

Mid-year update – 6 months ended 30 June 2009

Activity

London City Airport and the aviation industry more widely are often viewed as indicators of general economic conditions and after many years of growth at the airport it has not remained immune to the current economic climate. In the six months ended 30 June 2009 the airport handled 1.4m passengers compared to 1.6m in the same period in the prior year, a reduction of 14 per cent. Corporate aviation movements handled by the airport have been more severely impacted falling 28 per cent from 5,317 in 2008 to 3,844 in the first half of 2009.

Developments

During the first half of the year there have been a number of changes to routes and route frequencies as airline operators have adapted their schedules to meet the expected demand in the tighter economic conditions in 2009. Principal service additions in the six months to June 2009 have been Billund (Sunair/British Airways), Isle of Man (Aer Arann), Plymouth & Newquay (Air SouthWest) and Nantes (CityJet). Services that have ceased in the same period are Dublin (British Airways), Berlin (Lufthansa), Oslo (SAS), Geneva (CityJet), Stockholm (SAS) and Manchester (VLM), although Dublin and Geneva continue to be well served by CityJet and Swiss International respectively. Additionally British Airways will be commencing an all-business service connecting London City Airport and New York JFK at the end of September.

During 2008 the airport completed a significant investment programme to construct the new aircraft stands, pier and gate lounges on the eastern apron together with the extension of the departure lounge in May 2008. The airport has continued its investment programme in the first half of 2009 completing the refurbishment of the other existing departure lounge areas to enhance the facilities available for passengers. Looking forward the recently announced programme to expand the central search area represents a further significant investment in the facilities at the airport supporting our strategy to provide a high quality service to all passengers at the airport.

In July 2009, the London Borough of Newham approved the airport's planning application, increasing the number of permitted flight movements from 80,000 to 120,000 per annum.

Future prospects

After 21 years of operation the airport is now a well established business and is well placed to weather the current economic downturn. Whilst the general economic outlook does point to limited growth in overall aviation traffic in the near term the airport will continue to develop new facilities and offerings and to raise the profile of the airport to attract new business, such as the new British Airways service to New York JFK. These developments will also position the airport favourably to deal with future growth as the economy recovers.