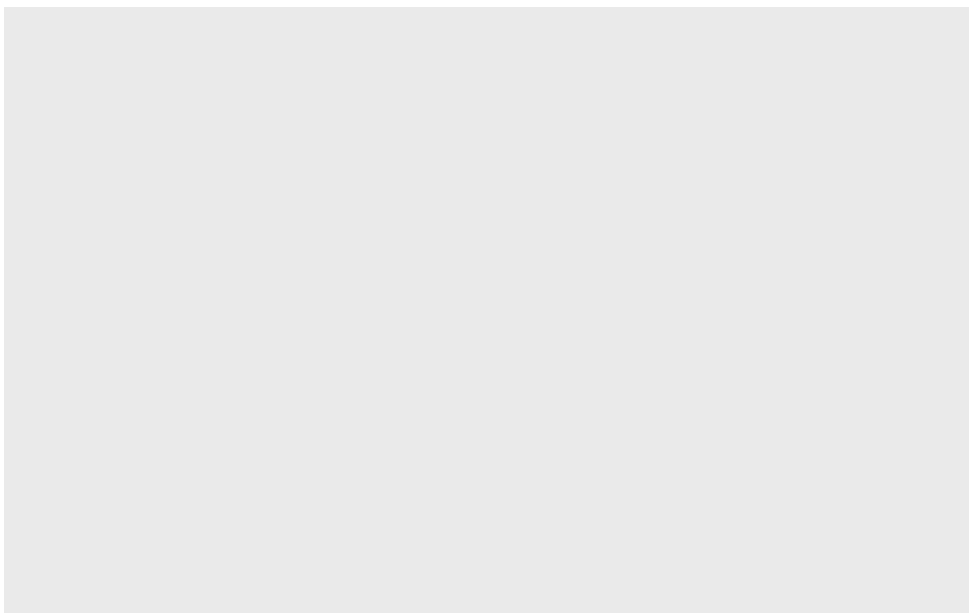




Salzburg Airport Success Factors

**Expert Conference
"Expansion and Increasing Importance of
Regional Airports in Europe"**

Ostrava, Moravian-Silesian Region



Location and Catchment Area

Situated as a gateway to the alps, Salzburg Airport attracts wider economic activities in the surrounding area, both in terms of business and tourism development. On the other side the touristic capacity of the city of Salzburg and the high potential winter sport resorts are also a generator for development of traffic at the Salzburg Airport. That's what we call a symbiotic win-win-situation as well as for the airport and the region.

In 2007 Salzburg Airport handled 1.946.422 passengers.

50 km = 884,000 inhabitants
 100 km = 2.596,000 inhabitants
 150 km = 4.023,000 inhabitants

Austria	inhabitants
0 – 50 km	566,440
0 – 100 km	1.389,688
0 – 150 km	2.704,336

Bavaria	inhabitants
0 – 50 km	317,426
0 – 100 km	1.206,126
0 – 150 km	1.318,809

1 Salzburg City + State	inhabitants
0 – 50 km	408,785
0 – 100 km	105,217
0 – 150 km	0

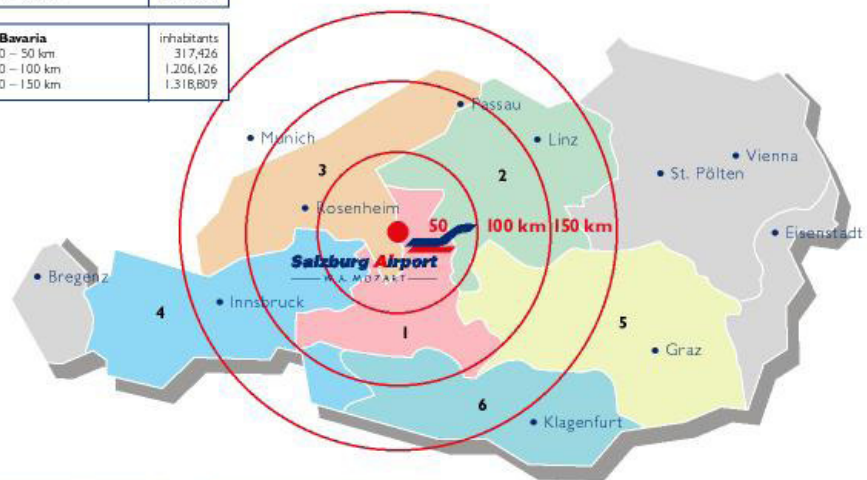
2 Upper Austria	inhabitants
0 – 50 km	157,655
0 – 100 km	485,334
0 – 150 km	674,625

3 Bavaria	inhabitants
0 – 50 km	317,426
0 – 100 km	1.206,126
0 – 150 km	1.318,809

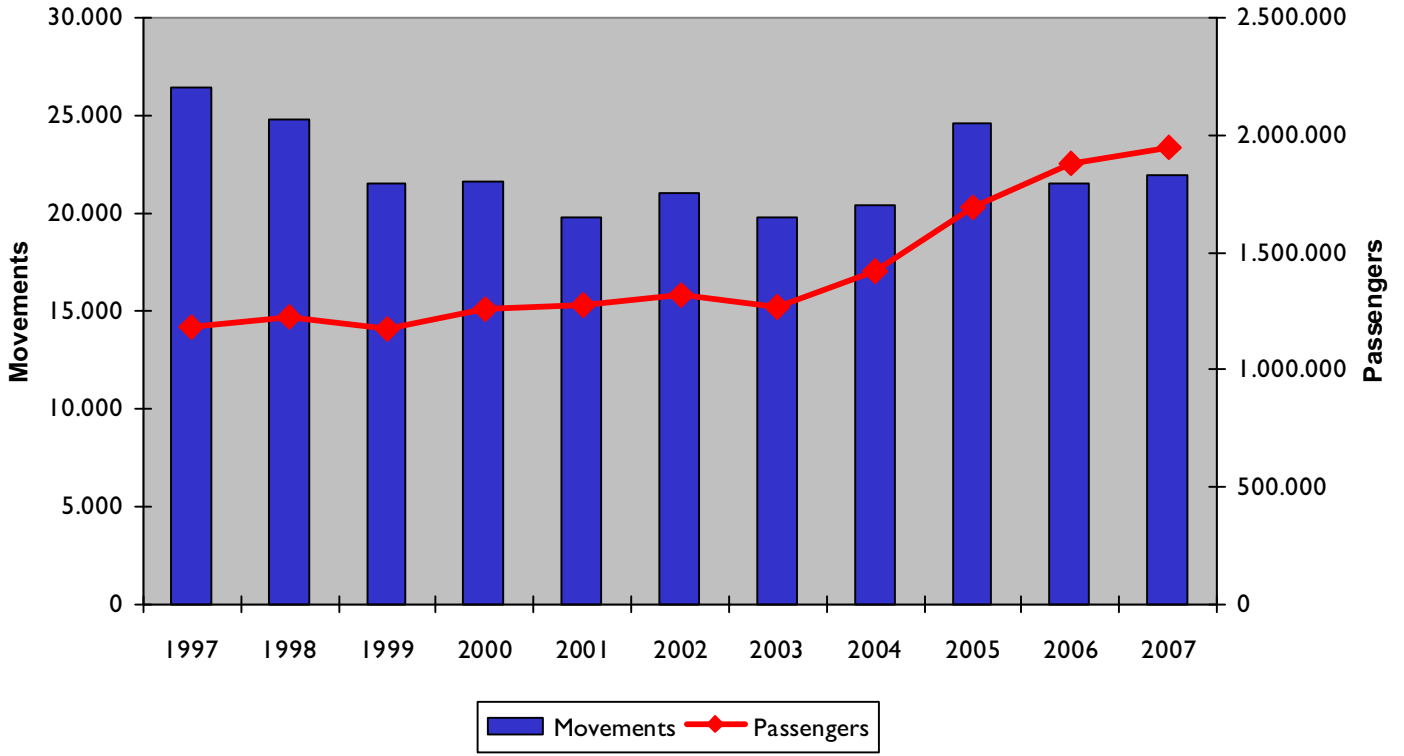
4 Tyrol	inhabitants
0 – 50 km	0
0 – 100 km	149,559
0 – 150 km	386,140

5 Styria	inhabitants
0 – 50 km	0
0 – 100 km	83,138
0 – 150 km	111,022

6 Carinthia	inhabitants
0 – 50 km	0
0 – 100 km	0
0 – 150 km	142,861



Movements/Passengers 1997-2007



Finance

Salzburg Airport Authority was created in 1955 and the airport handled just a few passengers. The shareholders were the Federal Republic of Austria (50%), the country of Salzburg (25%) and the city of Salzburg (25%). In the next three decades the Airport embarked on major extension projects of the runway 16/34, Passenger Terminal, Office Buildings, Parking space, Cargo- and Air Traffic Control facilities.

1984 the Airport was handling 321.244 passengers, during this time the Authority was being run very much as a public utility, making losses and receiving subsidies from the public sector owners.

Between 1984 to 1987 the Airport Authority went through a major organisational restructuring, which meant that the Airport began to be considered much more as a business enterprise. The consolidation of the trust capital (Treuhandvermögen) and the company capital (Betriebsvermögen) was finished in 1987. Since then the Airport is able to invest all his facilities, etc. by its Cash Flow and since 1984 the company produces “sequentially profit”.

Rentabilitätskennzahlen

	2007	2006
EBIT	7.309.606	5.683.417
EBIT-Marge	15,92%	12,74%
EBITDA	15.260.565,29	13.565.940,67
EBITDA-Marge	33,23%	30,40%
EGT	6.348.029,00	5.031.429,00
Durchschn. GK ohne liq Mittel	109.814.030,64	111.288.491,18
GK-Rentabilität	5,78%	4,52%
EGT	6.348.029,00	5.031.429,00
Durchschnittliches EK	66.748.014,44	64.651.169,87
EK-Rentabilität	9,51%	7,78%

Infrastructure

The Salzburg Airport infrastructure includes technical, manpower and administrative components. Technical components include buildings and structures, runways, Aerodrome beacons, vehicles, Air traffic control, radar facilities and communication. Human power includes security personnel, runway personnel, ramp agents, management positions etc.

Administrative components include the organization, suitable structure of follow-ups etc

In December 1998, Salzburg Airport has been extremely successful in its fight against fog and bad weather with the improvement of our approach possibilities according to the CAT III regulations. With the construction of amadeus terminal 2, Salzburg Airport also started event business in the Non-aviation sector.

Site	47°47'42" North, 13°00'14" East Altitude: 430 meter 4 km west from the city centre Own motorway exit A1 und A10
ICAO	Aerodrome Reference Code 4 E
Hours of operation	daily operation - local times: 06:00 to 23:00. Older marginal chapter 3 aircraft may plan their operations into Salzburg from 07:00 to 20:00 local time only, according to AIP Austria. Delayed flights will be handled until 23:00 local time.
Area	175 hectares
Runway	Direction 16/34 2750 m x 45 m + 100 m stopway north, ILS/DME Cat. 3, VOR/DME, NDB, EFAS (electronic flash approachlight system), VASI, PAPI precision approach path indicator, runway centerline lights, touchdown zone lights, radar.
Approach	ICAO KAT II/III (15 meters decision altitude, 200 meters visuality to runway)
Taxiway	width 23 meter
Main apron	14 aircraft positions (add. 3 positions GAC)
Apron north	General Aviation, Maintenance Base, Aerotechnik Hangar, Aeroclub, Air Link, Flying Bulls
Passenger Capacity	Terminal 1,400 pax/hour

Passengers per Year	1,87 million passengers handled in 2006
Fuel Supply	BP, Shell, OMV
Catering	Airest, DO&CO
Maintenance Base	Aerotechnik GmbH Bell Helicopter, Textron representative, maintenance for prop- and jet driven aircraft up to 5,700 kg MTOW, avionics shop, spare parts department
Air Traffic Control	Austro Control GmbH, Salzburg
MET office	Austro Control GmbH, Salzburg

Management, Human Resources and Quality

Management Skills and Management Ability is a key factor for success. Since 2001 the Airport implemented a Total Quality Management System for its entire Airport operations. The focus of this Management System is customer and as well as employee satisfaction. It continues improvement of all Airport processes was communicated to all the staff through a series of training courses, workshops, meetings and informal discussions.

Actively facing future challenges will require an extremely flexible and adjustable organizational structure. Well-functioning connections and relationships are a central key to success in this process.

Precisely for this reason the company-wide focus this year centered on team skills development. The goal was to optimize and cultivate cooperation and efficiency within the teams. High learning transfer was achieved during outdoor trainings.

All ground staff took part in one-day moderated workshops for the first time. Participants demonstrated a high level of motivation and commitment during the seminars. Numerous suggestions for improvements have already been implemented. Other departments also ran appropriate personal development programs.

Annex

Salzburg Airport W.A. Mozart retained its position as the leading regional airport in Austria and gateway to the Austrian Alps. Preliminary figures for 2007 show an increase in passengers from 1,878 to 1.946.422. As expected, the airport fell just short of the two million passenger threshold.

Seasonality and traffic peaks are still challenging the airport management team that points out that “quality air services to the Salzburg region are more important than quantities”. In this respect, the airport sees its strategy towards moderate and sustainable growth resulting in a positive relationship with the neighbours.

The airport – along with Innsbruck - is now preparing for the EURO 2008 challenge with Russia, Spain, Sweden and Greece expected to bring a significant number of supporters to Salzburg by air.

Salzburg Airport’s company mission

We are an essential element of the transportation network:

- We provide guests for Salzburg businesses and Salzburg tourism
- We are an environmentally conscious airport. Only modern and noiseless aircrafts are allowed in Salzburg (Chapter III)! Airlines respond onto Salzburg Airports environmental restrict regulations with reorganization of their fleet.
- We provide our catchment area with comfortable and convenient access to sunny destinations as well as those with tourist attractions
- We cater to customer needs
- We are sensitive to neighbors. Several round table discussions during the year at the airport
- We are committed to our own continued development
- We strive to be a secure employer
- We are flexible and solution oriented

Our motto: quality instead of quantity

- High-end guests spend more money in the region.
- Tourism platform as main planning instrument (round table)
- Airport responds to customers’ preferences
 - Modern infrastructure with shorter routes at airport
 - Shorter waits at check points compared to rest of Europe
 - Optimized transfer connections to vacation regions-
 - Attractive LCC network and charter program to and from Salzburg
 - Flexible handling process (charter Saturdays)
- Over night stays increase in Salzburg province by more than 2% compared to national average
- Overnight stays in LCC segment: Denmark 38.1%, Great Britain 34% as front runners
- Airport’s significance is ever increasing not only for Salzburg, but also for the bordering region as business and vacation destinations.

- Use of air travel to Salzburg continues to rise. From 2002 - 2006 the percentage rose from 13% to 16% at the expense of automotive travel.
- LCC visitors are showing a continual and stable trend toward year round tourism.

Salzburg Airport as a motor for commerce and tourism

- 1.946.422 passengers in 2007
- Marked increase in passengers in LCC traffic on site since 2001
- Increased consumption of Salzburg vacations by more than 55% of guests due to LCC traffic (Gaubinger Study)
- Tourism is a cornerstone of Salzburg economy
 - Winter tourism makes significant contributions to regional product and employment in the province.
 - Tourism is one of the region's most important industries (provides 40,000 jobs directly and an additional 120,000 indirectly).
- Large economic growth potential for small and mid-sized businesses due to airport tourism
- Salzburg boasts largest number of entrepreneurs per capita Austria-wide

Corporate goals: qualitative goals

- Site viability
- Meeting customers' needs
- Employee satisfaction
- Long-term partnerships
- Supportive of our community
- Modern, efficient infrastructure
- Contributing to continued economic success

Countdown to the UEFA EURO 2008 is underway, Salzburg Airport is well prepared

- Perfect infrastructure at the airport enables separate handling for all arriving and departing fan clubs
- Two terminals – Terminal 1 and amadeus terminal 2
- No remodeling or expansion is necessary to accommodate UEFA EURO 2008
- Optimal bus connections to the city, to accommodations and direct shuttle service to the stadium.
- No restrictions or inconveniences for non UEFA EURO 2008 passengers
- Airport officials don't anticipate security issues. Greek, Swede and Spanish fans are considered amicable
- Upper middle class Russian fans are expected to visit Salzburg with their respective purchasing power
- Responsible officials are working on security concepts involving requests for handling fan groups at the airport

