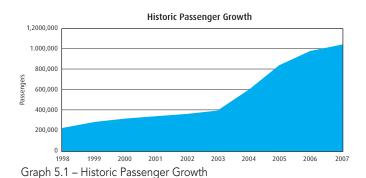
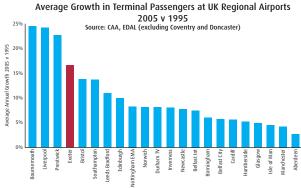


Recent Trends in Passenger and Cargo Traffic

Introduction

5.1. Exeter International Airport has experienced significant growth in both passenger and cargo traffic over the last ten years. Passenger numbers have grown from 240,000 in 1994 to over 1 million in 2007; an average growth of 17% per annum during this period compared with a UK average of 5%, meaning that Exeter International Airport was one of the fastest growing regional airports during this period.



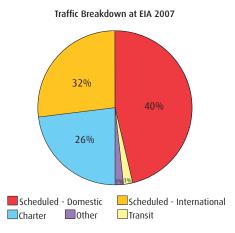


Graph 5.2 - Ave. historic growth at UK regional airports

5.2. Until 2002, the Exeter International Airport route network was limited to a number of summer sun charter routes and a small number of scheduled routes operated by Jersey European/British European and SkyBus. Flybe, now Exeter International Airport's largest customer and the dominant carrier, have increased the number of destinations offered and the frequency of its flights. This has resulted in a rapid growth in passengers and a shift in dominant passenger mix from charter to scheduled. In 2007, Flybe contributed 65% of Exeter International Airport's total passengers.

Passenger Mix

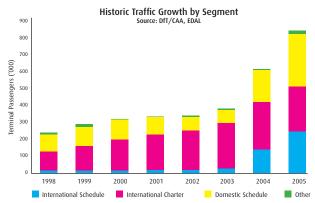
5.3. The chart below shows the breakdown by domestic and international scheduled, charter, other and transit of the 1million passengers who passed through Exeter International in 2007:



Graph 5.3-2007 traffic breakdown

- 5.4. Scheduled domestic services still account for the largest proportion of passenger traffic, however, the gap between it and international scheduled traffic is closing. This is due to the increasing choice of routes offered by Flybe, resulting in fewer passengers travelling to other more remote and considerably less convenient airports.
- 5.5. The charter market nationally has seen a reduction in demand over the past ten years, due mainly to the emergence of low-cost carriers. However, charter still remains a very important market at Exeter International Airport. A recent long term agreement with TUI has resulted in more capacity being offered from Exeter. This is in contrast to other UK regional airports which are continuing to experience a decline in charter traffic.
- 5.6. With the continued development of Exeter International Airport in the past decade and a more extensive route network an increasing number of business travellers are using Exeter. The relocation of organisations such as The Met Office has increased the frequency of business traveller demand to and from the Region.



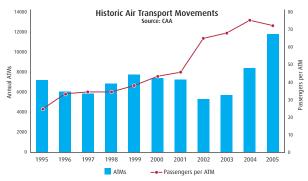


Graph 5.4 - Historic Traffic Growth by Segment

- 5.7. The current split of traffic at Exeter International Airport is:
 - Business 17%
 - Leisure 64%
 - Visiting Friends & Family 19%

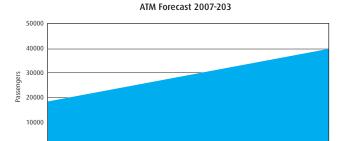
Air Traffic Movements (ATMs)

- 5.8. ATMs are defined as commercial, scheduled or chartered aircraft movements and exclude military, general aviation and business flights.
- 5.9. ATMs at the Airport have fluctuated over the past ten years. By 2002 and 2003 ATMs were below 6,000. At this time, charter flights made up over two thirds of all traffic and therefore larger aircraft resulted in lower ATMs. Passengers per ATM rose from 47 to 64 between 2001 and 2002.
- 5.10. Flybe's recent development of Exeter International Airport has resulted in ATMs increasing to 11,740 in 2005 and passengers per ATM reaching more than 70. This is due to the Flybe's larger Dash8 Q400 being the primary aircraft type now at Exeter International Airport.



Graph 5.5 – Historic Air Transport Movements

5.11. Between 1995 and 2005, ATMs grew by an average of 5.2% per year, although up to 2004 this growth was much lower due to the fluctuation in annual ATMs. Passengers per ATM rose from 25 to 72 over the same period. In 1995 the majority of scheduled aircraft at Exeter International Airport were 19 and 36 seat aircraft.



Graph 5.6 - ATM Forecast 2007-2030

Alternative Airports

5.12. The alternative airports to Exeter International Airport serving the South West region are:

- Plymouth City Airport;
- Newquay Cornwall International Airport;
- Bournemouth Airport;
- Bristol International Airport;
- Southampton Airport;
- London Heathrow Airport; and
- London Gatwick Airport.
- 5.13. Bristol International Airport is 68 miles from Exeter and captures approximately one third of all Devon and Cornwall's traffic.
- 5.14. Plymouth City Airport has very limited services -In 2007 it handled 78,000 passengers. Its limited infrastructure (short runway) means that the Airport is unable to offer charter services and high volume low cost services.
- 5.15. Newquay Cornwall International Airport has experienced growth in recent years with the development of a number of domestic routes the majority utilising the daily London services.
- 5.16. Bournemouth Airport, like Exeter International Airport has experienced recent dramatic growth

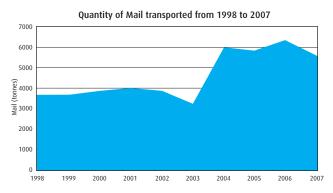




- through the development of low-cost services. The two airports are 82 miles apart.
- 5.17. Southampton Airport's recent growth has, like Exeter International Airport been due to Flybe expansion and serves similar routes to Exeter International Airport. The two airports are 100 miles apart.
- 5.18. London Heathrow and Gatwick Airports have a substantial influence on Exeter's catchment particularly for services not flown from regional airports. In 2003, the Airports combined captured more than 40% of traffic originating in Devon and Cornwall.

Cargo

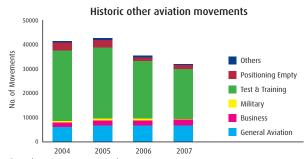
- 5.19. With the exception of mail, Exeter International Airport processes little freight as a consequence of its airline mix of charter and low cost operators with fast turn around times that are unsuitable for air cargo. The majority of cargo is in fact road transport bonded goods from Heathrow or Gatwick.
- 5.20. Mail has seen considerable growth during the past ten years. Royal Mail relies on Exeter International Airport as the key distribution point for South West England. Exeter International Airport is well positioned geographically, provides long opening hours, and advantageous weather. Mail is shipped by road vehicle from Truro, Plymouth and Exeter. Exeter International Airport, with Royal Mail, has provided facilities on site so that mail can be screened [security x-ray machines] before being loaded onto the dedicated Royal Mail aircraft. Mail volumes have increased by more than 70% since 2003 as shown on the graph below:



Graph 5.7 - Quantity of Mail transported from 1998 to 2007

Other Aviation

- 5.21. In addition to Air Transport Movements for passenger and mail flights there are numerous other aircraft movements including:
 - General Aviation;
 - Business Aviation;
 - Military;
 - Test and Training;
 - Positioning Empty; and
 - Other
- 5.22. The table and chart below indicate the numbers of movements in each year since 2004.



Graph 5.8 – Historic other aviation movements

- 5.23. General Aviation includes flying clubs and privately owned aircraft.
- 5.24. Business includes Executive aviation, private charters, air taxis and air ambulances.
- 5.25. Test & Training includes both flight tests by aircraft from the maintenance facilities as well as flight training for both Flybe and the numerous flying schools at the Airport.
- 5.26. Positioning Empty includes aircraft arriving for maintenance and aircraft arriving or departing empty to operate services or after diversions.
- 5.27. The small decline in business flights reflects the historic lack of appropriate facilities. Exeter International Airport has recently invested in facilities for Business & Executive Aviation, including a new executive lounge within Building 12. It is forecast that this investment will stimulate further growth and there has been a significant increase in activity since summer 2007.

