivery of three new Airbus A320s to be deployed on medium-haul routes. In celebration of its alliance membership, Austrian repainted some aircraft with the Star logo on the engines, and the symbols of all Star members along the fuselage.



Herbert Bammer  
Joint President



Mario Rehulka  
Joint President

## Austrian Airlines

Fontanastrasse 1  
P.O. Box 50  
1107 Vienna  
Austria

Tel. +43 1 1766  
Fax. +43 1 688 55 05  
www.aua.com

Herbert Bammer, Joint President  
Mario Rehulka, Joint President

## 119 Scheduled Destinations

6 within Austria  
82 rest of Europe  
31 beyond Europe

## 35 Aircraft in Fleet

2 Airbus A340-300  
2 Airbus A340-200  
4 Airbus A330-200  
2 Airbus A321-200  
3 Airbus A321-100  
6 Airbus A320-200  
5 MD87  
2 MD83  
3 MD82  
6 Fokker 70

## 9 Aircraft on Order

2 Airbus A321-200  
7 Airbus A320-200

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

## Owned by...

39.7% State ownership  
30.6% Free float  
18.2% Austrian institutional investors  
10% SAirLines  
1.5% Air France

## Owner of...

100% Tyrolean Airways  
100% Rheintalflug  
80% Austrian Airtransport  
54.6% Lauda Air  
25% Ukraine International Airlines  
(with Swissair) via UI Holding

## Major partnerships

Member of the Star Alliance.  
Various code-share agreements with:  
Air France, Air India, Air Mauritius, Air China, Ukraine International Airlines, CSA, Malev, Tarom.

## Financial Results

Austrian Airlines Group Results:

	€ mill	2000	1999
Turnover		1967.9	1539.8
Operating profit/loss		83.8	18.9
Net profit/loss		52.9	42.2

# BRITISH AIRWAYS

## Review of 2000

\* 38.6 million passengers transported, 99% on scheduled services, of which: 18% on Domestic routes, 46% within Europe, 21% across the Atlantic, 7% to the African continent and the Middle East and 7% to the Far East.

\* 727 thousand tonnes of freight carried, 12% on all-cargo services.

\* 65157 employees worldwide.



In 2000 BA continued its strategy of cutting capacity, moving to smaller aircraft and route rationalisation, coupled with emphasis on attracting premium passengers.

BA announced a major restructuring of its Gatwick operations, with a shift from long-haul service to short-haul, and the integration of BA's two subsidiaries Cityflyer Express and European Operations at Gatwick (EOG).

British Airways and KLM, who spent several months discussing the possibility of a consolidation between the two companies, broke off negotiations in September.

BA's e-business ventures in 2000 included the joint launch of an internet airline goods & services procurement group with Air France and four US partners, and the establishment of the first European multi-airline on-line travel agency.

British Airways sold its holding in Air Liberté, bringing the carrier under minority control of SAirGroup. The sale of BA's low-cost subsidiary - Go - was announced and will be completed in 2001. The company was launched in 1997.

Start-up carrier National Jet Italia was added to the BA franchise family, flying Italian domestic routes from mid-July. Created from a joint venture between Comair of South Africa and Roan Air Holdings of Zambia, Zambian Airways (ZAS) also became a BA franchisee, strengthening BA's regional presence in Africa.



BA took delivery of its first 2 B777ER aircraft in 2000.

Rod Eddington  
Chief Executive

## British Airways plc

Waterside  
P.O. Box 365  
Harmondsworth UB7 0GB  
Great Britain

Tel. +44 20 8759 5511  
Fax +44 20 8562 5557  
www.british-airways.com

Rod Eddington, Chief Executive

## 162 Scheduled Destinations

15 within the United Kingdom  
62 rest of Europe  
85 beyond Europe

## 309 Aircraft in Fleet

7 Concorde (grounded)  
10 Airbus A320  
19 Airbus A319  
38 Boeing 777  
21 Boeing 767-300  
48 Boeing 757-200  
56 Boeing 747-400  
15 Boeing 747-200  
7 Boeing 737-500  
34 Boeing 737-400  
7 Boeing 737-300  
4 Boeing 737-200  
12 Avro RJ100 (Cityflyer)  
7 ATR-72 (Cityflyer)  
2 ATR-42 (Cityflyer)  
6 Embraer RJ-145 (Brymon)  
16 de Havilland Dash-8 (Brymon)

## 62 Aircraft on Order

20 Airbus A320  
20 Airbus A319/A320/A321  
12 Airbus A318  
5 Boeing 777  
4 Avro RJ100 (Cityflyer)  
1 Embraer RJ-145 (Brymon)

## Owned by...

100% Publicly quoted company.

## Owner of...

100% British Airways EOG (European Operations at Gatwick)  
100% Brymon Airways  
100% Cityflyer Express  
100% Deutsche BA  
100% Go Fly  
25% Qantas  
18.3% Comair (South Africa)  
13.2% Air Mauritius  
9% Iberia

## Major partnerships

Member of the Oneworld Alliance.  
Franchisees: BASE (Netherlands), British Mediterranean, British Regional, Comair, GB Airways, Loganair, Maersk Air UK, National Jet Italia, Sun-Air (Denmark), Zambian Air Services.  
Various code-share agreements.

## Financial Results

Group results. Year ending 31<sup>st</sup> March.  
£ mill 1999/00 1998/99  
Turnover 8940 8915  
Operating profit/loss 84 442  
Net profit/loss (10) 206

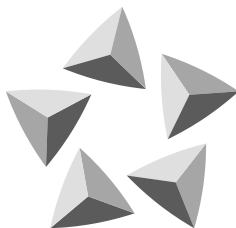


**Review of 2000**

\* 7.4 million passengers transported, 96% on scheduled services, of which: 54% within Europe and 42% on Domestic routes.

\* 16.8 thousand tonnes of freight carried on passenger services.

\* 6380 employees worldwide.



STAR ALLIANCE

BMI British Midland reported record figures in the preceding year, 1999. Turnover, profit and passenger numbers rose to GBP 613.3 million (€ 972.7 mill), GBP 13.7 million (€ 21.7 mill) and 6.5 million respectively.

On 1<sup>st</sup> July 2000, BMI British Midland officially became a member of the Star Alliance, comprising Lufthansa, SAS, Air Canada, United Airlines, Varig, Thai Airways, Air New Zealand, Ansett Australia, ANA, Singapore Airlines, Austrian Airlines Group and Mexicana.

In September, Sir Michael Bishop announced the start-up of the airline's first trans-atlantic services in nearly twenty years, with services from Manchester to Washington DC and Chicago O'Hare, to be launched in Spring 2001. Both services will be operated on a code-share basis with Star Alliance partner United Airlines.

In its European network, the airline launched four new routes in 2000, from London Heathrow to Rome, Milan, Madrid and Barcelona. BMI British Midland, Lufthansa and SAS started offering joint passenger facilities, FFPs and code-sharing on all routes operated by the three carriers from London Heathrow and Manchester. Services to Frankfurt, Prague and Warsaw were discontinued.

BMI British Midland placed orders for four longhaul A330-200 aircraft, with options for a further eight. By February 2002, all four aircraft will have been delivered.

Update: In February 2001, a new global brand and corporate identity were introduced. The 'bmi british midland' logo is shown above.



Sir Michael Bishop  
Chairman

**BMI British Midland**  
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Castle Donington  
Derby  
East Midlands DE74 2SB  
Great Britain

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Fax. +44 1332 854 662  
www.flybmi.com

Sir Michael Bishop CBE, Chairman  
Austin Reid, Chief Executive Officer

**31 Scheduled Destinations**  
12 within the United Kingdom  
19 rest of Europe  
0 beyond Europe

**55 Aircraft in Fleet**  
10 Airbus A321  
4 Airbus A320  
10 Boeing 737-500  
2 Boeing 737-400  
8 Boeing 737-300  
6 Fokker 100  
3 Fokker 70  
6 Saab 340  
6 Embraer RJ-145

**18 Aircraft on Order**  
4 Airbus A330-200  
1 Airbus A321  
9 Airbus A320  
4 Embraer RJ-145

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by ...**  
60% British Midland plc  
20% Lufthansa  
20% SAS

**Owner of ...**  
-

**Major partnerships**  
Member of the Star Alliance.  
Various code-share agreements with:  
Air France, Air Lanka, Continental Airlines, Gulf Air, Icelandair, Malaysian Airlines, Royal Brunei, SAA, TAP and Virgin Atlantic.

**Financial Results**

	£ mill	1999	1998
Turnover		613.3	558.8
Operating profit/loss		-	-
Net profit/loss		13.7	11.0



### Review of 2000

\* 455 thousand tonnes of freight transported on scheduled all-cargo services, of which: 70% to the Far East, 14% on the North Atlantic, 11% on Mid and South Atlantic routes, 5% to the African continent and the Middle East.

\* 1368 employees worldwide.

Cargolux reported that despite a difficult year for air cargo, 1999 had returned positive financial results. The company achieved operating results of US\$ 10 million and an after tax profit of US\$ 30 million. A net result of US\$ 33 million was posted in 2000.

In October 2000, Cargolux signed a marketing agreement with management and IT consulting firm Cap Gemini Ernst & Young. The resulting 'Message Broker' system will provide reliable electronic interconnection between the airline, its freight forwarders and customers.

A twice-weekly service between Luxembourg and Seoul was launched mid-year, within the framework of a cargo capacity-sharing agreement with Korea's Asiana. The co-operation agreement with Nairobi-based Fast Airways was not renewed and Cargolux now operates its Johannesburg via Nairobi flights autonomously. A new service to Abidjan was also introduced.

Cargolux added Ecuador to its South American network, with flights from the city of Latacunga carrying principally flowers. The flight operates a Luxembourg-Viracopos-Latacunga-Barbados (technical stop) routeing before returning to base. In September, Cargolux launched a regular service to Portland, Oregon, transporting US exports of high-tech and manufactured goods to Luxembourg. Cargolux also won the right to carry traffic (fifth freedom) on the Auckland-Hong Kong leg of its flights via Hong Kong and Los Angeles to Europe.

In the fleet, capacity shortages, fuelled by high demand, lead to the wet-lease of an additional aircraft – a Boeing 747-200F – from UK-based AirFreight Express from July onwards.

Cargolux currently owns a fleet of ten 747-400Fs and will take delivery of two outstanding orders of the same type, in August 2001 and September 2002.

Update: In April 2001, Heiner Wilkens resigned as President & CEO. Roger Sietzen, Chairman of the Board of Cargolux, will act as interim CEO until a successor is found.



Roger Sietzen  
Chairman of the Board

### Cargolux Airlines International

Luxembourg Airport  
L-2990 Luxembourg  
Grand Duchy of Luxembourg

Tel. +352 4211 1  
Fax +352 43 54 46  
www.cargolux.com

Roger Sietzen, Chairman of the Board  
& Interim CEO

### 50 Scheduled Destinations

1 within Luxembourg  
5 rest of Europe  
44 beyond Europe

### 11 Aircraft in Fleet

10 Boeing 747-400F  
1 Boeing 747-200F

### 2 Aircraft on Order

2 Boeing 747-400F

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

35% Luxair  
34% SAirLogistics, 100% owned by SAirGroup  
31% Luxembourg financial institutions

### Owner of...

-

### Major partnerships

Co-operation agreement: SAirLogistics.  
Various code-share agreements with:  
China Eastern, China Airlines,  
Aeromexpress and Asiana.

### Financial Results

	US\$ mill	2000	1999
Turnover		739	644
Operating profit/loss		36	10
Net profit/loss		33	30





## CROATIA AIRLINES

### Review of 2000

\* 1.04 million passengers transported, 87% on scheduled services, of which: 60% within Europe, 26% on Domestic routes, 1% to the Middle East.

\* 3.8 thousand tonnes of freight carried, mostly on passenger services.

\* 878 employees worldwide.

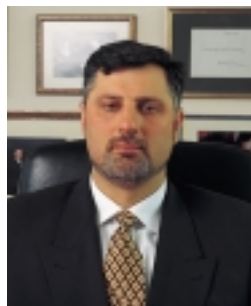
For the first time since it was founded, Croatia Airlines reached the peak of one million passengers transported in a year. In 2000, Croatia Airlines carried 15% more passengers than in 1999. Freight tonnes carried grew by a healthy 30%, with an increase in mail tonnes transported of 10%.

Croatia Airlines connects the Republic of Croatia and its capital Zagreb with numerous domestic and European destinations – Amsterdam, Berlin, Brussels, Dusseldorf, Frankfurt, London, Mostar, Munich, Paris, Prague, Sarajevo, Skopje, Vienna and Zurich. Within the Republic of Croatia, Croatia Airlines interconnects Zagreb, Dubrovnik, Pula, Split, Zadar, Rijeka, Osijek and Bol.

In the network, flights to Brussels were a new addition in the Winter timetable introduced on 29<sup>th</sup> October 2000, flying five times weekly.

Croatia Airlines completed the first phase of its fleet renewal in 2000, with the delivery of the last of a firm order for six Airbus aircraft placed in 1997. The fourth new Airbus A319 aircraft was received in early June, and the third Airbus A320 aircraft was added to the fleet at month-end.

Croatia Airlines' fleet currently consists of ten aircraft: seven Airbus aircraft – four A319 and three A320 – and three ATR-42.



Ivan Mišetić  
President & CEO

### Croatia Airlines

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10000 Zagreb  
Croatia

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www.croatiaairlines.hr

Ivan Mišetić, President & CEO

### 22 Scheduled Destinations

5 within Croatia  
17 rest of Europe  
0 beyond Europe

### 10 Aircraft in Fleet

3 Airbus A320-200  
4 Airbus A319-100  
3 ATR 42-300

### 0 Aircraft on Order

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

90.6% State ownership  
3.9% State agency  
2.6% Croatian Privatisation Fund  
2.9% Other shareholders

### Owner of...

-

### Major partnerships

Various code-share agreements with: Lufthansa, Air France, Alitalia, Malaysia, Czech Airlines, Adria Airways, Avioimpex, Air Bosna and Turkish Airlines.

### Financial Results

	US\$ mill	2000	1999
Turnover		123.2	115.8
Operating profit/loss		1.7	(3.0)
Net profit/loss		(25.0)	(15.9)



**Review of 2000**

\* 2.46 million passengers transported, 90% on scheduled services, of which: 74% within Europe, 1% on Domestic routes, 6% on the North Atlantic, 8% to North Africa and the Middle East and 1% to the Far East.

\* 13.7 thousand tonnes of freight carried on passenger services.

\* 4135 employees worldwide.



CSA reported its financial result for 1999: positive, but below that of 1998. Net profits for 1999 stood at CZK 37 million (€ 1 mill), down from CZK 414 million (€11.7 mill) in 1998. Despite a 13% increase in overall revenues, negative external factors had a significant impact on the bottom line. Apart from the high cost of fuel and the dollar, and low demand on Russian routes, CSA also felt the effects of the war in Kosovo.

CSA was accepted as the fifth member of the SkyTeam alliance. The SkyTeam was formally launched on 22<sup>nd</sup> June 2000, with Air France, Delta Airlines, Aeromexico and Korean Airlines. CSA will become official members as of 25<sup>th</sup> March 2001. The Czech government approved CSA's entry into the alliance and is envisaging a 15% capital participation by SkyTeam's two largest members in CSA in the mid term.

Alliance membership will allow CSA to expand its route network in Central and Eastern Europe and to develop Prague as a regional hub for the SkyTeam partners. Prague's Ruzyně Airport is adding additional space to its existing terminals, whilst planning a new terminal to be completed by 2004.

In the fleet, CSA removed the last three Russian-built aircraft in January 2000. The TU-154, used for charter flights in recent years, have been replaced by Boeing 737-400s. An ATR-42 arrived in June. CSA also took delivery of 2 additional 737-400 aircraft in March, and plan to order two more of this 144-seat configured aircraft in 2001. At year-end CSA's fleet counted 17 Boeing in the fleet (seven 737-400 variant and ten of the smaller -500 variant), two Airbus A310s and nine ATRs.



Miroslav Kula  
President

**Czech Airlines**

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Fax. +420 2 2056 2266  
info@uit.csa.cz  
www.csa.cz

Miroslav Kula, President

**62 Scheduled Destinations**

4 within the Czech Republic  
44 rest of Europe  
14 beyond Europe

**28 Aircraft in Fleet**

2 Airbus A310-300  
10 Boeing 737-500  
7 Boeing 737-400  
4 ATR-72  
5 ATR-42

**0 Aircraft on Order**

*Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.*

**Owned by ...**

Czech National Property Fund  
Czech Consolidation Bank  
Czech institutions & investors

**Owner of ...**

-

**Major partnerships**

Member of the SkyTeam Alliance.  
Various code-share agreements with:  
Air France, Alitalia, Austrian Airlines,  
Continental Airlines, Croatia Airlines,  
Iberia, KLM, LOT, Lufthansa, Malev,  
Olympic Airways, Sabena, Swissair,  
Transaero Airlines, Turkish Airlines.

**Financial Results**

	CZK mill	1999	1998
Turnover		13594	11983
Operating profit/loss		(42)	485
Net profit/loss		37	414



### Review of 2000

\* 1.4 million passengers transported mostly on scheduled services, of which: 86% within Europe, 14% to the Middle East and North Africa.

\* 17.4 thousand tonnes of freight carried on passenger services.

\* 2045 employees worldwide.

In May 2000, Cyprus Airways increased its share capital. The company which was previously 80.46% state-owned, reduced the government's shareholding to 66.10%. Cyprus Airways employees also took a 10% stake in the firm. The injection of new funds will finance future business expansion plans.

Cyprus Airways received a one-off payment of US\$ 3.7 million from the United Nations Compensations Commission to cover its loss of revenue during the 1990-1991 Gulf crisis. Iraq's invasion of Kuwait in 1990 and the ensuing Gulf War, led to mass cancellations of holiday bookings from the important northern European customer base to the Cypriot island. The payment will be included in the 2000 financial results as an exceptional income item.

In December 2000, Cyprus Airways submitted an expression of interest for participation in the privatisation of Greek airline Olympic Airways. The sale of between 51% and 65% of Olympic Airways by the Greek government is expected in 2001. Greece is one of Cyprus Airways' most profitable markets, and the submission underlines the company's wish to become an important regional player.

2000 saw Cyprus Airways in discussions to renew its fleet. The fleet currently consists of four A310-200s and eight A320-200s, of which three are on long-term lease to Cyprus Airways' charter subsidiary Eurocypria. The fleet review will include the removal of the older A310 aircraft and a net expansion of the fleet to accommodate traffic growth. By year-end the aircraft types to be ordered had not yet been determined, but will likely be a mix of wide- and narrowbodies, from either Airbus, Boeing or from both manufacturers.



Haris A. Loizides  
Chairman

### Cyprus Airways Ltd

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Cyprus

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www.cyprusair.com.cy

Haris A. Loizides, Chairman

### 34 Scheduled Destinations

2 on Cyprus  
22 rest of Europe  
10 beyond Europe

### 9 Aircraft in Fleet

5 Airbus A320-200  
4 Airbus A310-200

### 0 Aircraft on Order

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

66.10% State ownership  
33.90% Private shareholders

### Owner of...

100% Eurocypria

### Major partnerships

Various agreements with: Aeroflot, Alitalia, El Al, Gulf Air, KLM and Syrian Arab Airlines.

### Financial Results

#### Cyprus Airways Group Results

	CY£ '000	2000*	1999
Turnover		161950	147041
Operating profit/loss		(708)	2229
Net profit/loss		3928	6096

\* preliminary



**Review of 2000**

\* 7.4 million passengers transported, 81% on scheduled services, of which: 39% within Europe, 37% on Domestic routes, 2% on the North Atlantic and 3% to the Far East.

\* 71 thousand tonnes of freight carried, 32% on all-cargo services.

\* 8974 employees worldwide.



Finnair reported satisfactory financial results for 2000, with net profit up to € 88.7 million. The negative effect of dollar and fuel prices on total operating expenses, could not outweigh the results of good growth and improved earnings from Finnair's air transport operations. From 2001, Finnair will adopt calendar year as financial year. The results for transition year 2000 cover 9 months only, from April to December 2000.

In June 2000, Finnair unveiled its new image, part of an overall renewal package of corporate identity and direction, symbolised in a new company logo (above).

In December, Finnair announced the foundation of a new airline in Estonia - 'Aero Airlines'. A flight operations licence has been applied for from the Estonian authorities. Once obtained, the new company will likely commence operations later in 2001, flying initially between the Baltic countries and Finland.

Finnair joined the European airlines setting up an Online Travel Portal or internet-based travel agency. Finnair, in conjunction with Sonera Corporation, is also developing a wireless travel service, covering check-in and seat reservation via mobile phone text message.

In the fleet, Finnair took delivery of four Airbus aircraft – two narrow-body A319s and two A321. The Airbus will replace the MD80s, which are being phased out of the fleet. In the course of 2000, three MD80s were sold and leased back. Finnair also placed an order for six new Airbus. The order consists of two A319 and four of the slightly larger A320 aircraft, for delivery between February 2002 and February 2003.



Keijo Suila  
President & CEO

**Finnair Oy**

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Finland

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Keijo Suila, President & CEO

**55 Scheduled Destinations**

19 within Finland  
30 rest of Europe  
6 beyond Europe

**57 Aircraft in Fleet**

4 Airbus A321-200  
4 Airbus A319-100  
5 Boeing 757-200  
21 MD82/83  
4 MD11  
10 Douglas DC9-51  
9 ATR-72

**11 Aircraft on Order**

9 Airbus A320-200  
2 Airbus A319-100

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by...**

58.43% State ownership  
24.71% Financial institutions, insurance companies.  
8.73% Registered in nominee name  
8.12% Private individuals

**Owner of ...**

-

**Major partnerships**

Member of the Oneworld Alliance.  
Various code-share agreements, with:  
Air China, Air Littoral, Crossair, Deutsche BA, Golden Air, Lithuanian Airlines, LOT, Luxair, Sabena, Swissair, TAP Air Portugal.

**Financial Results**

Finnair Group Results

	April 1 <sup>st</sup> 1999 - March 31 <sup>st</sup> 2000 (12m)	April 1 <sup>st</sup> 2000 - December 31 <sup>st</sup> 2000 (9m)
	€ mill	2000 1999/00
Turnover	1259.3	1592.9
Operating profit/loss	122.0	49.8
Net profit/loss	88.7	59.7



### Review of 2000

\* 24.5 million passengers transported on scheduled services, of which: 58% on Domestic routes, 29% within Europe, 11% across the Atlantic and 2% to the African continent and the Middle East.

\* 202 thousand tonnes of freight carried, 12% on all-cargo services.

\* 29124 employees worldwide.



Iberia scheduled an initial public offering (IPO) for April 2001. SEPI, the Spanish state holding company which at 2000 year-end owned 53.9% of the company, sold its share to private investors. Other shareholders include British Airways (9%), American Airlines (1%) and Spanish institutional investors.

Earlier in 2000, Iberia relinquished its 70% stake in troubled Aerolineas Argentinas, down to a nominal 0.34%, following the Spanish carriers non-participation in a capital injection into the company by SEPI.

In the route network, Iberia entered into code-share agreements with various partners: Air France, Finnair, Lithuanian Airlines and Swissair in Europe, and with LanChile on flights to Chile. Iberia also expanded its code-share agreement with British Airways, including the company's first trans-atlantic route and a collaboration project for South America.

Iberia continued the fleet renewal program started in 1999. All DC10 aircraft were retired from the fleet. The fleet of Boeing 727 and DC9 is being phased out. The company took delivery of additional Airbus aircraft, with large orders still standing at year-end. An option for eight Boeing 757s was confirmed and the aircraft delivered.



Xabier de Irala  
Chairman & CEO

### Líneas Aéreas de España SA

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28006 Madrid  
Spain

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infoIB@iberia.com  
www.iberia.com

Xabier de Irala, Chairman  
Angel Mullor, CEO

### 98 Scheduled Destinations

34 within Spain  
31 rest of Europe  
33 beyond Europe

### 160 Aircraft in Fleet

12 Airbus A340-300  
2 Airbus A321-200  
43 Airbus A320-200  
4 Airbus A319-100  
6 Airbus A300  
2 Boeing 767-200  
24 Boeing 757-200  
9 Boeing 747-200  
3 Boeing 737-400  
10 Boeing 727-200  
13 MD88  
24 MD87  
8 Douglas DC9-30

### 44 Aircraft on Order

3 Airbus A340-300  
14 Airbus A321-200  
27 Airbus A320-200

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

54% Private investors  
30% Banks and various companies  
9% British Airways  
6% Iberia employees  
1% American Airlines

### Owner of...

100% Binter Canarias  
100% Binter Mediterraneo  
1.3% Royal Air Maroc  
0.34% Aerolineas Argentinas

### Major partnerships

Member of the Oneworld Alliance.  
Franchisee: Iberia Regional Air Nostrum  
Various code-share agreements.

### Financial Results

Iberia Group Results

	ESP mill	1999	1998
Turnover		646325	665334
Operating profit/loss		22964	49696
Net profit/loss		31082*	53025

\* before taxes



**Review of 2000**

\* 1.49 million passengers transported, 96% on scheduled services, of which: 65% within Europe and 31% on the North Atlantic.

\* 39.5 thousand tonnes of freight carried, 66% on all-cargo services.

\* 1885 employees worldwide.

Icelandair reported a loss of ISK 939 million (€11.3 million) on its operations in 2000. The results were negatively influenced by high fuel prices, the weakness of European currencies to the US dollar, and domestic wage increases. Underlying performance was good and the company expects a turnaround in profitability in 2001.

Icelandair and SAS received anti-trust immunity from the US authorities to operate in co-operation on North Atlantic routes. Under the agreement the two carriers will code-share on flights between the USA and the Nordic countries. The deal gives Icelandair access to a catchment area covering Norway, Sweden and Denmark, the governments of which are joint part-owners of SAS.

Icelandair's newly created Icelandair Cargo became fully operational on 1<sup>st</sup> April 2000 and had recorded healthy growth by year-end. Icelandair Cargo was formed as an independent company from Icelandair's cargo division, employs (former) Icelandair staff and buys cargo space and services from the mother company. Icelandair Cargo has agreed to sell a fixed annual volume of belly-hold space on Icelandair's passenger aircraft. The company operates two all-freighters – a Boeing 757-200F and a Boeing 737-300F as well as performing ad-hoc leases. Reykjavik's Keflavik Airport will complete the first of two 4,500 square metre expansions of its cargo terminal by March 2001.

In the fleet, Icelandair took delivery of a Boeing 757-200, equipped with a new, more spacious and user friendly passenger cabin. The aircraft is for use on Icelandair's trans-atlantic routes, with longer flying time, to one of the company's five US gateways (Boston, New York, Orlando, Baltimore and Minneapolis).



Sigurdur Helgason  
President & CEO

**Icelandair**

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101 Reykjavik  
Iceland

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www.icelandair.net

Sigurdur Helgason, President & CEO

**31 Scheduled Destinations**

9 on Iceland  
16 rest of Europe  
6 beyond Europe

**15 Aircraft in Fleet**

8 Boeing 757-200  
1 Boeing 757-200F  
2 Boeing 737-400  
1 Boeing 737-300F  
3 Fokker 50

**2 Aircraft on Order**

2 Boeing 757-300

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by ...**

100% Fully Privatised  
Major shareholders:  
42.03% Various Companies  
28.87% Individual Investors  
13.26% Pension Funds  
5.42% Investment Funds  
6.18% Insurance Companies  
4.24% Banks

**Owner of ...**

100% Air Iceland

**Major partnerships**

Various code-share agreements with:  
BMI British Midland, SAS, TWA.

**Financial Results**

	ISK mill	2000	1999
Turnover		26866	23468
Operating profit/loss		(638)	466
Net profit/loss		(939)	1515



**Review of 2000**

\* 0.96 million passengers transported, 98% on scheduled services, of which: 57% on Domestic routes, 33% within Europe, 3% to North Africa, 2% to the Middle East and 3% to the Far East.

\* 2.5 thousand tonnes of freight carried on passenger services.

\* 5255 employees worldwide.

On 20<sup>th</sup> March 2000, the EU-imposed ban on traffic between Yugoslavia and Western European destinations, was lifted. JAT suffered substantial financial losses due to the flight ban and NATO's air campaign against Yugoslavia in 1999, which grounded its planes for several months. By April 2000, JAT had returned to all the Western European destinations that it served before the imposition of the flight ban in 1998.

On 25<sup>th</sup> April, the then President of JAT, Mr Žika Petrović, was assassinated in Belgrade. Mr Mihailo Vujnovic held the position until April 2001, when Dušan Kostić was appointed as President of JAT.

Towards the end of the year a 'Meeting of the scheduled airlines of Southeast Europe' took place. Representatives of eight airline companies met to explore the possibilities for, and interest in, enhanced co-operation. AEA member airlines JAT, Slovenia's Adria Airways, Hungary's Malev and Croatia Airlines, together with Bosnia-Herzegovina's Air Bosna and Air Srpska, Macedonia's MAT and Montenegro Airlines discussed the options for the formation of joint enterprises and/or a formal regional alliance.

In the meanwhile JAT renewed its commitment to refresh its fleet. At year-end JAT had an outstanding order for eight Airbus A319, placed in 1998. Other plans for the running year include the launch of new routes to the US and Canada, and the rental of additional aircraft to operate regular and charter flights to destinations in the Mediterranean.



Dušan Kostić  
President

**Jugoslovenski Aerotransport**

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jatPR@jat.com  
www.jat.com

Dušan Kostić, President  
Milenko Nikić, CEO

**36 Scheduled Destinations**

3 within Yugoslavia  
26 rest of Europe  
7 beyond Europe

**30 Aircraft in Fleet**

9 Boeing 737-300  
8 Boeing 727-200  
1 Douglas DC10-30  
9 Douglas DC9-30  
3 ATR-72

**8 Aircraft on Order**

8 Airbus A319-100

*Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.*

**Owned by ...**

100% State ownership

**Owner of ...**

-

**Major partnerships**

-

**Financial Results**

	2000	1999
Turnover	-	-
Operating profit/loss	-	-
Net profit/loss	-	-



### Review of 2000

\* 16.2 million passengers transported on scheduled services, of which: 56% within Europe, 17% on the North Atlantic, 6% on the Mid and South Atlantic, 10% to the African continent and Middle East and 11% to the Far East.

\* 538 thousand tonnes of freight carried, 12% on all-cargo services.

\* 27302 employees worldwide.



Operation Baseline, a comprehensive rationalisation and cost-cutting program was launched in February 2000.

In April, KLM announced the break-up of its 2-year alliance with Alitalia, amid uncertainty over Milan's new Malpensa airport and delays to Alitalia's privatisation. Later in the year, talks on a possible merger of KLM with British Airways were abandoned.

As work started on a fifth runway at Amsterdam's Schiphol airport (KLM's hub) fears were expressed that the airport would not be able to fulfill its potential, as the government prepares new environmental limits to cap aircraft movements. Already in September 2000, operational restrictions due to noise limitations caused heavy delays and cancellations.

E-commerce gained ground, as KLM joined the airline industry's business-to-business exchange for technical goods & services, Aeroxchange, as well as the first European on-line travel agency (web travel portal) initiative, due to be launched in 2001.

The KLM uk low-cost airline Buzz started operations out of London's Stansted airport to several European cities in January, whilst KLM's co-operation with Germany's Eurowings will gradually be wound down. Elsewhere, the code-share agreement with Malaysian Airlines was extended, positioning Kuala Lumpur as KLM's hub on Far Eastern routes. In Africa, KLM, with Kenya Airways and Martinair (respectively 26% and 50% owned by KLM), set up a cargo joint venture operating from Nairobi's International airport.



Leo M. van Wijk  
President & CEO

### KLM

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The Netherlands

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www.klm.nl

Leo M. van Wijk, President & CEO

### 144 Scheduled Destinations

4 within the Netherlands  
74 rest of Europe  
66 beyond Europe

### 125 Aircraft in Fleet

12 Boeing 767-300  
5 Boeing 747-400  
16 Boeing 747-400 Combi  
3 Boeing 747-300  
8 Boeing 747-300 Combi  
2 Boeing 747-300F  
13 Boeing 737-800  
14 Boeing 737-400  
15 Boeing 737-300  
10 MD11  
14 Fokker 70  
13 Fokker 50

### 7 Aircraft on Order

3 Boeing 747-400 Combi  
4 Boeing 737-900

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

100% Publicly quoted company

### Owner of...

100% KLM cityhopper  
100% KLM uk  
80% Transavia Airlines  
50% Martinair  
30% Braathens  
26% Kenya Airways

### Major partnerships

KLM-Northwest Alliance.  
Co-operation agreements with KLM cityhopper, KLM uk, KLM exel, KLM alps, Braathens (Scandinavia), Regional Airlines, Maersk Airlines, Kenya Airways.

### Financial Results

Year ending 31<sup>st</sup> March

	€ mill 2000/01	1999/00
Turnover	6960	6296
Operating profit/loss	277	95
Net profit/loss	77	337





### Review of 2000

\* 45.4 million passengers transported mostly on scheduled services, of which: 34% Domestic routes, 45% within Europe, 11% across the Atlantic, 3% to Africa & Middle East and 6% to the Far East.

\* 1138 thousand tonnes of freight carried, 57% on all-cargo services.

\* 38094 employees worldwide.



STAR ALLIANCE

In 2000, the thirteen members of the Star Alliance appointed a new management and introduced a new supervisory structure to broaden co-operation.

A new daughter company – 'eCommerce' was founded in March 2000, to concentrate all LH's e-business activities. Later in the year, US technology firm Cisco Systems was retained to enhance the use of web-technologies across the business.

Lufthansa completed the purchase of half of the SAS equity stake - 20% - held in fellow Star Alliance member BMI British Midland. The acquisition of a 24.9% share of German carrier Eurowings was also approved, effective 1<sup>st</sup> January 2001.

Lufthansa expanded its European franchise family with the addition of Cirrus Airlines. 'Team Lufthansa' now counts five airlines - German carriers Augsburg Airways, Contact Air and Cirrus Airlines, as well as Denmark's Cimber Air and Austria's Rheintalflug.

Lufthansa expanded its reach into Italy, with the completion of a 26% equity purchase in Air Dolomiti of Trieste, and a code-share deal with Rome-based operator Air One.

Lufthansa and Air China started code-share flights from Frankfurt to Beijing and Shanghai. In a next step Lufthansa will serve domestic routes within China.

Ten additional CRJ-700 aircraft have been ordered for use by CityLine, bringing the total number of the 70-seater aircraft on order to twenty. Additional MD11 freighters are also on order.



Jürgen Weber  
Chairman & CEO

**Deutsche Lufthansa AG**  
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Federal Republic of Germany

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www.lufthansa.com

Jürgen Weber, Chairman & CEO  
Wolfgang Mayrhuber, COO

### 347 Scheduled Destinations

23 within Germany  
125 rest of Europe  
199 beyond Europe

### 327 Aircraft in Fleet

24 Airbus A340-300  
6 Airbus A340-200  
26 Airbus A321  
33 Airbus A320  
20 Airbus A319  
5 Airbus A310-300  
13 Airbus A300-600  
26 Boeing 747-400  
8 Boeing 747-200  
8 Boeing 747-200F (LH Cargo)  
30 Boeing 737-500  
39 Boeing 737-300  
7 Boeing 737-300QC (LH Cargo)  
12 MD11F (LH Cargo)  
11 Fokker 50 (Contact Air)  
41 CRJ-100/200 (LH CityLine)  
18 Avro RJ85 (LH CityLine)

### 48 Aircraft on Order

10 Airbus A340-600  
8 Airbus A340-300  
2 Airbus A320  
4 Boeing 747-400  
2 MD11F (LH Cargo)  
20 CRJ-700 (LH CityLine)  
2 CRJ-200 (LH CityLine)

### Owned by...

89.95% Free float  
10.05% Public sector

### Owner of...

100% Lufthansa Cargo  
100% Lufthansa CityLine  
26% Air Dolomiti  
24.9% Eurowings  
20% BMI British Midland  
13% Luxair  
10% Condor

### Major partnerships

Member of the Star Alliance.  
Team Lufthansa: Augsburg Airways, Cimber Air, Cirrus Airlines, Contact Air, Rheintalflug.  
World Partners: Adria Airways, Air Baltic, Air China, Air Dolomiti, Air One, Croatia Airlines, CSA, Eurowings, Luxair, Maersk Air, Qatar Airways, SAA, Spanair.

### Financial Results

Lufthansa Group Results

	€ mill	2000	1999
Turnover		15200	12795
Operating profit/loss		1482	1012
Net profit/loss		689	630



**Review of 2000**

- \* 1.11 million passengers transported, 78% on scheduled services in Europe.
- \* 0.3 thousand tonnes of freight carried on passenger services.
- \* 2026 employees worldwide.

*In early 2000, Luxair announced record financial results for fiscal year 1999, up 48% to 1,247 million Luxembourg francs (€ 31 million). 1999 passenger traffic posted double digit growth, whilst the Luxair-owned, and recently expanded Cargo Centre, capable of handling 500 thousand tonnes of freight annually, had already reached capacity. Results for year 2000, announced in May 2001, were pronounced 'mediocre'.*

*In 2000 Luxair entered into a co-operation agreement with Austrian Airlines Group, increasing the possibilities for onward flight connection, through Vienna to Eastern Europe and other European capitals, as well as to the Far East and Australia. Austrian Airlines Group (AUA) comprises Austrian Airlines, Lauda Air and Tyrolean.*

*Luxair took delivery of two 'Eurojet' RJ-145, bringing the total in the fleet at year-end to seven. After an initial order of just two aircraft, Luxair placed firm orders for nine aircraft, with options for a further two. Luxair fleet at year-end consisted of seven Embraer RJ-145 (with 2 aircraft on order for delivery in early 2001), four Fokker 50, and four Boeing 737s, two each of the -400 and -500 variants.*

*Update: At the end of the year, Mr Jean-Donat Calmes, President & CEO, resigned from Luxair, to be succeeded by Mr Christian Heinzmann with effect from 1<sup>st</sup> January 2001. Mr Heinzmann joined the company from Belgian regional carrier VLM.*



Christian Heinzmann  
President & CEO

**Luxair**

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2987 Luxembourg

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Fax. +352 4798 4289  
info@luxair.lu  
www.luxair.lu

Christian Heinzmann, President & CEO

**56 Scheduled Destinations**

- 1 within Luxembourg
- 51 rest of Europe
- 4 beyond Europe

**15 Aircraft in Fleet**

- 2 Boeing 737-500
- 2 Boeing 737-400
- 4 Fokker 50
- 7 Embraer RJ-145

**2 Aircraft on Order**

- 2 Embraer RJ-145

*Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.*

**Owned by ...**

- 37.3% Private Companies
- 23.1% State ownership
- 13.4% State-owned bank
- 13.2% Luxair Group and others
- 13.0% Lufthansa

**Owner of ...**

- 34.88% Cargolux

**Major partnerships**

Various agreements with: Air France, AUA, Finnair and Lufthansa.

**Financial Results**

	LUF mill	2000	1999
Turnover		10680	10310
Operating profit/loss		242	194
Net profit/loss		790	1247



### Review of 2000

\* 2.2 million passengers transported, 92% on scheduled services, of which: 79% within Europe, 4% on the North Atlantic, 7% to North Africa & Middle East, 2% to the Far East.

\* 14.9 thousand tonnes of freight carried on passenger services.

\* 2922 employees worldwide.

In a reshuffle of Malev's management, Mr Ferenc Szarvas (photograph below) was appointed as Chairman of the Board, joined by several other new appointees. Ms Erzsébet Antal was appointed as Chief Executive Office of Malev in November, replacing Mr Ferenc Kovacs.

Malev reported an operating loss of HUF 3.9 billion, more than double that of 1998. The large fall in profitability was attributed to the loss of revenues during the Balkan crisis, US dollar exchange rate movements and the cost of aviation fuel. Nevertheless Malev managed to achieve a net profit of HUF 4.9 billion (€18.4 million), although the outlook for 2000 sees Malev posting a loss. The company is in a cost-cutting and rationalisation program to turn it around for privatisation.

Malev joined the large number of European carriers offering internet reservation services and WAP data access.

In 2000, the number of code-share flights grew significantly and aviation agreements were concluded with several countries. Code-share flights to New York with Delta Airlines of the US, came to an end at the end of March following the latter airline's ascension to the SkyTeam alliance.

Malev set up a joint venture with Lufthansa to overhaul B737 aircraft of both companies. Malev has a 15% stake in the new company, named Lufthansa Technik Budapest

In 1974 the Russian-built Tupolev aircraft was first introduced at Malev, and was the backbone of the fleet until the late 1980s. The aircraft no longer meets EU environmental and noise restrictions and by April 2001 the five remaining Tupolevs in the fleet had been retired. In 2000, other fleet modernisation moves included the addition of two B737-300s, one B737-400 and one B767-300 aircraft, and the return of all B737-200 to their lessors.



Ferenc Szarvas  
Chairman of the Board

### Malev Hungarian Airlines

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1051 Budapest V  
Hungary

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Fax. +36 1 266 2685  
malev@malev.hu  
www.malev.hu

Ferenc Szarvas, Chairman of the Board  
Erzsébet Antal, Chief Executive Officer

### 46 Scheduled Destinations

1 within Hungary  
36 rest of Europe  
9 beyond Europe

### 25 Aircraft in Fleet

1 Boeing 767-300  
2 Boeing 767-200  
2 Boeing 737-500  
3 Boeing 737-400  
6 Boeing 737-300  
5 Tupolev TU-154  
6 Fokker 70

### 0 Aircraft on Order

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by ...

96.8% State privatisation and assets handling company  
1.8% Municipalities  
1.4% Private shareholders and other organisations

### Owner of ...

-

### Major partnerships

Various code-share agreements with: British Airways, CSA, KLM.

### Financial Results

	HUF mill	1999	1998
Turnover		93838	80907
Operating profit/loss		(3880)	(1803)
Net profit/loss		4989	(646)



**Review of 2000**

- \* 6.7 million passengers transported, mostly on scheduled services, of which: 55% on Domestic routes, 34% within Europe, 4% on the North Atlantic and 6% to the African continent and the Middle East and 1% to the Far East.
- \* 50 thousand tonnes of freight carried on passenger services.
- \* 6150 employees worldwide.

*In mid-December 2000, the Greek government launched a tender for a controlling stake in Olympic Airways of between 51% and 65%. Earlier in the year, British Airways chose not to take up an option to buy a 20% share, which led to the termination of the contract with British Airways' Speedwing consultancy branch, hired to turn Olympic Airways round and prepare the carrier for privatisation. The new Chairman & CEO, Dionyssis Kalophonos, and Credit Suisse First Boston were appointed to take over the task.*

*Olympic obtained the go-ahead from the EU Commission for the use of already authorised state guarantees, to finance the carrier's move to the new airport at Spata, near Athens. The airport, which will be known as Eleftherios Venizelos, is due to be operational by Spring 2001.*

*It was announced that Olympic Airtours (OA's tour operator) is to be incorporated into the parent company. The integration will enhance the leisure product on offer by Olympic Airways.*

*In the course of 2000, Olympic Airways increased flight frequencies on several routes, added more non-stop flights previously operated in conjunction with other destinations, such as Boston, and inaugurated new routes including Athens to Benghazi (Libya) and Manchester (UK).*

*In January 2000 Olympic took delivery of two Boeing 717-200 jets, to become the first operator of this aircraft type in Europe. The 105-seater aircraft will be put into service by daughter company Olympic Aviation, to operate regional services.*



Dionyssis Kalophonos  
Chairman & CEO

**Olympic Airways**

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Athens 11741  
Greece

Tel. +30 1 9269 111  
Fax. +30 1 9267 154  
www.olympic-airways.gr

Dionyssis Kalophonos, Chairman & CEO

**80 Scheduled Destinations**

- 36 within Greece
- 27 rest of Europe
- 17 beyond Europe

**55 Aircraft in Fleet**

- 4 Airbus A340-300
- 3 Airbus A300-600
- 16 Boeing 737-400 (3 Macedonian)
- 1 Boeing 737-300
- 11 Boeing 737-200
- 2 Boeing 717-200 (Olympic Aviation)
- 7 ATR-72 (Olympic Aviation)
- 4 ATR-42 (Olympic Aviation)
- 7 Fairchild Dornier 228 (O. Aviation)

**8 Aircraft on Order**

- 8 Boeing 737-800

*Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.*

**Owned by...**

100% State ownership

**Owner of...**

100% Olympic Aviation  
99.9% Macedonian Airlines

**Major partnerships**

Various code-share agreements.

**Financial Results**

	GRD mill	1999	1998
Turnover		278145	271760
Operating profit/loss		(14463)	1632
Net profit/loss		(14333)	1556



### Review of 2000

\* 10.7 million passengers transported on scheduled services, of which: 81% within Europe, 9% on the North Atlantic, 8% to the African continent and the Middle East and 2% to the Far East.

\* 101 thousand tonnes of freight carried on passenger services.

\* 7242 employees worldwide.



The Qualiflyer Group

2000 was a difficult year for Sabena. External costs - fuel prices and the US dollar - and other items such as fleet investments and personnel costs, heavily impacted the financial position. A drastic recovery plan - 'Blue Sky' - was launched in October.

Sabena's top management changed and, in August, Christoph Müller became Sabena's President & CEO.

Partnerships were strengthened. On 26<sup>th</sup> April 2000, SAirGroup and the Belgian government announced an agreement on the basis of which SAirGroup will take an 85% majority in Sabena when the bilateral treaties between the EU and Switzerland are ratified. In August 2000 the integration of the commercial departments of Sabena and Swissair - the Airline Management Partnership - was legally established.

Polish airline LOT joined the Qualiflyer Group on 1<sup>st</sup> January 2000, offering a network of destinations in Eastern Europe. US anti-trust immunity was granted to the Sabena/Swissair transatlantic partnership with American Airlines in August.

In 2000, new destinations were added: Dallas-Fort Worth, Monrovia, Bucharest, Sofia and, in code-share with LOT, Gdansk and Poznan. Flights to Atlanta and Cincinnati (former partner Delta Air Lines' hubs), Ilha do Sal, Orly and Ljubljana were suspended. Flights to Johannesburg and Newark will cease in early 2001.

In 2000, Sabena continued the renewal of its fleet. The last Boeing B737-200 left the fleet. Two Airbus A330-200s and seven A319s were delivered. Orders were placed for 4 A340-300s to replace older A340-300s and -200s. A further sixteen A319s are on order.



Christoph Müller  
President & CEO

### Sabena

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Belgium

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www.sabena.com

Christoph Müller, President & CEO

### 102 Scheduled Destinations

2 within Belgium  
72 rest of Europe  
28 beyond Europe

### 85 Aircraft in Fleet

2 Airbus A340-300  
2 Airbus A340-200  
4 Airbus A330-300  
6 Airbus A330-200  
3 Airbus A321-200  
5 Airbus A320-200  
13 Airbus A319-100  
6 Boeing 737-500  
2 Boeing 737-400  
6 Boeing 737-300  
2 MD11  
12 Avro RJ-100 (DAT)  
14 Avro RJ-85 (DAT)  
6 BAe 146-200 (DAT)  
2 ATR 72-200

### 20 Aircraft on Order

4 Airbus A340-300  
16 Airbus A319-100

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

49.50% SAirGroup  
22.13% S.F.I - F.I.M.  
(investment company)  
16.50% Zephyr-Fin (financial holding)  
11.81% State ownership  
0.06% others

### Owner of...

100% DAT  
72.42% Sobelair

### Major partnerships

Member of the Qualiflyer Alliance.  
Co-operation with American Airlines.  
Various code-share agreements, including Virgin Express.

### Financial Results

	€ mill	2000	1999
Turnover		2092	1908
Operating profit/loss		(197)	(41)
Net profit/loss		(296)	99



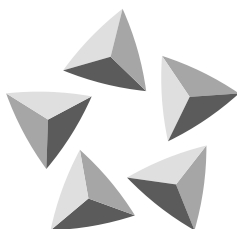
Scandinavian Airlines

**Review of 2000**

\* 23.4 million passengers transported, 99% on scheduled services, of which: 43% on Domestic routes within each of the three countries Norway, Sweden and Denmark, 51% within Europe, 3% on the North Atlantic and 2% to the Far East.

\* 135 thousand tonnes of freight carried, 10% on all-cargo services.

\* 27767 employees worldwide.



STAR ALLIANCE

In December, SAS finalised the sale of half of its stake in BMI British Midland to Lufthansa. SAS retains a 20% stake in fellow Star Alliance member. Earlier in the year, the three companies announced increased co-operation, including code-sharing and joint FFPs and co-ordinated sales and marketing activities. SAS and Icelandair received anti-trust immunity from the US authorities to co-operate on North Atlantic routes.

SAS Cargo, Lufthansa Cargo and Singapore Airlines signed an integration accord. 'New Global Cargo' is the first step towards a seamless worldwide airfreight product. SAS will be turning its SAS Cargo division into an independent company, effective from April 2001. The European product will switch from general cargo to focus on express shipments.

IT developments at SAS reflected the importance of information technology to the company and the airline industry in general. 2000 saw SAS join the European online travel portal initiative and the multi-airline business-to-business e-commerce Aeroxchange; start-up StarNet with Star Alliance members; launch WAP services and investigate the use of bluetooth and digital TV technologies in customer communication channels.

The first 11 Dash 8/Q400 were delivered to SAS Commuter, for use on domestic services within Scandinavia. 17 more Q400s are on order. SAS confirmed an order for 12 A321s, and additional Boeing 737-600s and -800s.

Update: Mr Jørgen Lindegaard was appointed to succeed Mr Jan Stenberg as President & CEO of SAS, in Spring 2001.



Jørgen Lindegaard  
President & CEO

**SAS**

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Fax. +46 8 797 1515  
www.scandinavian.net

Jørgen Lindegaard, President & CEO

**94 Scheduled Destinations**

40 within Scandinavia  
46 rest of Europe  
8 beyond Europe

**203 Aircraft in Fleet**

13 Boeing 767-300  
13 Boeing 737-800  
6 Boeing 737-700  
30 Boeing 737-600  
8 MD90-30  
18 MD87  
2 MD83  
28 MD82  
19 MD81  
1 DC-9-81  
19 DC-9-41  
2 DC-9-21  
11 deHavilland Q400  
2 Embraer RJ-145  
19 Fokker 50  
9 Fokker 28  
3 Saab 2000

**49 Aircraft on Order**

7 Airbus A340-300  
3 Airbus A330-300  
12 Airbus A321-200  
3 Boeing 737-800  
7 Boeing 737-600  
17 deHavilland Q400

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by...**

3/7 or 42.86% SAS Sverige AB  
2/7 or 28.57% SAS Danmark A/S  
2/7 or 28.57% SAS Norge ASA  
Each of the above national airlines is 50% owned by their respective governments, 50% by private interests.

**Owner of...**

100% Air Botnia (Finland)  
63.2% Widerøe's Flyveselskap(Norway)  
49% Spanair  
37.5% Grønlandsfly (Greenland)  
34.2% Air Baltic (Latvia)  
26% Cimber Air (Denmark)  
25% Skyways Holding (Sweden)  
20% BMI British Midland

**Major partnerships**

Member of the Star Alliance.  
Various code-share agreements with:  
Estonian Air, Icelandair, Maersk Air

**Financial Results SAS Group results**

	SEK mill	2000	1999
Turnover		47540	43746
Operating profit/loss		3723	2747
Net profit/loss		2773	1846



### Review of 2000

\* 7.2 million passengers transported, 71% on scheduled services, of which: 60% on Domestic routes, 8% within Europe, 3% across the Atlantic and less than 1% to Africa.

\* 12 thousand tonnes of freight carried on passenger services.

\* 2725 employees worldwide.

In 2000 Spanair became a member airline of the AEA.

Spanair launched a new regional airline - Aerolineas de Baleares (AeBal) - in July 2000. The company operates lower density Spanair flights, with the 155-seater Boeing 717 aircraft, principally connecting the Balearic Islands with mainland Spain.

By mid-year Spanair increased its share capital to finance its ambitious expansion plans. The share capital remains 51% controlled by the Teinver group and 49% held by SAS.

Meanwhile, Spanair increased its co-operation with Star Alliance members SAS and Lufthansa. With SAS, Spanair set up a joint Sales Force to represent Alliance airlines in Spain, whilst an agreement was reached to outsource management of Spanair freight to Germany, to Lufthansa Cargo.

In 2000 Spanair increased its scheduled flights by 25%. Summer season saw the start of 6-times daily service on Madrid-Paris in the European network, and extra flights on Spanair's busiest domestic route between Madrid and Barcelona. Spanair operates its international network with various code-share partners: SAS, Lufthansa, United Airlines, Varig, Regional Airlines of Morocco and, from mid 2001, with Austrian Airlines Group (AUA).

Spanair took delivery of the first aircraft from an order of Airbus A320 aircraft, which will eventually replace the MD-80s currently in the fleet. The order consists of A319s, A320s and A321s, with further options.



Enrique Meliá  
Director General



Gonzalo Pascual Arias  
Chairman & CEO

### Spanair

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Palma de Mallorca Airport  
0700 Palma de Mallorca  
Spain

Tel. 34/971 745020  
Fax. 34/971 492553  
www.spanair.com

Enrique Meliá, Director General  
Gonzalo Pascual Arias, Chairman & CEO

### 27 Scheduled Destinations

18 within Spain  
5 rest of Europe  
4 beyond Europe

### 44 Aircraft in Fleet

3 Airbus A321  
1 Airbus A320  
2 Boeing 767-300  
3 Boeing 717  
3 MD87  
21 MD83  
11 MD82

### 17 Aircraft on Order

3 Airbus A321  
12 Airbus A320  
2 Airbus A319

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

51% Teinver  
49% SAS

### Owner of...

100% AeBal

### Major partnerships

Various code-share agreements with:  
SAS, Lufthansa, United Airlines,  
Varig, Regional Airlines and AUA.

### Financial Results

Year ending 31<sup>st</sup> October.

	€ '000	1999/00	1998/99
Turnover		650997	535573
Operating profit/loss		14779	10367
Net profit/loss		1846	2186



### Review of 2000

\* 14.7 million passengers transported, 97% on scheduled services, of which: 62% within Europe, 7% on Domestic routes, 13% across the Atlantic, 8% to Africa & the Middle East and 7% to the Far East.

\* 350 thousand tonnes of freight carried, 6% on all-cargo services.

\* 7713 employees worldwide.



The Qualifyer Group

In April 2000, SAirGroup, parent company of Swissair, announced that subject to EU and other statutory approvals, it would increase its holding in its European partner Sabena from 49.5% to 85%.

The US Department of Transport gave the go-ahead for Swissair, Sabena (Qualifyer) and American Airlines (Oneworld), to expand their co-operation, increasing routes operated on a code-share basis to eighty. Swissair sold its 4.6% stake in Delta, with whom the company co-operated until the latter joined forces with the SkyTeam alliance.

In 2000, SAirGroup acquired a minority stake in its third French airline. Air Liberté joined AOM and Air Littoral as SAirGroup partner airlines. In early 2001, AOM and Air Liberté merged their activities. SAirGroup minority-owned Italian charter carriers Air Europe and Volare Airlines were combined under a single holding company - Volare Group - in which SAirGroup retained a 49.9% stake.

SAirGroup underwent various management upheavals in 2000/2001. Mario Corti was appointed Chairman and delegate of the Board of SAirGroup. Swissair CEO is Beat Schär.



Mario Corti  
Chairman SAirGroup



Beat Schär  
CEO Swissair

### Swissair AG

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Mario Corti, Chairman SAirGroup  
Beat Schär, CEO Swissair

### 116 Scheduled Destinations

3 within Switzerland  
61 rest of Europe  
52 beyond Europe

### 75 Aircraft in Fleet

15 Airbus A330-200  
12 Airbus A321-100  
20 Airbus A320-200  
9 Airbus A319-100  
19 MD11

### 12 Aircraft on Order

11 Airbus A340-600  
1 Airbus A330-200

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

100% SAir Group, of which  
31.2% Financial Institutions & Funds  
20.3% Private individuals  
12.5% Public Institutions  
4.4% Various companies

### Owner of...

SAir Group, owner of  
100% Swissair  
100% Balair/CTA Leisure  
70.52% Crossair  
49.9% LTU Group Holding  
49.79% Volare Group  
(including Air Europe)  
49.5% Sabena  
49.5% Air Liberté (including AOM)  
49% Air Littoral  
37.6% LOT  
20% South African Airways  
10% Austrian Airlines

### Major partnerships

Member of the Qualifyer Group.  
Various code-share agreements,  
including American Airlines.

### Financial Results

SAirGroup Results	CHF mill	2000	1999
Turnover		16229	13002
Operating profit/loss*		603	674
Net profit/loss		(2885)	273

\* excluding operational investments





**Review of 2000**

\* 5.3 million passengers transported mostly on scheduled services, of which: 56% within Europe, 27% on Domestic routes, 12% across the Atlantic and 5% to Sub-Saharan Africa.

\* 60.4 thousand tonnes of freight carried, mostly on passenger services.

\* 8969 employees worldwide.



The Qualiflyer Group

Following the appointment of Norberto Pilar as Chairman in 1999, Fernando Pinto, formerly of Varig, took up the position of Chief Executive Officer in October 2000.

In joint venture with tour operator Abreu, TAP launched a new charter airline, known as 'YES'. TAP holds a 51% stake in the joint venture, which started operations in June 2000. The airline operates medium- and long-haul routes.

TAP agreed a code-share alliance with Oneworld member American Airlines on a number of destinations in the US, and with Finnair on flights from Lisbon to Helsinki via Zurich. The company also entered into a co-operation agreement with Mozambican carrier LAM, which will include increased number of flights to the state capital Maputo and re-established a code-share alliance with regional Portuguese carrier Portugalia (PGA).

In September, TAP took delivery of its first Airbus A321 for operations on the company's European network, already served by sixteen A319s and seven A320s. A second A321 is due for delivery in January 2001.



Norberto Pilar  
Chairman



Fernando Pinto  
CEO

**TAP Air Portugal**

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1704-801 Lisbon  
Portugal

Tel. +351 1 841 5000  
Fax. +351 1 841 5095  
www.tap.pt

Norberto Pilar, Chairman  
Fernando Pinto, CEO

**38 Scheduled Destinations**

7 within Portugal  
14 rest of Europe  
17 beyond Europe

**34 Aircraft in Fleet**

4 Airbus A340-300  
1 Airbus A321-200  
7 Airbus A320-200  
16 Airbus A319-100  
5 Airbus A310-300  
1 Boeing B737-300

**2 Aircraft on Order**

1 Airbus A321-200  
1 Airbus A320-200

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

**Owned by...**

100% State ownership

**Owner of...**

51% YES  
40% Air Sao Tome  
15% Air Macau via SEAP holding company (in which TAP holds 60%).

**Major partnerships**

Member of the Qualiflyer Alliance.  
Marketing agreements with LAM of Mozambique and TACV-Transportes Aereos de Cabo Verde.  
Various code-share agreements.

**Financial Results**

	€ mill	2000	1999
Turnover		1138.4	997.1
Operating profit/loss		(64.4)	(71.6)
Net profit/loss		(118.4)	(99.4)



### Review of 2000

\* 1.24 million passengers transported, 96% on scheduled services, of which: 61% within Europe, 9% on Domestic routes, 6% on the North Atlantic, 18% to North Africa and the Middle East and 2% to the Far East.

\* 4.7 thousand tonnes of freight carried on passenger services.

\* 2842 employees worldwide.

On 1<sup>st</sup> July 2000 Tarom became a member of the Association of European Airlines. Tarom is as old as the AEA itself, having been established in 1954.

Following a year of losses in 1999, preliminary financial results for year 2000 indicate a further negative result. A new business strategy has been approved by the Government, aimed at improving the airline's performance in future years. Tarom is being assisted in its restructuring process by Lufthansa Consulting.

In 2000 Gheorghe Racaru left Tarom, to be replaced by Nicolae Demetriade as Chairman & CEO.

Steps were taken towards closer co-operation with carriers all over the world. Code-share agreements were renewed or signed with major operators such as: Alitalia, Austrian Airlines, Aeroflot, Swissair, Air China and Iberia.

The company extended its European flights to additional destinations such as Munich, Stuttgart, Dublin, Florence, Ancona, Bologna and Stockholm and increased flight frequency to other cities in the course of 2000. Flights to the Middle East were also extended with additional flights to Cairo and Beirut. In addition to its extensive European and Middle East services, TAROM operates to North America - Montreal and New York – and Beijing in China. Domestic flights from Tarom's base at Otopeni airport in Bucharest go to eleven Romanian cities.

In the fleet, Tarom currently counts two Airbus A310s, ten 737s, seven ATRs as well as two 707 all-cargo aircraft. Orders were placed for eight Boeing 737 as part of the fleet renewal, with delivery of the first two 737s expected in April 2001. A further order for two Airbus A330s, to replace the A310s currently in use, is being finalised.



Nicolae Demetriade  
Chairman & CEO

### Tarom – Romanian Air Transport

Ploiesti Road 16.5 Km  
Otopeni Airport  
Bucharest  
Romania

Tel. +40 1 2014700  
Fax. +40 1 2014761  
www.tarom.ro

Nicolae Demetriade, Chairman & CEO

### 53 Scheduled Destinations

12 within Romania  
28 rest of Europe  
13 beyond Europe

### 21 Aircraft in Fleet

2 Airbus A310-300  
2 Boeing 737-500  
8 Boeing 737-300  
2 Boeing 707F  
7 ATR 42-500

### 8 Aircraft on Order

8 Boeing 737-700/800

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

92.63% State ownership  
5.42% Romanian Air Traffic Services  
1.43% SIF Muntenia (State-owned financial institution)  
0.52% Romanian Civil Aviation Authority

### Owner of...

-

### Major partnerships

Various code-share agreements with: Aeroflot, Air China, Alitalia, Austrian Airlines, Iberia and Swissair.

### Financial Results

	US\$ '000	2000*	1999
Turnover		178978	168436
Operating profit/loss		(57547)	(39184)
Net profit/loss		(46143)	(28090)

\* estimate



### Review of 2000

\* 12.0 million passengers transported, 96% on scheduled services, of which: 53% on Domestic routes, 31% within Europe, 2% on the North Atlantic, 6% to Africa and the Middle East and 4% to the Far East.

\* 126 thousand tonnes of freight carried, 6% on all-cargo services.

\* 9001 employees worldwide.



The Qualifyer Group

The Turkish government agreed to cede its majority stake in Turkish Airlines to private investors in a call for tender. In December, 51% of the company's capital, which is 98% state-owned, was offered for sale.

In January 2000, a new terminal at Istanbul's Ataturk airport was opened. This international terminal will enable an increase in throughput from 15 million to 20 million passengers annually. The airport is also due to inaugurate a second runway for long-haul flights in 2001.

SunExpress, an Antalya-based charter company and joint venture between Turkish Airlines (50% equity stake) and Germany's Condor Airlines celebrated its 10<sup>th</sup> anniversary in 2000. Yusuf Bolayirli is Chairman of SunExpress.

In 2000, Turkish Airlines entered into code-share agreements with CSA and LOT Polish Airlines and started new services to Prague and Warsaw. A code-share deal was also struck with Cathay Pacific, covering Istanbul-Hong Kong flights and with American Airlines on several flights to the USA. The 3-year old code-share agreement with Austrian Airlines Group on flights between Turkey and Austria was terminated.

Other developments in the network, included the addition of new services to Chisinau (Moldova), Seoul (Korea), Shanghai (China) and Thessaloniki (Greece).



Yusuf Bolayirli  
President

### Türk Hava Yolları A.O.

Genel Müdürlük Binası  
Atatürk Havalimanı  
34830 Yesilköy  
Istanbul  
Turkey

Tel. +90 212 663 63 00  
Fax. +90 212 663 47 44 or 49 04  
www.turkishairlines.com

Yusuf Bolayirli, President  
Cem Kozlu, Chairman of the Board

### 113 Scheduled Destinations

35 within Turkey  
46 rest of Europe  
32 beyond Europe

### 73 Aircraft in Fleet

7 Airbus A340-300  
7 Airbus A310-300  
6 Airbus A310-200  
22 Boeing 737-800  
2 Boeing 737-500  
16 Boeing 737-400  
1 Boeing 727F  
9 Avro RJ-100  
3 Avro RJ-70

### 4 Aircraft on Order

4 Boeing 737-800

Information on destinations and fleet reflect status at 31<sup>st</sup> December 2000.

### Owned by...

98.2% State-owned Privatisation Administration  
1.8% Private investors

### Owner of...

50% Sun Express

### Major partnerships

Member of the Qualifyer Group.  
Various code-share agreements with: Swissair, Croatia Airlines, Japan Airlines, Asiana Airlines, Czech Airlines, LOT, Cathay Pacific, American Airlines.

### Financial Results

	TRL bn	2000	1999
Turnover		959663	541672
Operating profit/loss		134506	112050
Net profit/loss		(69520)	(70330)

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## KEY STATISTICS - TOTAL AEA

	1998	1999	2000	%/pt
<i>EUROPE</i>				
Passengers (000)	121208.1	127556.7	138217.4	8.4%
Passenger Kilometres (mill)	119888.6	123144.7	134399.6	9.1%
Seat Kilometres (mill)	187891.6	197970.4	210986.8	6.6%
Passenger Load Factor %	63.8	62.2	63.7	1.5pt
Average Seats per Aircraft	126	124	125	
Average Stage Distance (km)	870	861	869	
Total Freight Tonne-Kilometres (mill)	948.19	917.58	1002.37	9.2%
% Freight on Passenger Services	82.8	82.0	79.0	
Total Revenue Tonne-Kilometres (mill)	12085.6	12473.2	13616.9	9.2%
Available Tonne-Kilometres (mill)	22246.8	23236.7	25065.0	7.9%
Overall Load Factor %	54.3	53.7	54.3	0.6pt
	1998	1999	2000	%/pt
<i>NORTH ATLANTIC</i>				
Passengers (000)	22499.6	24800.9	26578.9	7.2%
Passenger Kilometres (mill)	150190.0	167277.1	180534.0	7.9%
Seat Kilometres (mill)	195038.9	220732.4	231971.6	5.1%
Passenger Load Factor %	77.0	75.8	77.8	2.0pt
Average Seats per Aircraft	292	281	273	
Average Stage Distance (km)	5895	6113	6198	
Total Freight Tonne-Kilometres (mill)	9282.82	9636.12	10441.88	8.4%
% Freight on Passenger Services	63.9	67.1	72.0	
Total Revenue Tonne-Kilometres (mill)	23750.0	25796.9	27969.3	8.4%
Available Tonne-Kilometres (mill)	32789.7	36100.4	38626.2	7.0%
Overall Load Factor %	72.4	71.5	72.4	0.9pt

For area/route definitions see 'What do we mean by...?' on Page IV-13

	1998	1999	2000	%/pt
<b><i>FAR EAST / AUSTRALASIA</i></b>				
Passengers (000)	11793.6	12082.9	12646.5	4.7%
Passenger Kilometres (mill)	100830.5	103285.7	108478.8	5.0%
Seat Kilometres (mill)	135627.4	135259.6	138316.4	2.3%
Passenger Load Factor %	74.3	76.4	78.4	2.0pt
Average Seats per Aircraft	309	310	303	
Average Stage Distance (km)	6566	6856	7089	
Total Freight Tonne-Kilometres (mill)	10538.43	11174.39	13971.42	25.0%
% Freight on Passenger Services	45.9	42.9	36.3	
Total Revenue Tonne-Kilometres (mill)	20336.3	21250.3	24585.8	15.7%
Available Tonne-Kilometres (mill)	28196.3	28093.7	32947.5	17.3%
Overall Load Factor %	72.1	75.6	74.6	(1.0)pt

	1998	1999	2000	%/pt
<b>TOTAL SCHEDULED <i>(including Domestic)</i></b>				
Passengers (000)	265025.6	281825.2	302862.2	7.5%
Passenger Kilometres (mill)	531686.9	569543.2	613292.4	7.7%
Seat Kilometres (mill)	743213.7	805423.7	841706.9	4.5%
Passenger Load Factor %	71.5	70.7	72.9	2.2pt
Average Seats per Aircraft	201	198	196	
Average Stage Distance (km)	1165	1187	1207	
Total Freight Tonne-Kilometres (mill)	27085.34	28109.36	31987.66	13.8%
% Freight on Passenger Services	57.4	57.6	56.0	
Total Revenue Tonne-Kilometres (mill)	77791.8	82636.7	90840.8	9.9%
Available Tonne-Kilometres (mill)	116313.0	123238.3	134099.2	8.8%
Overall Load Factor %	66.9	67.1	67.7	0.6pt

For area/route definitions see 'What do we mean by...?' on Page IV-13



Association of European Airlines

A light gray silhouette map of Europe is the background for the statistics. The map shows the outlines of the European continent, including major islands like Iceland, the British Isles, and the Mediterranean coast. The statistics are overlaid on the map in a blue, sans-serif font.

29 member airlines  
352,000 employees  
2225 aircraft in the fleet  
155 countries worldwide  
418 cities in Europe  
177 cities beyond Europe  
311 million passengers  
5 million tonnes of freight  
1 take-off every 10 seconds  
250 times around the world every day

The data tables in Section IV are derived from the Statistical Appendices to the Yearbook. For more information, visit the AEA Website at [www.aea.be](http://www.aea.be).

## KEY STATISTICS - BY CARRIER

### PASSENGERS (000)

<i>EUROPE</i>	1998	1999	2000	%	rank
Adria Airways	459.9	555.5	628.0	13.1	24
Aer Lingus	4246.2	4818.0	4991.4	3.6	10
Air France	9646.6	11059.7	11999.1	8.5	3
Air Malta	1040.2	1072.5	1174.3	9.5	20
Alitalia	7351.2	7320.1	7762.4	6.0	8
Austrian Airlines	2579.6	2507.9	2573.6	2.6	15
Balkan	496.5	447.8	371.7	(17.0)	27
British Airways	16955.4	16720.1	17647.2	5.5	2
BMI British Midland	3194.6	3587.0	3994.8	11.4	11
Cargolux	-	-	-	-	-
Croatia Airlines	512.0	547.6	627.9	14.7	25
CSA	1312.5	1534.3	1835.3	19.6	17
Cyprus Airways	1150.5	1142.7	1205.8	5.5	19
Finnair	3468.3	2923.9	2888.1	(1.2)	14
Iberia	6191.6	6277.1	7295.8	16.2	9
Icelandair	807.1	909.5	963.0	5.9	21
JAT	428.7	54.8	320.4	484.7	28
KLM	8096.5	8498.1	9121.0	7.3	6
Lufthansa	17450.7	18785.7	20243.0	7.8	1
Luxair	701.4	812.0	870.8	7.2	22
Malev	1538.4	1692.8	1772.9	4.7	18
Olympic Airways	1953.0	1939.8	2258.3	16.4	16
Sabena	7165.0	8103.5	8713.8	7.5	7
SAS	11332.5	11267.3	11834.8	5.0	4
Spanair	-	269.4	557.1	106.8	26
Swissair	7665.2	8645.7	9145.8	5.8	5
TAP Air Portugal	2394.2	2439.8	2958.4	21.3	13
Tarom	-	564.9	749.1	32.6	23
Turkish Airlines	3070.3	3059.3	3714.0	21.4	12
AEA	121208.1	127556.7	138217.4	8.4	-

### TOTAL SCHEDULED (including Domestic)

Adria Airways	459.9	555.5	628.0	13.1	27
Aer Lingus	5506.1	6274.2	6639.0	5.8	13
Air France	33474.7	37048.6	39204.0	5.8	2
Air Malta	1159.4	1191.5	1364.9	14.6	22
Alitalia	24178.4	24177.8	25590.5	5.8	4
Austrian Airlines	3423.3	3474.0	3651.4	5.1	17
Balkan	827.7	695.4	495.9	(28.7)	28
British Airways	36592.7	36609.2	38260.7	4.5	3
BMI British Midland	5974.6	6547.5	7097.6	8.4	11
Cargolux	-	-	-	-	-
Croatia Airlines	807.8	813.5	912.8	12.2	25
CSA	1606.2	1852.6	2217.1	19.7	18
Cyprus Airways	1346.5	1336.7	1396.1	4.4	21
Finnair	6770.9	6050.0	6026.7	(0.4)	14
Iberia	21752.5	21877.1	24541.1	12.2	5
Icelandair	1298.4	1326.9	1426.4	7.5	20
JAT	824.9	322.1	940.2	191.9	24
KLM	14991.0	15452.6	16234.0	5.1	7
Lufthansa	38502.5	41903.3	45352.8	8.2	1
Luxair	701.4	842.7	870.8	3.3	26
Malev	1749.2	1943.5	2061.9	6.1	19
Olympic Airways	6403.4	6267.2	6691.3	6.8	12
Sabena	8748.5	9965.1	10738.1	7.8	10
SAS	21498.6	21991.2	23240.4	5.7	6
Spanair	-	4018.9	5063.9	26.0	16
Swissair	11940.0	13369.1	14238.4	6.5	8
TAP Air Portugal	4537.8	4841.0	5280.3	9.1	15
Tarom	-	980.8	1184.8	20.8	23
Turkish Airlines	9949.3	10097.3	11512.9	14.0	9
AEA	265025.6	281825.2	302862.2	7.5	-



## PASSENGER KILOMETRES (mill)

<i>EUROPE</i>	1998	1999	2000	%	rank
Adria Airways	411.4	514.7	562.6	9.3	25
Aer Lingus	2413.8	2749.8	2878.8	4.7	14
Air France	8033.4	9381.7	10362.6	10.5	3
Air Malta	1663.7	1726.5	2091.6	21.1	18
Alitalia	7447.6	7291.0	7759.4	6.4	7
Austrian Airlines	2595.5	2347.9	2433.9	3.7	17
Balkan	771.4	706.7	611.6	(13.5)	24
British Airways	17157.0	16782.0	17026.4	1.5	2
BMI British Midland	1785.7	2055.2	2443.7	18.9	16
Cargolux	-	-	-	-	-
Croatia Airlines	445.8	464.3	531.2	14.4	27
CSA	1200.9	1374.4	1624.5	18.2	21
Cyprus Airways	2442.9	2571.0	2673.5	4.0	15
Finnair	5957.9	3423.7	3462.8	1.1	13
Iberia	7523.0	7413.4	8574.4	15.7	5
Icelandair	1572.1	1815.6	1952.3	7.5	19
JAT	506.1	67.2	401.2	497.0	28
KLM	6984.2	7445.8	8140.1	9.3	6
Lufthansa	15610.9	16732.7	18065.0	8.0	1
Luxair	453.9	552.1	557.3	0.9	26
Malev	1618.9	1742.6	1869.3	7.3	20
Olympic Airways	3268.6	3245.8	3738.8	15.2	12
Sabena	5676.3	6513.2	7225.5	10.9	9
SAS	8774.1	8744.9	9355.7	7.0	4
Spanair	-	488.7	748.1	53.1	23
Swissair	6354.2	7089.0	7630.6	7.6	8
TAP Air Portugal	3481.1	3502.9	3966.8	13.2	11
Tarom	-	726.0	906.6	24.9	22
Turkish Airlines	5738.1	5676.2	6805.4	19.9	10
AEA	119888.6	123144.7	134399.6	9.1	-

## *TOTAL SCHEDULED (including Domestic)*

Adria Airways	411.4	514.7	562.6	9.3	27
Aer Lingus	6466.4	7601.9	8888.7	16.9	12
Air France	74546.5	83822.5	91801.3	9.5	3
Air Malta	1918.2	1978.3	2383.8	20.5	22
Alitalia	35561.0	36690.0	40618.2	10.7	5
Austrian Airlines	7283.5	7890.8	8799.0	11.5	14
Balkan	2025.8	1486.2	808.2	(45.6)	25
British Airways	116000.5	118015.6	118889.7	0.7	1
BMI British Midland	3070.4	3400.5	3836.8	12.8	18
Cargolux	-	-	-	-	-
Croatia Airlines	544.5	559.8	643.8	15.0	26
CSA	2637.2	2870.5	3293.6	14.7	19
Cyprus Airways	2710.7	2687.4	2785.1	3.6	21
Finnair	10713.7	7802.5	7467.2	(4.3)	15
Iberia	32520.7	34606.8	40043.3	15.7	6
Icelandair	3711.8	3657.6	3932.2	7.5	17
JAT	730.7	268.6	812.9	202.6	24
KLM	57278.8	58112.5	60326.6	3.8	4
Lufthansa	75437.9	86153.7	94169.6	9.3	2
Luxair	453.9	738.2	557.3	(24.5)	28
Malev	2509.5	2861.4	3168.4	10.7	20
Olympic Airways	8561.2	8305.5	8859.5	6.7	13
Sabena	15338.5	17693.0	19378.7	9.5	9
SAS	20821.2	21160.0	22647.3	7.0	8
Spanair	-	4649.2	5420.2	16.6	16
Swissair	28044.3	31527.3	34245.8	8.6	7
TAP Air Portugal	9355.9	9379.8	10385.0	10.7	11
Tarom	-	1758.6	2075.3	18.0	23
Turkish Airlines	13032.7	13350.3	16492.4	23.5	10
AEA	531686.9	569543.2	613292.4	7.7	-

## SEAT KILOMETRES (mill)

<i>EUROPE</i>	1998	1999	2000	%	rank
Adria Airways	856.4	934.6	941.9	0.8	27
Aer Lingus	3221.5	3729.0	3932.7	5.5	16
Air France	12507.9	14112.1	15429.4	9.3	3
Air Malta	2643.4	2474.2	3141.0	27.0	19
Alitalia	12606.3	12216.7	12292.8	0.6	7
Austrian Airlines	3990.7	4036.4	4092.4	1.4	14
Balkan	1422.7	1305.4	1143.4	(12.4)	24
British Airways	26599.1	26770.8	26873.1	0.4	2
BMI British Midland	2852.8	3293.7	3975.1	20.7	15
Cargolux	-	-	-	-	-
Croatia Airlines	937.7	967.3	1074.5	11.1	25
CSA	2058.7	2381.2	2552.8	7.2	21
Cyprus Airways	3603.0	3637.9	3694.7	1.6	17
Finnair	8732.6	6162.2	6542.2	6.2	11
Iberia	11028.5	11202.0	12595.7	12.4	5
Icelandair	2183.7	2546.8	2778.6	9.1	20
JAT	1004.7	152.7	801.7	425.0	28
KLM	10104.4	10870.5	11551.8	6.3	9
Lufthansa	24577.6	26672.6	28219.8	5.8	1
Luxair	831.0	1117.7	1042.2	(6.8)	26
Malev	2719.0	2965.2	3181.1	7.3	18
Olympic Airways	5268.9	5806.4	6308.9	8.7	12
Sabena	9080.0	10613.8	11690.7	10.1	8
SAS	14903.0	15037.1	15338.8	2.0	4
Spanair	-	757.3	1528.8	101.9	23
Swissair	10136.3	11791.7	12419.5	5.3	6
TAP Air Portugal	5240.7	5608.9	5956.4	6.2	13
Tarom	-	1411.6	1718.5	21.7	22
Turkish Airlines	8780.8	9394.7	10168.4	8.2	10
AEA	187891.6	197970.4	210986.8	6.6	-

## *TOTAL SCHEDULED (including Domestic)*

Adria Airways	856.4	934.6	941.9	0.8	28
Aer Lingus	8787.3	10286.9	11695.3	13.7	15
Air France	98888.8	110040.0	117622.3	6.9	3
Air Malta	3077.6	2931.4	3682.0	25.6	22
Alitalia	51611.3	54437.0	56550.3	3.9	5
Austrian Airlines	10660.4	11929.5	13140.2	10.1	13
Balkan	3362.4	2568.1	1518.3	(40.9)	25
British Airways	163486.4	168259.7	167132.7	(0.7)	1
BMI British Midland	4980.6	5437.8	6072.6	11.7	17
Cargolux	-	-	-	-	-
Croatia Airlines	1110.0	1127.4	1276.9	13.3	26
CSA	4051.6	4437.8	4747.1	7.0	20
Cyprus Airways	3868.2	3891.9	3942.2	1.3	21
Finnair	15530.6	12608.0	12407.1	(1.6)	14
Iberia	45516.7	50232.3	54292.0	8.1	6
Icelandair	5027.8	5120.9	5428.7	6.0	18
JAT	1478.4	541.3	1554.7	187.2	24
KLM	74029.4	75143.4	75792.8	0.9	4
Lufthansa	102111.3	116213.7	124198.2	6.9	2
Luxair	831.0	1485.1	1042.2	(29.8)	27
Malev	3942.2	4511.2	5047.2	11.9	19
Olympic Airways	13184.7	13401.3	13642.7	1.8	12
Sabena	22778.2	26949.6	28405.4	5.4	9
SAS	31704.9	33204.7	33781.9	1.7	8
Spanair	-	6937.6	8665.3	24.9	16
Swissair	38720.0	43564.2	46436.6	6.6	7
TAP Air Portugal	13315.3	13842.0	14304.7	3.3	11
Tarom	-	3138.3	3576.1	14.0	23
Turkish Airlines	20302.3	22248.2	24809.4	11.5	10
AEA	743213.7	805423.7	841706.9	4.5	-

## PASSENGER LOAD FACTOR %

<i>EUROPE</i>	1998	1999	2000	pts	rank
Adria Airways	48.0	55.1	59.7	4.6	18
Aer Lingus	74.9	73.7	73.2	(0.5)	1
Air France	64.2	66.5	67.2	0.7	6
Air Malta	62.9	69.8	66.6	(3.2)	8
Alitalia	59.1	59.7	63.1	3.4	13
Austrian Airlines	61.2	58.2	59.5	1.3	19
Balkan	54.2	54.1	53.5	(0.6)	22
British Airways	64.5	62.7	63.4	0.7	12
BMI British Midland	62.6	62.4	61.5	(0.9)	15
Cargolux	-	-	-		
Croatia Airlines	47.5	48.0	49.4	1.4	27
CSA	58.3	57.7	63.6	5.9	11
Cyprus Airways	72.0	70.7	72.4	1.7	2
Finnair	68.2	55.6	52.9	(2.7)	24
Iberia	68.2	66.2	68.1	1.9	5
Icelandair	72.0	71.3	70.3	(1.0)	4
JAT	50.4	44.0	50.0	6.0	26
KLM	69.1	68.5	70.5	2.0	3
Lufthansa	63.5	62.7	64.0	1.3	10
Luxair	54.6	49.4	53.5	4.1	23
Malev	59.5	58.8	58.8	0.0	21
Olympic Airways	62.0	55.9	59.3	3.4	20
Sabena	62.5	61.4	61.8	0.4	14
SAS	58.9	58.2	61.0	2.8	17
Spanair	-	64.5	48.9	(15.6)	28
Swissair	62.7	60.1	61.4	1.3	16
TAP Air Portugal	66.4	62.5	66.6	4.1	9
Tarom	-	51.4	52.8	1.4	25
Turkish Airlines	65.3	60.4	66.9	6.5	7
AEA	63.8	62.2	63.7	1.5	
<i>TOTAL SCHEDULED (including Domestic)</i>					
Adria Airways	48.0	55.1	59.7	4.7	23
Aer Lingus	73.6	73.9	76.0	2.1	3
Air France	75.4	76.2	78.0	1.9	2
Air Malta	62.3	67.5	64.7	(2.7)	18
Alitalia	68.9	67.4	71.8	4.4	9
Austrian Airlines	68.3	66.1	67.0	0.8	15
Balkan	60.2	57.9	53.2	(4.6)	26
British Airways	71.0	70.1	71.1	1.0	10
BMI British Midland	61.6	62.5	63.2	0.6	19
Cargolux	-	-	-		
Croatia Airlines	49.1	49.7	50.4	0.8	28
CSA	65.1	64.7	69.4	4.7	12
Cyprus Airways	70.1	69.1	70.6	1.6	11
Finnair	69.0	61.9	60.2	(1.7)	22
Iberia	71.4	68.9	73.8	4.9	5
Icelandair	73.8	71.4	72.4	1.0	8
JAT	49.4	49.6	52.3	2.7	27
KLM	77.4	77.3	79.6	2.3	1
Lufthansa	73.9	74.1	75.8	1.7	4
Luxair	54.6	49.7	53.5	3.8	25
Malev	63.7	63.4	62.8	(0.7)	20
Olympic Airways	64.9	62.0	64.9	3.0	17
Sabena	67.3	65.7	68.2	2.6	13
SAS	65.7	63.7	67.0	3.3	14
Spanair	-	67.0	62.6	(4.5)	21
Swissair	72.4	72.4	73.7	1.4	6
TAP Air Portugal	70.3	67.8	72.6	4.8	7
Tarom	-	56.0	58.0	2.0	24
Turkish Airlines	64.2	60.0	66.5	6.5	16
AEA	71.5	70.7	72.9	2.1	

FREIGHT TONNE-KILOMETRES (mill) – Passenger & All-Cargo Services

<i><b>TOTAL LONG-HAUL</b></i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>%</i>	<i>rank</i>
Adria Airways	-	-	-		
Aer Lingus	122.35	130.84	160.46	22.6	15
Air France	4454.92	4615.11	4860.94	5.3	2
Air Malta	-	-	-		
Alitalia	1426.82	1556.08	1657.14	6.5	7
Austrian Airlines	133.87	190.92	256.10	34.1	12
Balkan	20.31	4.30	0.19	(95.6)	23
British Airways	3598.17	3788.14	4069.01	7.4	3
BMI British Midland	-	-	-		
Cargolux	2219.75	2375.12	3788.82	59.5	4
Croatia Airlines	-	-	-		
CSA	15.35	15.89	18.07	13.7	20
Cyprus Airways	-	-	-		
Finnair	238.96	218.85	265.89	21.5	11
Iberia	641.24	649.51	708.25	9.0	8
Icelandair	35.30	43.95	61.63	40.2	17
JAT	0.78	0.37	4.18	1029.7	22
KLM	3463.51	3570.04	3739.26	4.7	5
Lufthansa	5560.63	5942.98	6675.84	12.3	1
Luxair	-	5.76	-		
Malev	27.39	33.18	40.70	22.7	18
Olympic Airways	65.93	61.74	80.87	31.0	16
Sabena	-	-	546.55		10
SAS	699.16	620.07	639.73	3.2	9
Spanair	-	29.92	27.26	(8.9)	19
Swissair	1782.74	1595.58	1749.86	9.7	6
TAP Air Portugal	173.78	159.89	181.57	13.6	14
Tarom	-	5.60	5.05	(9.8)	21
Turkish Airlines	141.22	196.92	253.63	28.8	13
AEA	24822.18	25810.76	29790.99	15.4	

***TOTAL SCHEDULED (including Domestic)***

Adria Airways	3.46	3.74	3.88	3.7	27
Aer Lingus	129.65	138.00	167.62	21.5	15
Air France	4595.04	4732.08	4979.63	5.2	2
Air Malta	11.18	12.55	17.62	40.4	22
Alitalia	1487.03	1611.42	1732.00	7.5	7
Austrian Airlines	160.22	220.85	284.53	28.8	13
Balkan	30.37	12.39	6.09	(50.8)	26
British Airways	4047.22	4249.01	4563.97	7.4	3
BMI British Midland	5.55	7.04	9.27	31.7	24
Cargolux	2245.18	2405.49	3795.30	57.8	5
Croatia Airlines	1.98	1.99	2.57	29.1	28
CSA	24.69	26.15	32.22	23.2	21
Cyprus Airways	38.07	40.69	42.12	3.5	19
Finnair	283.86	251.95	300.87	19.4	12
Iberia	754.49	773.61	840.42	8.6	8
Icelandair	58.67	74.39	115.32	55.0	17
JAT	5.28	1.16	6.30	443.1	25
KLM	3708.77	3806.17	3964.27	4.2	4
Lufthansa	6221.22	6602.89	7114.76	7.8	1
Luxair	0.28	6.10	0.17	(97.2)	29
Malev	37.17	43.32	50.84	17.4	18
Olympic Airways	112.62	103.24	125.94	22.0	16
Sabena	-	-	568.24		10
SAS	755.16	667.91	680.02	1.8	9
Spanair	-	37.56	33.42	(11.0)	20
Swissair	1894.95	1752.13	1935.61	10.5	6
TAP Air Portugal	229.97	203.60	223.67	9.9	14
Tarom	-	11.03	11.35	2.9	23
Turkish Airlines	243.26	312.91	379.63	21.3	11
AEA	27085.34	28109.36	31987.66	13.8	

**TOTAL REVENUE TONNE-KILOMETRES (mill) – Passenger & All-Cargo Services**

<b>TOTAL LONG-HAUL</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>%</b>	<b>rank</b>
Adria Airways	-	-	-		
Aer Lingus	484.0	563.6	695.8	23.5	13
Air France	9589.9	10359.0	11207.5	8.2	3
Air Malta	-	-	4.7		23
Alitalia	3383.2	3588.9	3971.5	10.7	6
Austrian Airlines	551.8	703.6	843.2	19.8	11
Balkan	114.2	56.7	2.7	(95.2)	24
British Airways	11920.6	12265.8	12559.4	2.4	2
BMI British Midland	-	-	-		
Cargolux	2219.8	2375.1	3788.8	59.5	7
Croatia Airlines	-	-	-		
CSA	110.7	109.2	121.1	10.9	20
Cyprus Airways	-	-	-		
Finnair	555.8	514.0	520.3	1.2	15
Iberia	2093.7	2297.3	2625.7	14.3	8
Icelandair	244.3	225.0	256.0	13.8	17
JAT	5.5	10.0	21.3	113.0	22
KLM	8316.1	8442.3	8764.4	3.8	4
Lufthansa	10909.2	12165.3	13491.6	10.9	1
Luxair	-	22.5	-		
Malev	84.8	109.1	129.6	18.8	19
Olympic Airways	443.7	411.1	435.6	6.0	16
Sabena	828.3	961.2	1727.5	79.7	9
SAS	1411.9	1401.9	1476.7	5.3	10
Spanair	-	152.9	174.8	14.3	18
Swissair	3833.9	3876.2	4221.1	8.9	5
TAP Air Portugal	583.0	583.9	657.5	12.6	14
Tarom	-	65.4	71.6	9.5	21
Turkish Airlines	444.4	534.3	737.3	38.0	12
AEA	58128.8	61794.4	68505.4	10.9	

**TOTAL SCHEDULED (including Domestic)**

Adria Airways	40.5	50.1	54.5	8.8	28
Aer Lingus	703.2	811.3	955.1	17.7	16
Air France	11495.2	12464.0	13436.5	7.8	3
Air Malta	174.1	192.0	213.4	11.1	23
Alitalia	5042.3	5269.1	5778.0	9.7	5
Austrian Airlines	866.2	1063.2	1211.0	13.9	12
Balkan	213.7	146.9	67.8	(53.8)	26
British Airways	14658.4	15018.3	15438.7	2.8	2
BMI British Midland	287.0	292.6	348.2	19.0	19
Cargolux	2245.2	2405.0	3795.3	57.8	8
Croatia Airlines	51.8	53.2	61.4	15.4	27
CSA	263.7	286.5	331.2	15.6	21
Cyprus Airways	284.4	285.4	295.6	3.6	22
Finnair	1259.8	968.7	986.1	1.8	14
Iberia	3720.3	3944.1	4488.6	13.8	7
Icelandair	422.1	434.5	502.0	15.5	18
JAT	72.3	26.3	80.6	206.5	25
KLM	9606.9	9792.4	10174.7	3.9	4
Lufthansa	13910.7	15377.1	16722.1	8.7	1
Luxair	41.4	72.8	50.5	(30.6)	29
Malev	267.2	304.8	340.2	11.6	20
Olympic Airways	936.3	899.2	976.9	8.6	15
Sabena	1380.5	1592.4	2471.4	55.2	10
SAS	2679.4	2778.3	2938.1	5.8	9
Spanair	-	456.0	521.2	14.3	17
Swissair	4706.0	4903.3	5356.7	9.2	6
TAP Air Portugal	1087.0	1064.2	1175.5	10.5	13
Tarom	-	170.8	199.9	17.0	24
Turkish Airlines	1376.2	1514.3	1869.4	23.4	11
AEA	77791.8	82636.7	90840.8	9.9	

AVAILABLE TONNE-KILOMETRES (mill) - Passenger & All-Cargo Services

<i>TOTAL LONG-HAUL</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>%</i>	<i>rank</i>
Adria Airways	-	-	-		
Aer Lingus	697.6	805.5	944.7	17.3	14
Air France	13404.7	14126.2	14938.4	5.7	3
Air Malta	-	-	7.4		23
Alitalia	4575.5	5085.8	5400.6	6.2	6
Austrian Airlines	803.3	970.9	1197.9	23.4	11
Balkan	230.0	113.0	5.7	(95.0)	24
British Airways	17851.8	18693.3	18807.4	0.6	1
BMI British Midland	-	-	-		
Cargolux	2551.8	2733.6	5189.4	89.8	7
Croatia Airlines	-	-	-		
CSA	182.7	179.0	182.7	2.1	20
Cyprus Airways	-	-	-		
Finnair	873.0	813.1	809.6	(0.4)	15
Iberia	3311.4	3946.6	4271.2	8.2	8
Icelandair	341.9	331.9	397.8	19.9	17
JAT	13.6	26.9	52.9	96.7	22
KLM	10776.2	10736.3	10841.9	1.0	4
Lufthansa	14510.6	15817.0	17446.6	10.3	2
Luxair	-	54.0	-		
Malev	172.4	216.6	254.7	17.6	19
Olympic Airways	908.3	801.7	730.8	(8.8)	16
Sabena	1173.2	1408.0	2916.6	107.1	9
SAS	1965.1	1782.0	1840.9	3.3	10
Spanair	-	220.9	275.8	24.9	18
Swissair	5115.5	5018.0	5672.7	13.0	5
TAP Air Portugal	914.9	979.1	1028.3	5.0	13
Tarom	-	157.5	164.2	4.3	21
Turkish Airlines	891.9	974.8	1191.5	22.2	12
AEA	81265.5	85991.3	94569.8	10.0	

*TOTAL SCHEDULED (including Domestic)*

Adria Airways	101.5	107.7	108.5	0.7	28
Aer Lingus	1027.4	1181.2	1341.2	13.5	16
Air France	16489.5	17451.2	18336.8	5.1	3
Air Malta	352.8	294.8	419.5	42.3	24
Alitalia	7269.4	7800.4	8286.9	6.2	5
Austrian Airlines	1420.0	1592.5	1842.2	15.7	14
Balkan	472.2	335.8	163.8	(51.2)	26
British Airways	23278.3	24242.8	24447.3	0.8	1
BMI British Midland	530.4	596.6	717.5	20.3	19
Cargolux	2582.5	2769.4	5198.3	87.7	8
Croatia Airlines	123.1	123.8	140.1	13.2	27
CSA	471.9	514.4	549.7	6.9	22
Cyprus Airways	455.4	465.6	475.1	2.0	23
Finnair	2184.9	1828.2	1886.1	3.2	13
Iberia	6238.9	6979.7	7560.1	8.3	7
Icelandair	627.4	667.7	782.2	17.1	18
JAT	167.5	67.1	188.8	181.4	25
KLM	12744.3	12802.8	12993.5	1.5	4
Lufthansa	19568.8	21220.5	22867.7	7.8	2
Luxair	81.2	162.3	101.5	(37.5)	29
Malev	571.6	644.4	714.1	10.8	20
Olympic Airways	1805.6	1790.4	1785.1	(0.3)	15
Sabena	2050.0	2425.5	4423.9	82.4	10
SAS	4444.1	4361.4	4520.9	3.7	9
Spanair	-	658.7	822.7	24.9	17
Swissair	6625.5	6798.4	7595.9	11.7	6
TAP Air Portugal	1800.7	1859.9	1905.7	2.5	12
Tarom	-	484.2	573.4	18.4	21
Turkish Airlines	2828.1	3011.0	3350.6	11.3	11
AEA	116313.0	123238.3	134099.2	8.8	

OVERALL LOAD FACTOR % - Passenger & All-Cargo Services

<i>TOTAL LONG-HAUL</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>pts</i>	<i>rank</i>
Adria Airways	-	-	-		
Aer Lingus	69.4	70.0	73.7	3.7	6
Air France	71.5	73.3	75.0	1.7	4
Air Malta	-	-	63.9		15
Alitalia	73.9	70.6	73.5	2.9	7
Austrian Airlines	68.7	72.5	70.4	(2.1)	9
Balkan	49.6	50.2	46.8	(3.4)	22
British Airways	66.8	65.6	66.8	1.2	10
BMI British Midland	-	-	-		
Cargolux	87.0	86.9	73.0	(13.9)	8
Croatia Airlines	-	-	-		
CSA	60.6	61.0	66.3	5.3	11
Cyprus Airways	-	-	-		
Finnair	63.7	63.2	64.3	1.1	13
Iberia	63.2	58.2	61.5	3.3	18
Icelandair	71.4	67.8	64.3	(3.5)	12
JAT	40.8	37.3	40.1	2.8	24
KLM	77.2	78.6	80.8	2.2	1
Lufthansa	75.2	76.9	77.3	0.4	3
Luxair	-	41.7	-		
Malev	49.2	50.4	50.9	0.5	21
Olympic Airways	48.9	51.3	59.6	8.3	19
Sabena	70.6	68.3	59.2	(9.1)	20
SAS	71.8	78.7	80.2	1.5	2
Spanair	-	69.2	63.4	(5.8)	16
Swissair	74.9	77.2	74.4	(2.8)	5
TAP Air Portugal	63.7	59.6	63.9	4.3	14
Tarom	-	41.5	43.6	2.1	23
Turkish Airlines	49.8	54.8	61.9	7.1	17
AEA	71.5	71.9	72.4	0.5	

*TOTAL SCHEDULED (including Domestic)*

Adria Airways	39.9	46.5	50.2	3.7	22
Aer Lingus	68.4	68.7	71.2	2.5	5
Air France	69.7	71.4	73.3	1.9	2
Air Malta	49.3	65.1	50.9	(14.2)	21
Alitalia	69.4	67.5	69.7	2.2	7
Austrian Airlines	61.0	66.8	65.7	(1.1)	8
Balkan	45.3	43.8	41.4	(2.4)	28
British Airways	63.0	61.9	63.2	1.3	12
BMI British Midland	54.1	49.0	48.5	(0.5)	24
Cargolux	86.9	86.8	73.0	(13.8)	4
Croatia Airlines	42.1	42.9	43.8	0.9	26
CSA	55.9	55.7	60.3	4.6	15
Cyprus Airways	62.5	61.3	62.2	0.9	13
Finnair	57.7	53.0	52.3	(0.7)	20
Iberia	59.6	56.5	59.4	2.9	16
Icelandair	67.3	65.1	64.2	(0.9)	10
JAT	43.2	39.2	42.7	3.5	27
KLM	75.4	76.5	78.3	1.8	1
Lufthansa	71.1	72.5	73.1	0.6	3
Luxair	51.1	44.9	49.8	4.9	23
Malev	46.7	47.3	47.6	0.3	25
Olympic Airways	51.9	50.2	54.7	4.5	19
Sabena	67.3	65.7	55.9	(9.8)	17
SAS	60.3	63.7	65.0	1.3	9
Spanair	-	69.2	63.4	(5.8)	11
Swissair	71.0	72.1	70.5	(1.6)	6
TAP Air Portugal	60.4	57.2	61.7	4.5	14
Tarom	-	35.3	34.9	(0.4)	29
Turkish Airlines	48.7	50.3	55.8	5.5	18
AEA	66.9	67.1	67.7	0.6	

## WHAT DO WE MEAN BY ... ?

### MEMBERS OF THE AEA

JP	Adria Airways
EI	Aer Lingus
AF	Air France
KM	Air Malta
AZ	Alitalia
OS	Austrian Airlines
LZ	Balkan Bulgarian Airlines
BA	British Airways
BD	BMI British Midland
CV	Cargolux Airlines International
OU	Croatia Airlines
OK	CSA Czech Airlines
CY	Cyprus Airways
AY	Finnair
IB	Iberia
FI	Icelandair
JU	JAT Yugoslav Airlines
KL	KLM
LH	Lufthansa
LG	Luxair
MA	Malev Hungarian Airlines
OA	Olympic Airways
SN	Sabena
SK	SAS
JK	Spanair
SR	Swissair
TP	TAP Air Portugal
RO	Tarom
TK	Turkish Airlines

### AREA/ROUTE DEFINITIONS

The data refer to the scheduled operations of AEA member airlines, broken down between the following groups of routes. It should be noted that each route is allocated in its entirety to one region from station of origin to final destination, except for the Atlantic where first point of entry determines the route allocation.

**Geographical Europe (European):** includes all scheduled international routes originating and terminating within the region comprising geographical Europe and European Russia up to the Urals (longitude 55°E), including Iceland, Turkey, Azores, Canary Islands, Madeira and Cyprus.

**Europe-North Africa:** scheduled services between Europe and Algeria, Egypt, Libya, Morocco, Sudan and Tunisia.

**Europe-Middle East:** scheduled terminating services between Europe and Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Muscat, Oman, Qatar, Saudi Arabia, Syria, UAE, Republic of Yemen.

**International Short/Medium Haul:** the sum of Geographical Europe, North Africa and Middle East.

**North Atlantic:** scheduled services between Europe and the Americas via gateways in Continental USA and Canada.

**Mid Atlantic:** scheduled services between Europe and the Americas via gateways in the Caribbean (plus Bermuda), Central America or the South American mainland north of Brazil.

**South Atlantic:** scheduled services between Europe and the Americas via gateways in, or south of, Brazil.

**Europe-Sub Saharan Africa:** scheduled services between Europe and Africa, excluding those countries classed as North Africa (see above).

**Europe-Far East and Australasia:** scheduled services between Europe and points east of the Middle East region, including trans-Polar and trans-Siberian flights.

**Total Long-haul:** the sum of North, Mid- and South Atlantic, Sub-Saharan Africa, Far East/Australasia and other long-haul routes not covered above.

**Total International:** the sum of International Short/Medium Haul and Total Long-haul.

**Domestic & Territorial:** scheduled services commencing and terminating within the boundaries of a State by an air carrier whose principal place of business is in that State, or on routes between a State and territories belonging to it, or between two such territories even though a stage may cross international waters or over the territory of another State and carry international traffic on intermediate stages. In the case of multinational airlines owned by partner States, traffic within each partner State is reported as Domestic and all other traffic as international.

**Total Scheduled Traffic:** Total International scheduled traffic plus Domestic & Territorial.

**Systemwide:** Total Scheduled and Charter traffic.

### STATISTICAL DEFINITIONS

**Reporting Methodology:** For the statistical data included in the data tables in Section IV of this Yearbook, the reporting guideline is as follows: Each carrier should report all traffic carried on their flight number (carrier designator) and at their own risk. Thus, in the case of code-share operations, each carrier reports its share of traffic and capacity, with the operating carrier responsible for reporting all operational data for the flights in question (hours, kilometres, landings).

In terms of data coverage, airline mainline data may also include data for subsidiaries, franchisees or daughter companies. The following applies:



EI includes Aer Lingus Commuter; AF data includes former Air France Europe (Air Inter), but no other subsidiaries or franchisees; AZ includes AZ mainline, Alitalia Team and Alitalia Express; BA data includes Brymon Airways (1998-2000) and Cityflyer Express (2000), but no other subsidiaries or franchisees; BD includes British Midland Commuter; FI data includes Icelandair Cargo; KL includes City Hopper, but no other subsidiaries or franchisees; LH data includes LH City Line and LH Cargo, and Contact Air and Condor when operating on behalf of Lufthansa; OA data includes Olympic Aviation (1998-2000) and Macedonian Airlines (1998-1999); SN includes DAT; SK includes SAS Commuter; SR data includes Swisscargo, and Balair/CTA and Crossair when operating on behalf of Swissair.

Data on freight carried on Sabena, as marketed by Swisscargo, is not available for 1998 and 1999.

**Scheduled Services:** Flights scheduled and performed according to a published timetable, or so regular or frequent as to constitute a recognisably systematic service, which are open to use by the public on an individually ticketed basis; extra flights occasioned by overflow traffic from scheduled flights; and preparatory revenue flights on planned air services. This definition includes, inter alia: part charters, blocked space purchased for charter traffic, inaugural flights, extra sections, special flights operated on rare occasions, e.g. special scheduled services to an annual trade fair.

**Non-scheduled services:** Charter flights and special flights performed for remuneration on an irregular basis, including empty flights and blocked-off charters, other than those reported under scheduled services.

**Revenue Passengers Carried:** All passengers counted on a point-to-point basis (On-Flight Origin-Destination), carried at 25% or more of the normal applicable fare for the journey.

**Revenue Freight:** All freight counted on a point-to-point basis (in metric tonnes) covered by air waybills for which remuneration is received. Freight carried on trucking services is not included.

**Distances:** Airport-to-Airport great circle distances are used.

**Revenue Passenger-Kilometres (RPK):** One fare-paying passenger transported one kilometre. RPK's are computed by multiplying the number of revenue passengers by the kilometres they are flown.

**Available Seat-Kilometres (ASK):** The total number of seats available for the transportation of revenue passengers multiplied by the number of kilometres which those seats are flown.

**Passenger Load Factor %:** The percentage of seating capacity which is actually sold and utilised. Computed

by dividing revenue passenger-kilometres flown by available seat-kilometres flown on revenue passenger services.

**Revenue Tonne-Kilometres (RTK):** One tonne of revenue traffic transported one kilometre. Revenue tonne-kilometres are computed by multiplying metric tonnes of revenue traffic (passenger, freight and mail) by the kilometres which this traffic is flown. Passenger tonne-kilometres are calculated using standard weights (including baggage) which may differ between airlines and between domestic/short/long-haul.

**Available Tonne-Kilometres (ATK):** The total number of metric tonnes available for the transportation of passengers, freight and mail multiplied by the number of kilometres which this capacity is flown.

**Overall Load Factor %:** The percentage of total capacity available for passengers, freight and mail which is actually sold and utilised. Computed by dividing total revenue tonne-kilometres actually flown by total available tonne-kilometres.

**Yield:** The average amount of revenue received per revenue tonne-kilometre. Passenger yield: passenger revenue per RPK.

**Unit Cost:** The average operating cost incurred per available tonne-kilometre.

**Operating Ratio:** The relationship between operating revenues and operating expenses. The latter may be inclusive or exclusive of net interest.

**Breakeven Load Factor:** The load factor at which operating revenues will cover operating costs. Unit cost divided by yield.

## AIR FREEDOM RIGHTS

**1st freedom:** to overfly one country en-route to another.

**2nd freedom:** to make a technical stop in another country.

**3rd freedom:** to carry passengers from the home country to another country.

**4th freedom:** to carry passengers to the home country from another country.

**5th freedom:** to carry passengers between two countries by an airline of a third on a route with origin/destination in its home country.

**6th freedom:** to carry passengers between two countries by an airline of a third on two routes connecting in its home country.

**7th freedom:** to carry passengers between two countries by an airline of a third on a route outside its home country.

**8th freedom or cabotage:** to carry passengers within a country by an airline of another country on a route with origin/destination in its home country.

**9th freedom or Stand-Alone cabotage:** to carry passengers within a country by an airline of another country.

**True domestic:** to carry passengers by an airline in its home country.

## ABBREVIATIONS

**AAPA:** Association of Asia Pacific Airlines, with headquarters in Kuala Lumpur.

**ATC:** Air Traffic Control

**CAA:** Civil Aviation Authority.

**CFMU:** Central Flow Management Unit, of Eurocontrol.

**CODA:** Central Office for Delay Analysis.

**DGCA:** Directorate General of Civil Aviation.

**ECAC:** European Civil Aviation Conference, with headquarters in Paris.

**EGNOS:** European Geostationary Navigation Overlay Service.

**EIA:** Energy Information Administration of the US governments's Department of Energy.

**EU:** European Union: (from 1958) Belgium, France, Germany (west), Italy, Luxembourg, Netherlands, (from 1973) Denmark, Ireland, United Kingdom, (from 1981), Greece, (from 1986) Portugal, Spain, (from 1995) Austria, Finland and Sweden.

**Eurocontrol:** European Organisation for the Safety of Air Navigation.

**IACA:** International Air Carrier Association: worldwide membership of charter air carriers.

**IATA:** International Air Transport Association, with headquarters in Geneva and Montreal.

**ICAO:** International Civil Aviation Organisation, with headquarters in Montreal, Canada.

**MATSE:** Meeting of ECAC Ministers on the Air Traffic System in Europe

**OAG:** Official Airline Guide, of the Reed Elsevier plc Group.

## DIRECTORATE GENERALS OF THE EUROPEAN COMMISSION

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Enterprise  
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