



Editorial

▶ **Markus Kopp, CEO at the Central German Airports Group****Dear customers, friends and business partners,**

2007 is drawing to a close. It has been a successful year and the Central German Airports Group and its subsidiaries have passed many milestones.

The new southern runway at Leipzig/Halle Airport began operations in July and the reconstructed, extended runway was opened at Dresden Airport in September. These were challenging projects, but they have made our group of companies fit to face the future. We have been able to continue the positive trend in passenger numbers again this year and the volume of air freight has risen well above average.

Air freight at Leipzig/Halle has reached new heights now that DHL has started to base its operations here and Lufthansa Cargo has moved intercontinental cargo planes from Cologne/Bonn. When the DHL hub is moved to our airport from Brussels in the middle of next year, we will become one of the most important logistics centres in Europe.

Competition in the air traffic sector will increase in the new year. Consolidation and the pressure to reduce costs in the airline business will affect our companies too. We will also have to come to terms with huge cutbacks in our current license to operate round the clock at both airports. These are good reasons not to sit back on our laurels. We shall also be seeking to continually improve our services again next year to meet the constant changes in general conditions and customer demands. The members of staff at the Central German Airports Group will do all in their power to satisfy the expectations of our customers, partners and shareholders in 2008. We are looking forward to the challenge.

I would like to take this opportunity of thanking you for your interest in what is going on at our companies and in Central Germany and wish you and your family a happy Christmas and a pleasant, successful and, above all, healthy new year.

Best wishes,

*Markus Kopp*



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Central German Airports Group

## ▶ Continuing to Build on the Foundation of Previous Years in 2008

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**Markus Kopp, CEO at the Central German Airports Group, looks back on the past twelve months and states the tasks facing the company group in the new year.**

*You have been chairman of the holding company for a year now. How do you view the year that is coming to an end?*

**Markus Kopp:** It has been a very successful year for the company group. We have passed many milestones. We have completed important and challenging projects: for example, the new southern runway at Leipzig/Halle and the reconstructed runway at Dresden. Both airports now have infrastructure that can cope with demand well into the future.

The particular profile of each airport became very clear during the course of the year. Leipzig/Halle is on the way to becoming one of the most important freight hubs in Europe. DHL has significantly increased its flights months before its freight hub officially moves to Leipzig/Halle. We have registered another important success in that Lufthansa Cargo has moved cargo flights from Cologne/Bonn to Leipzig/Halle. And in 2009 Europe's fourth largest freight airline is due to begin operating from its base here. A new era is beginning for Leipzig/Halle Airport with Lufthansa Cargo's intercontinental cargo flights. Central Germany will become a prominent destination on the world map for air freight traffic.

Dresden, on the other hand, is becoming a "three nations" airport on account of its geographical location in the south-east of Germany and proximity to Poland and the Czech Republic. The further development of the Dresden/Prague motorway is a huge advantage in this process. The final gap is now due to be closed on the Czech side. This will further increase Dresden Airport's catchment area over the next few years.



The encouraging trend of the past few years in the number of passengers using Leipzig/Halle and Dresden has been underlined again by the figures for 2007; and volumes of freight have reached new heights.

*What role do the other companies in the group play in these final figures?*

**Markus Kopp:** We need to view the group as a whole in the final review of 2007 and the other subsidiary companies play a major role in this. More and more companies are turning to the services provided by EasternAirCargo. The freight broker has recently started acting as cargo sales agent for the Russian airlines KD Avia, Atlant-Soyuz and Transaero.

The volume of freight at Leipzig/Halle Airport, which is constantly growing as a result of DHL and Lufthansa Cargo, and the passenger numbers at both airports have provided new and greater challenges for PortGround. Our ground services company has mastered the tasks with a high degree of professionalism.

*Dresden and Leipzig/Halle Airports have constantly been huge building sites over the past few years. What about more investments in future?*

**Markus Kopp:** The holding company and its shareholders have expanded the infrastructure to the tune of € 1.9 billion since 1991. The major projects phase is over for the moment. But we must go on investing in future to meet customer demands. I fully identify with this quotation, which my predecessor Volkmar Stein gave me, when I started this job: there is something wrong about an airport where no building work is taking place.

Leipzig/Halle Airport

## ► Highest Passenger Traffic Figures Ever

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**Leipzig/Halle Airport estimates that it will have handled 2.6 million passengers by the end of this year. The previous year's figure of more than 2.348 million has already been exceeded.**

The number of passengers passing through the airport from January to November rose to 2.584 million, an increase of 16.7 percent over the same period last year. This means that by the end of November the number of passengers exceeded the figure for the whole of 2006 by 236,483.



The volume of freight has risen to 86,811 tonnes, a 227 percent increase over the same period last year. This means that by the end of November the freight volume exceeded the figure for the whole of 2006 by 53,481 tonnes. The airport believes the freight figure will reach 100,000 tonnes by the end of the year.

This development is largely attributable to the commitment made by DHL. Its network of routes from Leipzig/Halle has now been increased by 18 to 32 destinations. 500 tonnes of freight are handled every day from Monday to Friday and then flown to other places. Lufthansa Cargo started using Leipzig/Halle Airport at the end of October and operates 21 flights a week. This makes the airport the second largest air freight centre in Germany after Frankfurt/Main.

Passenger traffic and freight volume at Leipzig/Halle Airport rose considerably

For Eric Malitzke, managing director at Flughafen Leipzig/Halle GmbH, the new record number of passengers reflects the efficiency of airport

infrastructure, which can be used round the clock. "This rate of growth will unfortunately come to a halt next year, at least for the time being, partly due to the imposition of the ban on passenger night flights and partly as a result of the ongoing consolidation process within the air traffic and tourism sector."

Leipzig/Halle Airport

## ► Important Building Block – Veterinary Border Checkpoint Opened at the Airport

**The only veterinary border checkpoint in Saxony – and there are 22 in Germany as a whole – is at Leipzig/Halle Airport. It has been built on the southern part of the airport in just under a year. This checkpoint, which cost €4.8 million to construct, is another important building block in the establishment of DHL's European air freight hub at the airport.**

The centre will be used by the Delitzsch Rural District Office and the State Office for Agriculture. The officials' work is not only designed to prevent animal epidemics from being imported, but also guarantees that imported foods meet European health and hygiene standards.

Leipzig/Halle Airport will become a significant European freight hub over the next few years, where goods will be imported from all over the world. A veterinary border checkpoint has been built to meet the growing volume of animal and plant goods in line with the guidelines set by the European Union.



The building complex, which covers 1,500 square metres, is divided up into three areas. These include rooms, where live animals can be kept for a while and examined – horses, for example. Rooms and laboratories are available in the food area to inspect foodstuffs, which are delivered through a different area. The non-food area has the necessary working rooms for examining imported consignments.

Dresden Airport

## ► More than 1.8 Million Passengers for the Second Time in Succession

**The success story continues in 2007. Dresden Airport has reached the record level of 2006 and will finish the year having handled more than 1.8 million passengers for the second time in its history. This result has been achieved despite the closure of the airport on four weekends so that work could continue to complete the concrete surface of the new runway.**



Despite the closure in the summer Dresden Airport has reached last years record level

Some 1,728,000 passengers had taken off and landed in Dresden by November. That is 0.1 percent more than in the same period last year. The increase would have been much higher without the closures in the summer.

Airport managing director Michael Hupe says: “The building work cost us about 60,000 passengers. Otherwise we would have had growth of three - four percent. But as we were ahead of the previous year’s figures until November, a new passenger record is still possible, despite the building work on the runway.”

The airport achieved new records in the first and third quarters. September was the busiest month ever with 205,399 passengers. In October there was a special welcome for the 11,111,111th passenger to pass through the terminal since it was opened in 2001.

Flughafen Dresden GmbH will probably generate turnover of € 39.3 million by the end of the year. That is an increase of two percent compared with the previous year. Two thirds of the total turnover comes from aviation operations and one third from renting and leasing (non-aviation).



Dresden Airport

## ► Restrictions – Authority Bans Night Flights from October 2008

**Airlines operating at Dresden Airport will have to adjust to restrictions from October 2008 onwards. The regional administration council has introduced a change to the current night flight rules.**



As a result, scheduled and charter flight timetables may only allow aircraft to take off and land up to 11.30 p.m. and start flying again from 5.30 a.m. The authority is allowing late landings and take-offs to continue between 11 p.m. and midnight and again between 5 and 5.30 a.m. But no traffic is allowed between midnight and 5 a.m. Exceptions to this rule are aid flights for emergencies or disasters, flights to provide medical care and humanitarian aid, landings for meteorological, technical or other reasons and survey flights operated by German Air Traffic Control.

From October 2008 on charter and scheduled flights may not take off and land at Dresden Airport

But the council has granted the aerospace industry based at the airport the right to 24 take-offs or landings per calendar year during the middle of the night. The regional administration council realised that a ban on these flights too would jeopardise orders and jobs in the Dresden aerospace industry. The authority's new rules follow the rulings and decisions taken by the Federal Administration Court in 2006 and 2007 related to the expansion of Berlin-Schönefeld and Leipzig/Halle Airports. The top judges underlined the importance of peace and quiet at night in these cases.

The airport believes that the impending ban on night flights will have negative effects on the region's development. It fears that jobs will be lost at the airport and other companies located here.

The airport company has initiated and implemented extensive voluntary measures to reduce noise near the airport over the past few years. More than € 2.8 million have been spent on inserting sound-proof windows and ventilation in flats that are affected. Conditions have improved significantly for more than 1,500 residents in 635 flats.



EasternAirCargo

## ▶ New Customer – EasternAirCargo is Cargo Sales Agent for Transaero

The freight broker EasternAirCargo (EAC) has won a contract from another Russian airline and will market cargo flights to St. Petersburg, Moscow and other destinations for Transaero. This means that the Central German Airports Group subsidiary is continuing to expand its flights and freight volumes to the countries in the Commonwealth of Independent States.



The latest agreement entitles EAC to market all of Transaero's freight capacity in Germany. This amounts to 30 tonnes a week and is available on passenger planes on the company's flights to Russia. The company flies to Moscow Domodedovo from Frankfurt and Berlin-Tegel and to St. Petersburg from Frankfurt, Berlin-Tegel and Munich. The airline flies to other destinations in CIS countries from Moscow.

Stephan Blank, managing director of EasternAirCargo GmbH, describes Transaero's routes as an outstanding addition to the freight broker's previous portfolio. "As a result of this cooperation agreement, we can offer our customers a wider range of direct flights to two of the most important centres in Russia."

Transaero is a new business partner for EasternAirCargo

Transaero was the first private airline to be launched in Russia on 5 November 1991. Since that time the company has served 145 destinations in 56 countries with more than 100,000 flights.

[www.transaero.com](http://www.transaero.com)

## ▶ News from the Central German Business World

### ▶ Turnover at German Airline Companies Continues to Grow

2006 was a good year for German airline companies. Their turnover rose significantly. It rose by 9.1 percent to €24 billion during the year. And personnel numbers also benefited from this development at the 336 companies. Staff levels reached approx. 59,400, so 2.9 percent more staff were employed in this sector than in 2005.



86 percent of turnover came from passenger traffic – the remainder from cargo. Turnover from passenger traffic at German companies rose by ten percent more than the total passenger numbers flying on German or foreign airlines at all the main German airports – the latter only rose by 5.6 percent. Turnover from freight traffic rose less sharply at 4.3 percent than the amount of freight transported, which rose by 9.1 percent.

The airlines had 1,329 planes to transport passengers and freight.

#### ► Investments by Volkswagen Sachsen

**Volkswagen AG will invest approx. €456 million in its Saxon facilities in Zwickau and Chemnitz by 2010. The manufacturing equipment will be modernised to maintain the flexibility at both the sites.**

The manufacturing equipment in the paint shop is going to be modernised – this will cost approx. € 150 million per annum – and structural investments will be made to ensure that the Zwickau factory remains a key centre in company operations. The main vehicles assembled in Zwickau will continue to be the Golf and Passat. The medium-term goal in Chemnitz is to expand pilot operations for new engines and its start-up expertise.

#### ► Regional Economy Increasingly Benefiting from the Conference Business

**Leipzig is preparing to make the leap into the top 100 in the world rankings of the International Congress and Convention Association or ICCA.**

The trade fair city is currently in position 107 on the list. The catalogue includes more than 200 cities around the world, which organise international congresses, which move between at least three countries.

The managers at the Congress Center Leipzig (CCL), for example, will be welcoming the Baptist World Youth Conference and the World Filtration Congress in 2008. The European Conference of Ministers of Transport has decided to meet in Leipzig and wants to establish its International Transport Forum there.

A current study by the Ifo Institute for Economic Research in Munich says that the CCL triggered what are known as production effects of € 79.4 million in 2006. This means that every euro invested at the Congress Center Leipzig produced € 14 in turnover for Leipzig. The production effects at the CCL increased by 20 percent from 2004 to 2006.

**▶ More than 100 Companies with Turnover Exceeding €50 Million**

**More than 100 companies have achieved turnover of more than €50 million for the first time in the NORD/LB Landesbank rankings of the largest companies in Saxony-Anhalt. The 100 firms with the largest turnover recorded strong growth of approx. 16 percent bringing the total turnover to €29.4 billion.**

The TOTAL Raffinerie Mitteldeutschland GmbH managed to defend its top position in the analysis with ten percent growth and turnover of more than €5 billion. The next places from last year have not changed either: the Dow Group had turnover amounting to €4.1 billion and is still far ahead of EDEKA markets in Saxony-Anhalt, where the turnover was about €1.9 billion.

Deutsche Bahn AG (German Railways) continues to be the largest employer in Saxony-Anhalt with 8,100 employees. Deutsche Post AG and the Dow Group in Germany share second place with 5,000 employees each. The 100 largest companies employed 87,500 members of staff last year, which represents an increase of four percent.

[www.nordlb.de](http://www.nordlb.de)

**▶ Leipziger Messe GmbH Awarded 2007 Leipzig Tourism Prize**

**Leipziger Messe GmbH has won the 2007 Leipzig Tourism Prize for its GC - Games Convention event. The Leipzig Tourist Service has been awarding the prize annually since 2002.**

Some 70 percent of Leipzig tourists come to the city for business reasons and then visit the trade fair centre or the Congress Center. The GC - Games Convention event is more international than most others held in Leipzig. 43 percent of the trade visitors now come from abroad.

The Leipzig Tourism Prize has been won in the past by Leipzig Zoo, the 2012 Olympics bid team, the 8,848 Everest 360 Degree Exhibition, Leipzig Erleben GmbH and the "A Cappella Festival for Vocal Music".

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**Please send any queries, comments or suggestions to:**

Felix.Zimmermann@mdf-ag.com, Telephone: +49 (0) 341 224 1086