



TRAFFIC DEVELOPMENT POLICY 2018



GUIDELINES



Target

The Traffic Development Policy aims at ATTRACTING INCREMENTAL TRAFFIC to our airport. The incentive system hereafter exposed is conceived to be a guideline for such development, to regulate it according to TRANSPARENT, FAIR, NON-DISCRIMINATORY PRINCIPLES, and to meet with PRIVATE INVESTORS' REQUIREMENTS, MAKING THE BEST POSSIBLE USE OF THE AIRPORT INFRASTRUCTURES and promoting an ENVIRONMENTALLY SUSTAINABLE TRAFFIC DEVELOPMENT.

Bologna Airport only uses its own revenues and private balance sheet resources to support this incentive system, bearing in mind **each single case needs to be previously assessed as regards its economic sustainability and profitability.**

System

- ✓ TRANSPARENT
- ✓ FAIR
- ✓ NON DISCRIMINATORY
- ✓ MEETING WITH COMPANIES' AND PRIVATE INVESTORS' REQUIREMENTS OPERATING UNDER NORMAL MARKET ECONOMY
- ✓ ORIENTED TOWARDS INCREMENTAL TRAFFIC
- ✓ EASILY ACCESSIBLE
- ✓ WELL DEFINED IN TIME
- ✓ THE MORE IMPORTANT INVESTMENTS ARE, THE MORE AWARDING THE SYSTEM IS
- ✓ SPECIALLY FOCUSED ON STRATEGICALLY RELEVANT INITIATIVES
- ✓ ENVIRONMENT ORIENTED

Parameters

The parameter to accord incentives is a pre-fixed AMOUNT multiplied by the NUMBER OF REVENUE DEPARTING PASSENGERS (DEPAX) taken as valid and responding to the standards required in that case.

The incentive amount is granted:

- "EX POST", i.e. at the end of EACH IATA SEASON referred to as in the contract
- after it has been VERIFIED that all the REQUIREMENTS and contractual OBLIGATIONS are fulfilled
- The incentive for CHILD departing passenger is LOWER than the adult departing passenger .

An additional one-off support can be accorded in case of strategic markets / routes

Bologna Airport shall at all times reserve the right to evaluate the sustainability and the profitability of any incentive program

Validity

The present incentive program substitutes each former program from the date of its publication on Bologna Airport's website. Bologna Airport reserves the right to rectify this Policy at any time and at its own discretion.

GENERAL TERMS OF APPLICATION



- ✓ Bologna Airport regards the concept of free entrepreneurialship as essential, evaluating case by case the economical sustainability and the proper profitability.
- ✓ The potential beneficiary of the incentive program is an air carrier (with a regular certification issued by Aviation Authorities, not included in black list) or, in limited cases, a tour operator.
- ✓ The incentive program will not concern the air routes for which public service obligations are laid, pursuant to Article 4 of Council Regulation (EEC) No 2408/92 of 23 July 1992 on access for Community air carriers to intra-Community air routes.
- ✓ The incentive program will be applied only on the basis of an underlying contract signed by both parties.
- ✓ Incentives per each revenue departing Child passenger shall at all times be 50% of the departing adult passenger incentive.
- ✓ A minimum of 80% of planned flights should be operated for each IATA Season.
- ✓ Punctual and regular payments, as fixed in the signed contract, are essential conditions.

MARKETING ACTIVITIES

AEROPORTO GUGLIELMO MARCONI DI BOLOGNA S.p.A. reserves the faculty to promote passenger traffic and activities through marketing and co-branding initiatives, according to what agreed by the parties.

In this case, the Airlines participating in in the promotional programs, proposing and sharing marketing activities, authorize AEROPORTO GUGLIELMO MARCONI DI BOLOGNA S.p.A. to use their names, brands and logos in order to commercially promote the passenger traffic.



Access to the incentive program

Any subject interested in the present incentive program can contact our Aviation Business Department (Mr. Antonello Bonolis; e-mail: aviationbusiness@bologna-airport.it).

A Carrier which has incurred into relevant irregularities about scheduled operations, planned flights, remittance of airport charges and fees or into contractual breaches or, any subject which has caused a severe damage to the Airports or to the Managing Companies, may not be admitted to the incentive program.

A subject trying to apply the present incentive program in a way contrary to the Good Faith or trying to misuse the incentive program or to make an illegal use of it, will not be accorded the incentive program.



- 1) NEW SCHEDULED ROUTES
- 2) EXISTING SCHEDULED ROUTES
- 3) SEASONAL INCOMING ROUTES
- 4) MULTIPLE ROUTE DEVELOPING PLANS
- 5) LONG – HAUL ROUTES

1) NEW SCHEDULED ROUTES



RANGE OF APPLICATION

Start-up of new scheduled connections, having at least 1 WEEKLY ROTATION (1/7).

By NEW ROUTES we mean the destinations that are not being served with direct scheduled (*) flight.

(*) No charter flights

ADDITIONAL TERMS OF APPLICATION

The Carrier is granted incentives per revenue departing passenger (DEPAX)

Duration of the incentive scheme: up to the first 3 years of operations (6 IATA seasons)

The route has to be confirmed for the following IATA season

INCENTIVE SCHEME

Incentives may vary according to the strategic relevance of the connection and its total traffic volume.

Incentives per DEPAX could be increased during Winter IATA Seasons in case of relevant seasonality of the route.

In case of highly seasonal or domestic routes, it is possible to exclude the confirmation of the route for the following IATA Season (see above paragraph “additional terms of application”).

Summer Seasonal routes operated during the IATA Winter Season will be entitled to the New Scheduled Route incentive for the IATA Winter Season only.

2) EXISTING SCHEDULED ROUTES



RANGE OF APPLICATION

As regards the existing routes, the incentive system is only applied to the scheduled (*) INCREMENTAL TRAFFIC.

By INCREMENTAL TRAFFIC we mean the difference between the number of DEPAX from BLQ, transported by a single Airline, to a given destination / s (i.e. the global offer of the airline), within a given period of time, and the number of passengers transported by the same Airline to the same destination /s within the same period of time during the corresponding previous IATA Season (Summer VS Summer/ Winter VS Winter)

(*) No charter flights

Three different options:

1) IMPROVING DUE TO A NEW ENTRANT

A new Carrier starts operating to an already-existing route, scheduling at least 2 weekly rotations (2/7), confirmed at least for 2 consecutive IATA seasons.

2) IMPROVING FREQUENCIES

A Carrier already operating the route at BLQ increases its schedules by at least 1 weekly rotation (+1/7) or more than 20% on the global offer during an entire Season (in case of more destinations) , as compared with the same IATA season of the previous year (Summer VS Summer / Winter VS Winter).

3) IMPROVING CAPACITY

A Carrier increases the amount of offered seats by over 20% on the same route as compared with the same IATA season, as a consequence of aircraft change (Summer VS Summer / Winter VS Winter).

If the number of passengers increases only as a consequence of an increased load factor, no incentive contribution will be accorded

2) EXISTING SCHEDULED ROUTES



ADDITIONAL TERMS OF APPLICATION

- ✓ The Carrier is granted incentives only per revenue incremental departing passenger (incremental DEPAX)
- ✓ Duration of the incentive scheme: up to 1 year (two IATA SEASONS)
- ✓ The route has to be confirmed for the following IATA season

INCENTIVE SCHEME

Incentives may vary according to the strategic relevance of the connection and its total traffic volumes:

It is possible to exclude the confirmation of the route for the following IATA Season (see above paragraph “additional terms of application”) in case of :

1. highly seasonal routes,
2. high - density routes (already operated by the same Carrier with a minimum of 21 weekly flights)
3. domestic routes

Incentives per DEPAX could be increased during Winter IATA Seasons in case of relevant seasonality of the route.

3) SEASONAL INCOMING ROUTES



RANGE OF APPLICATION

Routes program mainly dealing with tourist incoming traffic (*) .

By SEASONAL INCOMING ROUTES we mean the flights to BLQ operated with a direct connection (*) coming from the following countries:

Armenia - Azerbaijan - Belarus - Bosnia – Herzegovina - Croatia - Denmark - Estonia
Finland - Georgia - Iceland - Israel - Kosovo - Latvia - Luxembourg - Lithuania
Macedonia - Montenegro - Norway - Russia - Serbia - Sweden - Ukraine

ADDITIONAL TERMS OF APPLICATION

- ✓ The Carrier is granted incentives per revenue departing passenger (DEPAX)
- ✓ Duration of the incentive scheme: up to 1 year (two IATA SEASONS)
- ✓ No less than 12 rotations should be operated

INCENTIVE SCHEME

Incentives may vary according to the strategic relevance of the connection and its total traffic volumes:

In case of flights in which the large majority of seats are sold under an allotment agreement, the incentive may be granted either to the airline or to the tour operator

(*) Charter flights admitted

4) MULTIPLE ROUTE DEVELOPING PLANS



For its peculiar commercial and operative features, a different AD HOC incentive scheme is conceived for HIGH PASSENGERS' VOLUMES, considering their primary strategic importance.

By HIGH PASSENGERS' VOLUMES we mean passengers volumes transported by a single carrier (*) in one year (as reported below). The present plan may be granted to scheduled carriers able to share multiyear traffic development plans with HIGH PASSENGERS' VOLUMES in a wide range of destinations. The incentive plan may be accorded for this particular case, on the basis of the strategic importance of the airline, of its connection and its total traffic volumes. It is intended to be sustainable during the period covered by the agreement. In this case an incentive scheme related to traffic targets may be accorded.

(*) The Plan is not conceived for groups of airlines, but only with reference to single carrier.

Minimum conditions for the access:	Minimum of yearly passengers traffic	Number of routes	Duration of the agreement	Type of incentive
A. HIGH	2.000.000	20	Up to 10 years	per revenue departing passenger (DEPAX)
B. MEDIUM	400.000	8	Up to 5 years	per revenue departing passenger (DEPAX)
C. LOW (**)	100.000	4	Up to 2 years	per INCREMENTAL revenue departing passenger (DEPAX)

(**) In this case the airline has to prove an increased global offer of over 25%, compared with the currently - operated program.





5) LONG – HAUL ROUTES

By LONG-HAUL CONNECTIONS we mean all the scheduled flights reaching destinations outside Europe (*) and countries outside the MEDITERRANEAN BASIN. (See annex 1) . For its peculiar commercial and operative features, a different incentive scheme is conceived for long-haul connections, considering their primary strategic importance.

(*) Canary Islands are included in Europe

Incentives may vary according to the strategic importance of the connection and its total traffic volumes:

A Business Plan must be shared in advance with the carrier, and it should respect the principles reported below :

-  the incentive program is intended to be sustainable and decreasing
-  the Airport should reach the break-even point by the end of the operations

LONG – HAUL ROUTES may have a multi-year or a seasonal duration and the incentive plan will be accorded for this particular case, on the basis of the strategic importance of a connection and its total traffic volumes.

TYPE OF LONG – HAUL FLIGHTS		Minimum number of operations	Duration of the agreement	Type of incentive
A. MULTIYEAR		2 weekly rotations (2/7)	Up to 5 years	per revenue departing passenger (DEPAX)
B. SEASONAL	1. INCOMING	8 turn-arounds	Up to 3 years	per revenue departing passenger (DEPAX)
	2. OUTGOING	12 turn-arounds	Up to 3 years	per revenue departing passenger (DEPAX)

ANNEX 1 - EUROPE AND MEDITERRANEAN BASIN



COUNTRIES:

Italy	Netherlands
Albania	Norway
Algeria	Poland
Austria	Portugal (including Azores and Madeira)
Belarus	Romania
Belgium	Russia
Bulgaria	Serbia
Croatia	Slovakia
Cyprus	Slovenia
Czech Republic	Spain (including Canary Islands)
Denmark	Sweden
Egypt	Switzerland
Estonia	Syria
France	Tunisia
Finland	Turkey
Germany	Ukraine
Greece	United Kingdom
Hungary	
Ireland	
Iceland	
Israel	
Jordan	
Latvia	
Lebanon	
Lithuania	
Lybia	
Luxembourg	
Macedonia	
Malta	
Moldova	
Montenegro	
Morocco	



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