

# | N° 12 Mar 19, 2012 | AWAT

## Air Cargo Weekly Activities and Trends

**Infrastructure** Leipzig received Award of Air Cargo Excellence  
**Carriers** A new shareholder for Air Cargo Germany?  
**Infrastructure** Lower Capacity reduces FRA February volume  
**Economy** Rates out of China soar as iPads take off



# Aircargo Weekly Activities & Trends

March 19, 2012

## Communications 2.0 - Time to save

Dear Reader,

Communications in air cargo is often criticized because of its old and expensive to operate legacy systems.

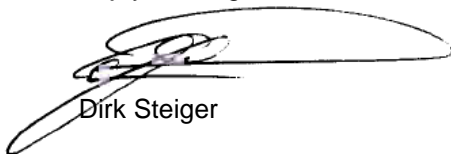
With the new system as presented by EDIfly, the air cargo community will be able to bundle various legacy systems such as IATA's B and X, EDIFACT or XML under this new system and to use the latest technologies from the internet. Especially IATA Type B messages can be provided highly reliable and much cheaper than offered by legacy providers such as ARINC or SITA."

We understood that the number of customers is growing, especially in high volume markets such as Hong Kong or Thailand. Innovative Software's Ingo Roessler is confident that the rapid growth of the company will connect more than 100 partners that will use EDIfly by the end of this year.

There's no doubt that industry professionals understand the full capabilities and value of such a seamlessly integrated solution that will bring communications in our industry to Internet standards and therefore offer huge saving potentials that can be re-invested into faster response times and improved customer care.

While the world is talking about the latest iPad 3 roll-out or cloud technologies, it seems that EDIfly will bring the air transport community to such standards soon.

Enjoy reading,



Dirk Steiger

## IMPRINT

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### About AWAT:

The weekly aviainform AWAT Air cargo Weekly Activities and Trends newsletter is a summary of the most important developments in the airfreight industry. In order to find the really important and relevant information, we regularly review more than 90 different source media. After we faced the fact that the very same message appears multiple times, it is understood that the only purpose of many of these “free of charge” offered newsletter is to spread corporate press releases. In addition we would like to inspire our readers, in particular co-workers of airlines to also understand topics of the sea freight, since this has frequently effects on their own (airfreight) business. Finally we appreciate your input at anytime to make such news valuable to you. Write to us or call us. We'll listen.

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## Infrastructure - Fraport Reports Strong Traffic and Financial Performance in 2011

Strong growth again characterized Fraport AG's traffic and financial results for fiscal year 2011.

Serving 56.44 million passengers in 2011, Fraport's Frankfurt Airport (FRA) home base set a new annual passenger record and registered a 6.5 percent gain year-on-year. Fraport's majority-owned airports around the world recorded a 9.1 jump in traffic to 96.63 million passengers, thus continuing their dynamic contribution to the Group's success.

"Once again, our good traffic performance had a positive effect on the Group's financial figures," said Fraport AG executive board chairman Dr. Stefan Schulte. "The operating result or EBITDA (earnings before interest, tax, depreciation and amortization) rose by approximately 13 percent to €802.3 million. This clearly exceeded the previous record figure of €711 million in 2010. The Fraport Group's €250.8 million profit decreased by 7.6 percent year-on-year, but - adjusting for the release of tax provisions in 2010 - the underlying profit actually increased by €60 million. In 2010, an €80 million one-off release in tax provisions was included in the Group result of about €272 million. In 2011, Group revenue rose by eight percent to €2.37 billion."

External Activities, one of Fraport's four business segments, continued to show a steady upward trend - contributing 20 percent to Group revenue and almost 32 percent to EBITDA. "Fraport's majority-owned airports in Lima, Peru, and Antalya, Turkey, as well as our two Bulgarian airports in Burgas and Varna, again achieved excellent performance in 2011. Revenue for this segment climbed by 13 percent to €496.1 million, while EBITDA rose by six percent to €254.7 million," said Schulte.

The Aviation and the Retail & Real Estate segments also reported strong growth in 2011. The Aviation segment benefited from higher proceeds from airport charges - due to greater traffic volumes and price effects - with the segment's revenue advancing by 11.7 percent to €774.9 million. Revenue for the Retail & Real Estate segment soared by more

than 10 percent to €444.7 million in the reporting year. Effective cost management enabled the Ground Handling segment to achieve a strong increase in results, despite the revenue decline experienced in freight handling activities and deicing services.

Thus, total revenue for the Ground Handling segment fell slightly by 0.5 percent to €655.5 million, but the operating result surged by 23.6 percent to €54.5 million.

For 2012, Schulte expects passenger traffic growth at FRA to be under four percent - particularly because of the impact of strikes in connection with the wage conflict between the GdF union and Fraport. Revenue is expected to exceed €2.5 billion, while EBITDA is forecast to increase by at least five percent. Because of the strong financial results in 2011, Fraport AG's executive and supervisory boards will recommend to the annual general meeting (AGM) on May 11 that the dividend be maintained at €1.25 per share.

Source: Fraport, Mar 11, 2012

## Infrastructure - Lower Capacity reduces FRA February volume

February results in air cargo at FRA airport has been 8.5 per cent below the same month of previous year.

Total tonnage handled at Germany's leading airfreight hub was 161.129 tons, approx. 15.000 tons less compared to February 2011. Airmail volume increased by 7.1 per cent to 6.024 tons.

The expected weakening of global demand resulted in a decreased cargo volume on most markets: North America (-12.7%); Latin America (-16.4%); Europe (-11.3%) or Middle East (-19.8%). In contrast, freight volume to/from Asia/Pacific was down by -1.6 per cent only, a result basically caused by the changed period of the Chinese New Year.

Consequently air carriers have reduced capacity whereas a reduction of -10.1 per cent in full freighter capacity reduced FRA's share of "all cargo load" to 58.3 per cent (-0.9%). The number of full freighter movements was



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down -10.8 per cent. This figure includes all freighter flights of Lufthansa Cargo that have been moved out of Frankfurt since the night ban.

Source: Fraport, Mar 12, 2012

## Infrastructure - Leipzig received Award of Air Cargo Excellence

The German airport of Leipzig Halle (LEJ) has received the prestigious Air Cargo Excellence Award during the IATA World Cargo Symposium in Kuala Lumpur.

In the category "400.000 to 999.000 tons", Leipzig was able to get ahead of strong finalists from Brussels, Cologne, Istanbul, Liege and Luxembourg. The election was made by the readers of Air Cargo World that are employed only by air carriers.

The airport is the European home and main HUB for DHL Express and has meanwhile grown to be Germany's 2nd largest airport after Frankfurt and ahead of Cologne and Munich.

Source: Leipziger.de, March 16, 2012

## Economy - Rates out of China soar as iPads take off

Shippers in China are reportedly struggling to find freight capacity for their shipments, particularly by air, as computer giant Apple has been buying up available space to ship stocks of its new iPad 3 to stores in the US.

Shipping rates have increased by 20% in one week, as rumours spread that the next-generation iPads were on their way to the US from Chinese plants under strict security. Shipping representatives for regular exporters are reporting that they can't ship their products, as air freight companies like DHL are overwhelmed with consignments of iPads.

In an interview with IFW Editor Mike Weir last week, IAG Cargo MD Steve Gunning said British Airways World Cargo was aware of increased Apple shipments out of China. He

said: "I think there will be strong volumes in some of the hi-tech goods. The iPad3 is already starting to move and iPhone 5 is, I think, coming out in August."

One shipping representative told website MacRumors that his freight broker in China had found it difficult to find space for his company's shipments, with shipping rates rising 20% in one week as Apple snapped up available capacity at premium rates. Another shipping manager reported having "to scramble to find alternatives" for moving products overseas.

Apple has made it known that a major announcement will be made at 6pm (UK) today from its headquarters in Cupertino, California, and there is mounting evidence that the new iPad may be available very soon after the launch.

In 2010, Apple fans had to wait more than a week after the announcement of the iPad 2 to buy the first devices. Bloggers are suggesting that for this release, Apple may allow pre-ordering by its customers. Apple had sold 55 million iPads round the world by the end of 2011.

Source: IFW, March 12, 2012

*Note: Start of sale of the iPad 3 will be March 16, 2012. In our home market (Germany), the iPad 3 will start at EUR 479,- while the past version is now down to EUR 399,- We'd like to remind our readers that this NotePad has a similar CPU capacity like your desktop back in 2005 when Intel launched the first Dual-Core CPU. The graphic CPU (Quad core) is equivalent to what has been in your desktop PC back in 2007,,,! And all at a net weight of 0,65 kilogram....;*

*At this net weight (0.65 kg) it is estimated that the iPad3 including packaging will be around 1.0 kilogram. At such a ratio of value vs. charges we don't wonder that Apple even will pick higher airfreight charges....(ds) - More details to be found at [www.apple.com](http://www.apple.com)*

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## Carriers - A new shareholder for Air Cargo Germany?

Russian news agencies are reporting that Volga Dnepr, parent of ABC AirBridge Cargo Airlines, plans to buy into German all-cargo Carrier Air Cargo Germany ACG.

At present the German Anti-Trust Department (Bundeskartellamt, see file B9/27-12) is evaluating this deal whereas Volga Dnepr through its Netherlands-based subsidiary Volga Dnepr Logistics B.V., plans to buy a share of 49% in Air Cargo Germany.

ACG is based at Hahn airport and currently deploys a fleet of four Boeing 747 freighters. Russian ABC AirBridge Cargo airlines operates too a large fleet of Boeing 747 freighters and could benefit from an European carrier status, once the application with the "Kartellamt" has been proven successful.

Source: various, March 12, 2012

## Infrastructure – EDIfly introduced to India

Allied Aviation has become the launching customer for low cost messaging system EDIfly.

EDIfly allows IATA Type B, IATA Type X, EDIFACT and XML messages to be sent directly, reliably and securely over the public internet using state of the art cryptography. It guarantees delivery of messages in correct sequence and respecting message priorities, using content aware compression algorithms to minimize bandwidth utilization. It provides a Unified Messaging solution for IATA Type B messages using any standard email client.

Allied Aviation is a leading provider of GSA and BPO solutions in India and expects massive savings especially from bundling EDI messaging such as IATA B, IATA X, EDIFACT or XML under this new solution that is already in use by some major carriers and ground handling providers, especially in Asia.

In an interview with Indian Transport and Logistics News, Ingo Roessler, COO at Innovative Software Solutions (Luxembourg)

said: "We have signed Cargolux as our launching customer and are currently rolling out some 20 major ground handling companies in Asia, in particular in Hong Kong and Thailand. We expect to connect over 100 partners by the end of 2012" he concluded.

Vinod Seth, CEO of Allied Aviation stated "We will represent EDIfly in India, Bangladesh, Nepal, Sri Lanka and Mauritius and expect to build a large base of customers soon".

Source: ITLN, March 12, 2012