

Travel Catering Research Centre Quarterly Report

Europe



October - December 2005 Forecast

Passenger Numbers by Overall Route (millions)

	Jul-Sept '05	Jul-Sept '04	% change	Oct-Dec '04	Forecast
Europe	69.26	66.67	3.90%	56.68	58.90
Intercontinental	20.00	18.92	5.70%	16.41	17.35
Total	89.26	85.60	4.30%	73.09	76.22

Passenger numbers continued to grow, with intercontinental numbers growing consistently at just above 5.5% for the last six months whereas growth in Europe has slowed from just over 5% in the last quarter to just under 4% in this quarter.

Passenger Numbers by Seat Class (millions)

	Jul-Sept '05	Jul-Sept '04	% change	Oct-Dec '04	Forecast
First	3.17	3.04	4.30%	2.60	2.71
Business	16.84	16.32	3.20%	13.94	14.39
Economy	69.25	66.23	4.60%	56.56	59.13

The rate of growth in both First and Business class passengers has slowed compared to last quarter, however, the rate of growth is still in line with the growth of overall passenger numbers.

Passenger Numbers by Carrier (millions)

	Jul-Sept '05	Jul-Sept '04	% change	Oct-Dec '04	Forecast
Air France/KLM	18.70	17.47	7.09%	15.93	17.06
Alitalia	-	6.45	-	-	-
British Airways	9.72	9.76	-0.40%	8.41	8.40
Iberia	7.65	7.31	4.71%	6.33	6.63
Lufthansa	14.20	14.04	1.05%	12.31	12.44
SAS Group	9.32	8.57	8.80%	7.64	8.32
easyJet	8.49	7.23	17.51%	6.67	7.83
Ryanair	9.48	7.42	27.77%	6.86	8.76

British Airways saw a slight decrease in traffic over this busy summer period. This is due to two reasons. Firstly, it is in part due to the events in London on July 7th and 21st which saw passenger numbers decrease by 1.3% compared to the same month last year. Secondly, the industrial dispute at BA's caterers, Gate Gourmet, affected passenger numbers for a two week period in August. This is the third summer running that BA have experienced some sort of industrial dispute during their busiest month of the year.

Travel Catering Research Centre Quarterly Report

Estimated Complimentary Meal Numbers by Route (millions)

	Jul-Sept '05	Jul-Sept '04	% change	Oct-Dec '04	Forecast
Europe (non-domestic)	22.45	18.21	23.30%	14.80	18.23
Europe – Africa	4.30	3.97	8.34%	3.75	4.10
Europe – Middle East	2.20	2.04	7.83%	1.64	1.77
Europe – Atlantic	16.15	15.46	4.45%	13.10	13.73
Far East/Australasia	6.40	5.74	11.50%	5.56	6.20
Totals	51.60	45.48	13.34%	38.91	44.10

Due to the panel of experts revised consensus on the meals served on European non-domestic flights, the forecasted increase is almost 15% higher than in previous quarters. This also is in part due to changes in meal service by airlines such as Swiss.

Headlines

British Airways

In August 2005 British Airways introduced a new and improved meal service for their younger flyers. The new options offer healthier choices and are guaranteed to include at least five portions of fruit or vegetables in every meal. British Airways sees over 1.2 million children on its flights every year and have decided to invest time and resources to this very important customer group.

Alpha Airports Group

As of April 2006, Alpha will no longer provide catering to Thomsonfly, formerly Britannia Airways.

Air France/KLM

The combined strength of the Air France/KLM network has allowed Air France to continue to target growing markets in Latin America and Asia. They will raise capacity on routes to Latin America with additional flights to Sao Paulo and a new non-stop service to Santiago three times a week. They will also maintain the services added last summer to Rio de Janeiro, Caracas, Bogota and Mexico City through the 2005/06 winter season.

In Asia, they will introduce new flights into China and open a Paris-Bangalore route with five weekly flights. Flights to Tokyo will increase to 20 per week and the service to Vietnam has now become non-stop. Additional flights will also begin on the Johannesburg route and Amman will get an additional flight per week.

Charter Airlines

The Travel catering Research Centre at the University of Surrey have recently published a report entitled 'European Charter Airlines and In-flight Catering Provision. Please contact Professor Peter Jones (p.jones@surrey.ac.uk) for further details.

Travel Catering Research Centre Quarterly Report

Explanations

Passenger Numbers by Route

The data in this table is derived from the Monthly Traffic Snapshots found on the Association of European Airlines (AEA) web pages.

% change - This compares the last full quarter of this year with the same quarter in the previous year.

Forecast - The forecast is based on the trend derived from the equivalent quarter of the previous year and the percentage change in the last full quarter.

Passenger Numbers by Seat Class

The data in this table is derived from data found on Euromonitor's web pages. The seat class data is defined by country and is then applied to the major carrier for that country.

Passenger Numbers by Carrier

The data in this table is derived from the individual carrier's websites.

% change – Please see above.

Forecast – Please see above.

Estimated Complimentary Meal Numbers by Route

The data in this table is calculated by taking the total passenger numbers provided by the AEA (this specifically excludes budget airlines and charter passenger numbers) and applying a multiplier to provide an estimate of the total number of meals provided to passengers. The multipliers used are based upon consensus meal values agreed upon by a panel of experts and are subject to change on a monthly basis.

% change – Please see above.

Forecast – Please see above.