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Editorial

▶ No coincidence

An investment is expected to have an effect. The large sums of money put into the infrastructures of Leipzig/Halle and Dresden Airports by their shareholders will have added to the region's prosperity and the regional job supply. In this sense, infrastructural investment has been particularly successful in 2005, even though more capital expenditure is required.



Volkmar Stein –
CEO and
President, Central
German Airports
Group

For the two airports, this input-output relation has meant that terminals handling more passengers attract new airlines and encourage established ones to widen their programs. Both destinations have now become lucrative for low-cost carriers such as Germanwings or Air Berlin.

Leipzig/Halle scored a success in 2005 due to good runway capacity, excellent land transport links, round-the-clock operation seven days a week, sufficient floor space for goods handling and a rich labor supply, when DHL made it its central air freight hub in Europe. At the beginning of 2006, EasternAirCargo will begin to carry freight to and from Alma-Ata in Kazakhstan

using Boeing 747 planes. And Lufthansa will help centralize the operations of DHL, a major client, by rescheduling some of its flights to Leipzig/Halle. Dresden is expected to benefit from the growing economic strength of the city and its surroundings, and from integration into European transport networks in a region where three countries meet – Germany, the Czech Republic and Poland.



All of this augurs well for job security in the aviation industry around Leipzig, Halle and Dresden. Investor confidence in these regions is growing because an infrastructure with unrestricted access to a network of nearby airports, motorways and rail links is a first and foremost requirement. Leipzig/Halle and Dresden will thus become high-potential commercial hubs in an enlarged European Union.

Inputs will continue in 2006, with the construction of a new south runway at Leipzig/Halle which meets today's standards of environmental protection. Laid out parallel to the north runway, it will enable simultaneous independent operation. Dresden has been given the green light by the authorities to extend its runway which is being completely rebuilt. This will make the state of Saxony even more attractive in the eyes of large aviation companies who have ambitious plans. Apart from further increasing the capacity of the two airports, the investments will also finance far-reaching programs designed to preserve the quality of life in adjacent areas.

The rewards of the effort have been reaped by all members of the Group. To mention only two examples, the "dress rehearsal" in early December for the rush expected during the soccer world cup when lots were drawn for the groups in which countries would play went smoothly as far as passenger handling was concerned. At the same time, PortGround did a good job handling freight for DHL. Leipzig/Halle and Dresden are both well prepared for 2006 and the logistics challenges presented by the soccer world cup and the festivities to mark the 800th anniversary of Dresden's foundation which will bring many more visitors to the region.

The Supervisory Board of the Airport Holding sets great store by the continuity of our effort, and it gives me great pleasure that Markus Kopp, a young manager with experience both in logistics and aviation, has been appointed member of the Managing Board one year before I retire, effective from May 2006, and designated to succeed me on Jan. 1, 2007.

In sum, 2005 has shown our airports to be on a promising track. As multipliers, they assist economic growth in the region and demonstrate that scarce infrastructural funds can be wisely invested for sustainable development.

Central German Airports Group

► Board changes

Volkmar Stein, sole Director of Central German Airports Group, will retire at the end of the year. Against this background, the Supervisory Board has appointed Markus Kopp, Head of the Central Aviation Service and Human Resources Office of Deutsche Lufthansa AG, member of the Group's Managing Board effective on May 1.

The 39-year old manager takes over as sole Director on Jan. 1, 2007. For the transition period from May until retirement, Volkmar Stein has been appointed President and Chief Executive Officer.

**▶ Particulars – Markus Kopp**

- ▶ 1987 finished training as an aviation salesman
- ▶ then headed Lufthansa's branch office in Dar es Salam, Tanzania
- ▶ Studied economics
- ▶ 1994 became assistant to Universal Agent for freight and then assistant to CEO of Lufthansa Cargo AG
- ▶ 1997 became manager for operative cooperation between Lufthansa Cargo and DHL
- ▶ 2000 became head of Central Office of Lufthansa Managing Board for Aviation Service & Human Resources

**Supervisory Board change**

In another move, the Supervisory Board recommended that Detlef Schubert be admitted as a new member. The General Meeting of Central German Airports Group then elected Mr. Schubert to the Supervisory Board. Schubert heads the Economics and Labour Department of the City of Leipzig and the Municipal Office for Business Promotion. He succeeds Wolfgang Tiefensee, Leipzig's former mayor who recently resigned his seat on the Supervisory Board when he was appointed Federal Minister for Transport, Building and Urban Development. Schubert already represents Leipzig on the Supervisory Board of Flughafen Leipzig/Halle GmbH, a daughter of Central German Airports Group.

Leipzig holds a minority of shares in the Group, the principal owners being the states of Saxony and Saxony-Anhalt. Shares are also held by the cities of Dresden and Halle.

Willi Hermsen, chairman of the Supervisory Board, praised Tiefensee's achievements saying the former mayor had "helped to bring about five and a half years of successful development of the Group."

▶ Info

The Central German Airports Group, a publicly owned undertaking, is an umbrella for Flughafen Leipzig/Halle GmbH, Flughafen Dresden GmbH, PortGround GmbH and EasternAirCargo GmbH. Group sales last year reached € 80m. Airports in the state of Saxony reported a total of 75,000 flight movements and handled 3.9m passengers and 23,300 tonnes of freight.



Dresden Airport

► About 1.8m passengers – 2005 brings a new high

With a total of 1,788,800 passengers last year, Dresden Airport set a new record in its 70-year history.

Compared with 2004, the number is equivalent to a 10% rise. So far the 1.7m mark has only been exceeded twice – in 1999 and 2000. Last year's increase was due particularly to regular services which grew by over 16%.

► Info

The winter schedule which is valid until March 25 provides for 260 departures per week to 50 destinations which are served by 15 airlines. Germanwings which already has links from Dresden to Cologne-Bonn and Stuttgart, added Hamburg to its destinations in late November. Tickets are from € 19 including taxes and charges. Air Berlin goes to Paris and Milan from Monday to Wednesday via Nuremberg. Austrian Airlines has added new connections from Vienna, for example to Sydney, Moscow and Tel Aviv. New destinations for tourists are Taba/Egypt and Cagliari/Sardinia.



Sales reported by Flughafen Dresden GmbH for 2005 reached some € 36.5m, an increase of more than 6% on the previous year. Two thirds of total sales came from airline operations, the remainder from rents and leases. The company has made very good progress with rentals and has presently let 95 % of the floor space available in the airport as a whole, and 89% of the floorspace in the terminal.

Almost 400 events organized in the Conference Center attracted some 9,000 visitors. About 10,000 people visited the airport's gallery level. Some 14,000 adults and children booked guided tours of the airport, and in September about 50,000 people gathered to celebrate

The new tower at Dresden Airport commissioned in August last year

70 years of Dresden Airport. Lufthansa thought of a special birthday surprise and flew an A 321 Airbus in retro design between Frankfurt and Dresden.

Building permission for Dresden Airport was granted at the end of October, and the 2,500 m long runway can now be rehabilitated and extended. The Regional Council completed the zoning procedure in 10 months, and the approval document of 95 pages provides, among other things, for extensive noise protection. Those living in the vicinity are entitled to the installation of soundproofing facilities. Alternatively, residents particularly affected by the construction project may have their property taken over by the airport at its market value. The Council did not ban night flights but ordered a number of landscaping measures designed to compensate for intrusions upon nature.



Dresden Airport

► Dresden part of Air Berlin's Euro-Shuttle network – InterSky to fly to Friedrichshafen

When the summer flying schedule takes effect on March 26, 2006, Dresden will be part of Air Berlin's Euro-Shuttle network giving passengers a choice of 42 destinations in southern Europe and North Africa.



Flights will be from Dresden directly or via hubs such as Palma de Mallorca or Nuremberg. From the end of March, InterSky, an Austrian low-fare operator, will be flying between Dresden and Friedrichshafen three times a week.

Seven flights a week are planned to Palma de Mallorca during the summer, and one-way tickets will cost from € 49 including fees and taxes. Every Tuesday, Wednesday, Friday and Sunday Air Berlin's Euro-Shuttle will leave Palma for other places on the Spanish

Air Berlin is to offer more flights out of Dresden than ever – a total of 42 destinations can be reached from the end of March

mainland, Ibiza and in Portugal. Flights from Dresden to these destinations via Palma de Mallorca will be available for as little as € 59.

For the first time, Air Berlin will be going through its hub at Nuremberg during the summer. On Tuesdays, passengers may change planes there to go to Greece, Spain, Egypt, Morocco, Portugal and Hungary. New destinations in Greece, for instance, include Athens and the island of Samos. Flights to Budapest/Hungary start at € 89, to the Canary Islands at € 99, and to Samos at € 119 and may be booked by going to www.airberlin.com or www.dresden-airport.de and from travel agents. Single-seat tickets will be available for all Air Berlin flights as the quota for the summer of 2006 has been increased.

Starting on March 26, InterSky, an Austrian operator, will link Dresden to Friedrichshafen on Lake Constance. The low fare airline will fly to the region where three countries meet (Germany, Austria, Switzerland) on Tuesdays, Thursdays and Sundays and use 50-seater turbo-prop planes type Dash 8-300. Departures from Friedrichshafen will be at 2.00 p.m., Sundays at 11.05 a.m., touchdown at Dresden is scheduled for 3.20 p.m. and 12.20 p.m., respectively. Passengers will leave Dresden at 3.50 p.m. and, on Sundays, at 12.50 p.m. and reach Friedrichshafen at 5.10 p.m. and 2.05 p.m., respectively. Friedrichshafen was the place where Germany's Zeppelin airships were built and is now a center of the aeronautics industry, automotive manufacture and advanced technology.

Flights between Dresden and Friedrichshafen may be booked now. For tickets starting at € 49, visit www.intersky.biz or phone the InterSky call center. You can also book with all IATA travel agents.



Leipzig/Halle Airport

▶ Let Air France take you to Paris

An attractive destination has been added to the schedule at Leipzig/Halle. Beginning in March, Air France is to fly nonstop to Paris Charles de Gaulle twice daily.

Air France will use 50-seater Embraer 145 jets 14 times a week. From Paris, passengers may reach over 190 destinations worldwide. Tickets cost from € 119 including taxes and charges, plus a ticket service fee, and may be booked from January onwards with travel agents, by going to www.airfrance.com or by calling the service center.

“It's a good thing we were able to include Leipzig/Halle in our flying schedule”, said Bernard Bazot, German Director of Air France, and went on to say that his airline was now serving 10 German cities and had increased the number of weekly flights to Paris Charles de Gaulle to over 60.

Eric Malitzke, Managing Director of Leipzig/Halle Airport, said Air France was won over after extensive talks. The new service was an attractive link to one of Europe's largest centers of population and culture and of interest both to business travelers and tourists in both countries. Over the last few years, Air France – KLM has been quite successful in international competition with low-cost fares particularly for medium and long-distance flights.

The regular service had been described as particularly desirable by companies in the region. TOTAL, a French group of mineral oil companies, has facilities near the airport, and its refinery at Leuna is a high-volume operation in Eastern Germany.

Leipzig/Halle Airport

▶ Air Berlin flies to the North of England and Scotland

Air Berlin recently added more nonstop links to London to its schedule. Since mid-December, the airline has flown daily from Leipzig/Halle to London-Stansted, with connecting flights to Glasgow and Manchester.

The new connections may be booked at www.airberlin.com and, round the clock, by calling the service center. Tickets are also available from travel agents. Those who book early pay from € 29 Euro including taxes and charges. Through tickets to the North of England or Scotland start at € 49.

Every day at 6.10 a.m. a Boeing 737 takes off at Schkeuditz and reaches London-Stansted at 6.50 a.m. local time. It takes off for the return trip at 8.20 p.m. local time and arrives at Leipzig/Halle at 10.55 p.m.



Before leaving Leipzig/Halle for London, you may buy a Visitor Travelcard for between 8 and 32 euros and can then use the underground, bus, Docklands Light Railway and other rail transport in the London area. The cards which can not be bought in London are available during check-in at Air Berlin's action counter and will soon be sold at the airport information desk around the clock.

► Info

The winter flying schedule which is valid until March 25 provides a total of 418 weekly links as part of regular and charter services to 64 destinations. Tourists may use 243 flights to 52 places served by 17 airlines, including four nonstop services to Punta Cana and Puerto Plata in the Dominican Republic, Varadero/Cuba and Mombassa/Kenya. Scheduled services include 175 weekly flights to 13 European and German destinations operated by 8 airlines.

Leipzig/Halle Airport

► Making life easier for business and private travelers

Business and private travelers, and those enjoying VIP status, will now be served by two counter staff at Leipzig/Halle's new General Aviation Terminal (GAT). Located in terminal A, this handles all flights with business and private planes, and staff will also look after pilots.



The former GAT building to the south of terminal A had to make room for the new south runway which is currently being built. Moving facilities to the center of the airport has made them more accessible for passengers.

By the middle of the year, some € 1.3m is to be invested into converting terminal A which was in operation until 1995. Apart from the GAT, it will eventually accommodate a number of lounges, office complexes and an arrival/departures area. This extra handling capacity will also be used to deal with unexpectedly large numbers of passengers, and for special flights.

Eric Malitzke,
Managing Director
of Leipzig/Halle
Airport, welcomes
Thomas Stillmann,
Managing Director
of Windrose Air, the
first tenant in the
new terminal

The first tenant after conversion is Windrose Air Jetcharter GmbH who is located in Berlin and offers business, private and ambulance flights to over 1,200 destinations in Europe. The company now has its own reception area and lounge, exclusively for its passengers.

Dresden Airport also has a lounge at arrivals level in the GAT zone, which offers passengers more individual services. The facility may also be used by airlines for frequent flier programs.



Leipzig/Halle Airport

► Over two million passengers

Leipzig/Halle Airport has been attracting more passengers. The figure reported for last year was more than 2.12 million who went on scheduled and charter flights, an increase of over 4% on 2004.



Most of this growth has come from the Euro and Mallorca shuttle services run by low cost operator Air Berlin, and similar services operated by Germanwings who have been flying to Cologne/Bonn daily since September. There was a positive trend also in the service from Leipzig/Halle to Vienna, with Austrian Airlines adding 6 flights per week for a total of 18.

Popular holiday destinations in the summer were Spain, followed by Turkey and Greece. The most frequented airport for flights from Leipzig/Halle was Antalya/Turkey, followed by Palma de Mallorca/Spain, Heraklion/Greece, and Tenerife.

Airport extension is on target – first areas have been handed over to DHL

The southern part of the airport is still a large construction site. Since work on the new south runway started officially in August, more than half of a proposed total of five million cubic meters of earth has been moved. At the end of December, the “November” taxiway was completed which connects the apron to the eastern taxiway bridge. After re-commissioning in mid-January, the taxiway which is about 1.6 km long will be aligned with the new runway system.

In the meantime, the first concrete has been placed in the southern freight handling area near the DHL site where an apron of 12 hectares is to be completed this spring. It can accommodate six planes of the Boeing 747 or Antonov 124 type.

The old south runway is to be demolished in steps over the months to come. The airport already handed over areas to DHL, the logistics company, this month.

EasternAirCargo

► EasternAirCargo extends network

EasternAirCargo GmbH (EAC), a daughter of the Central German Airports Group, made a number of cooperation arrangements and added new destinations to its network in November. These are in Russia, the CIS countries and Asia. The company has recently offered its services to clients in Switzerland, Austria and Central/Eastern Europe.

Since November, EAC has brokered capacity on Aeroflot's cargo flights as Cargo Sales Agent for Aeroflot in Germany. The Russian airline operates a total of 13 weekly flights with a DC10 freight plane from Germany and flies not only to Moscow but also Novosibirsk, Beijing, Shanghai, Seoul, Tokyo and Hong Kong.



For better product marketing, EAC has made cooperation arrangements with Sky-XS, a General Sales & Service Agent with headquarters in Linz/Austria. Under the deal, Sky-XS will act as exclusive GSA for EAC in Austria and nine East European countries. EAC is thus testing ways of doing business in Eastern Europe with assistance from an experienced partner. Sky-XS also sees new openings, such as winning contracts from Russia and the CIS countries.

The freight broker with offices at Leipzig/Halle has engaged another General Sales & Service Agent, AirPass from Switzerland. The company, a specialist service provider with headquarters at Glattbrugg near Zurich, will be selling EAC products in Switzerland and help EAC enter the Swiss cargo market.

Apart from striking all these new deals, EAC has strengthened cooperation with Detzer Aircargo Service (Munich) since early November. The logistics company operates a trucking network throughout Europe and recently opened an office at Leipzig/Halle Airport.

► Miscellaneous

► Dresden is "City of Science"

***Dresden* The capital of the state of Saxony will emphasize its research and academic potential this year by presenting itself as a "City of Science".**

A number of events are planned, and the campaign opens on Feb. 11 with a gala performance. Dr. Annette Schavan, Federal Minister of Education and Research, will act as patroness for the wide-ranging activities.

Dresden won the title of "City of Science 2006" in a competition held at Bremen in March 2005, the other entrants were Magdeburg and Tübingen. The winning concept was entitled "Where elements combine". The contest is organized by the Founders' Association for German Science which awards the title to cities that use science as a driving force for urban development and have established productive networks between science, culture and politics. Dresden is the second city after Bremen/Bremerhaven to have won the title.

Under the motto "Where elements combine", Dresden is to stage a number of events, some of them long established such as "Science in city hall" or the "Long night of sciences", others specifically designed for 2006 and devoted to cognition and an "International University Competition". The concept is to get local research and science establishments to cooperate with the city, and with cultural and commercial undertakings. The project involves over 50 partners.

For details and highlights go to www.dresden-wissenschaft.de.



► Dresden and Leipzig are tourist centers

Dresden which is now 800 years old has become a major tourist attraction.

In September 2005, the city's Werbung und Tourismus GmbH reported a 10% rise, to 2.13 million, in the number of overnight stays compared with the previous year. This gives Dresden a top position in Germany, more specifically 6th place after Berlin, Munich, Hamburg, Cologne and Frankfurt.

With over 1.2 million overnight stays by the end of September, Leipzig more or less retained its position as a favorite place to visit in Saxony. While Dresden has pinned its tourist hopes on the celebrations marking the 800th anniversary of the city's foundation, Leipzig is expecting a rush of visitors to its new Central Stadium for the matches in the preliminary round of the Soccer World Cup competition, and the match in the round before the quarter-finals.

www.statistik.sachsen.de

► Imprint

Published by: Central German Airports Group

Edited by: Felix Zimmermann (chief editor)

Evelyn Schuster, Petra Siebert, Dierk Näther, Uwe Schuhart, Christian Adler

Photos: Archives at Leipzig/Halle and Dresden Airports

Design and Production: Contur

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