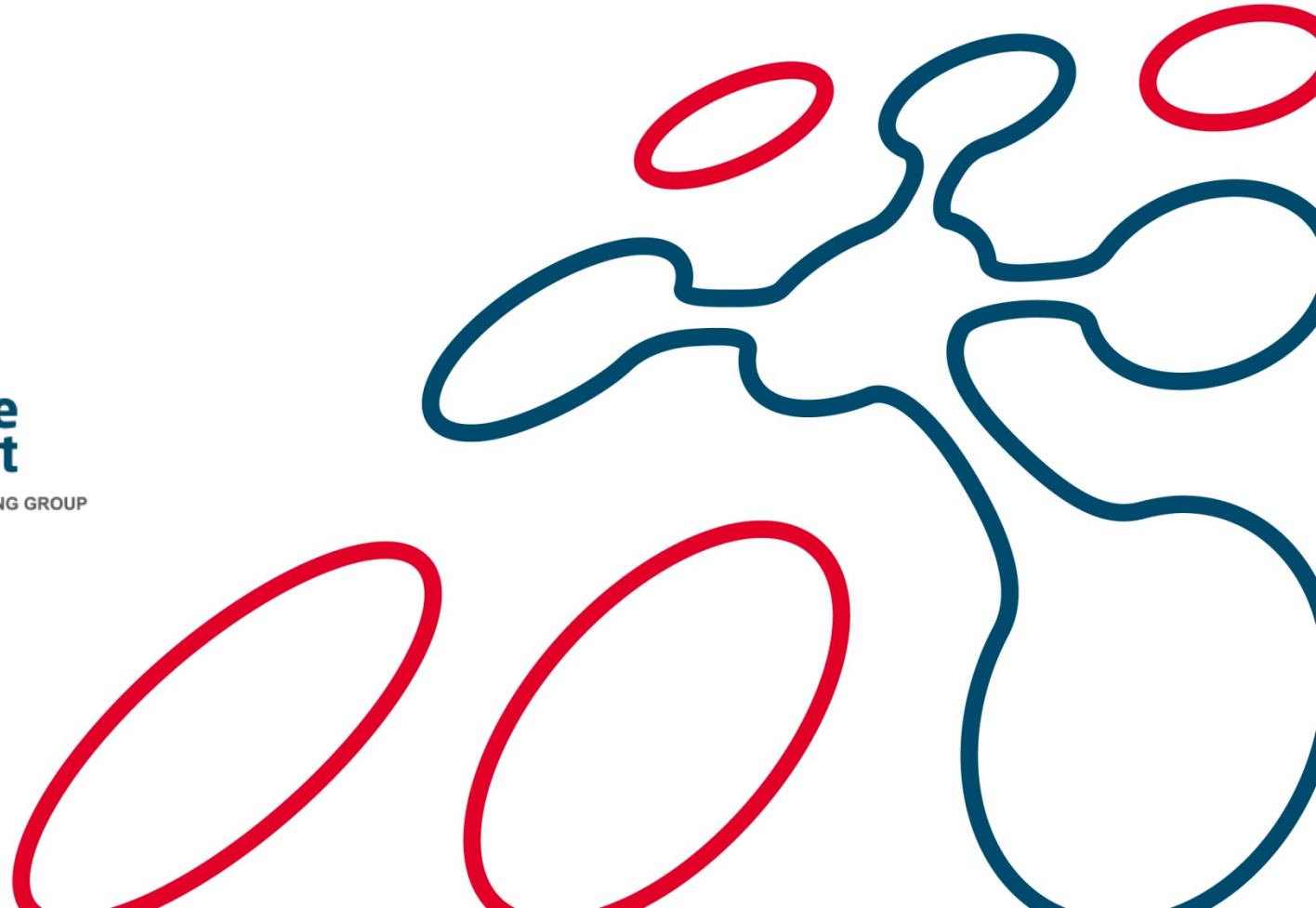
AIR ROUTE FEASIBILITY STUDY

PEOPLE‘S REPUBLIC OF CHINA - PRAGUE ROUTE

Prague Airport
CZECH AEROHOLDING GROUP



CONTENT

- STUDY FOR NEW ROUTE DEVELOPMENT
- AIRLINE DECISION MAKING PROCESS
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STUDY FOR NEW ROUTE DEVELOPMENT

- TRAFFIC RIGHTS
- VISA APPLICATION SYSTEM
- DEMAND FOR TOURIST TRAVEL
- ECONOMY AND TRADE
- AIRLINE AND AIRPORT CAPACITIES
- SUPPORT FROM THE GOVERNMENT AUTHORITIES
- SUPPORT FROM OTHER INDUSTRY STAKEHOLDERS

AIRLINE DECISION MAKING PROCESS

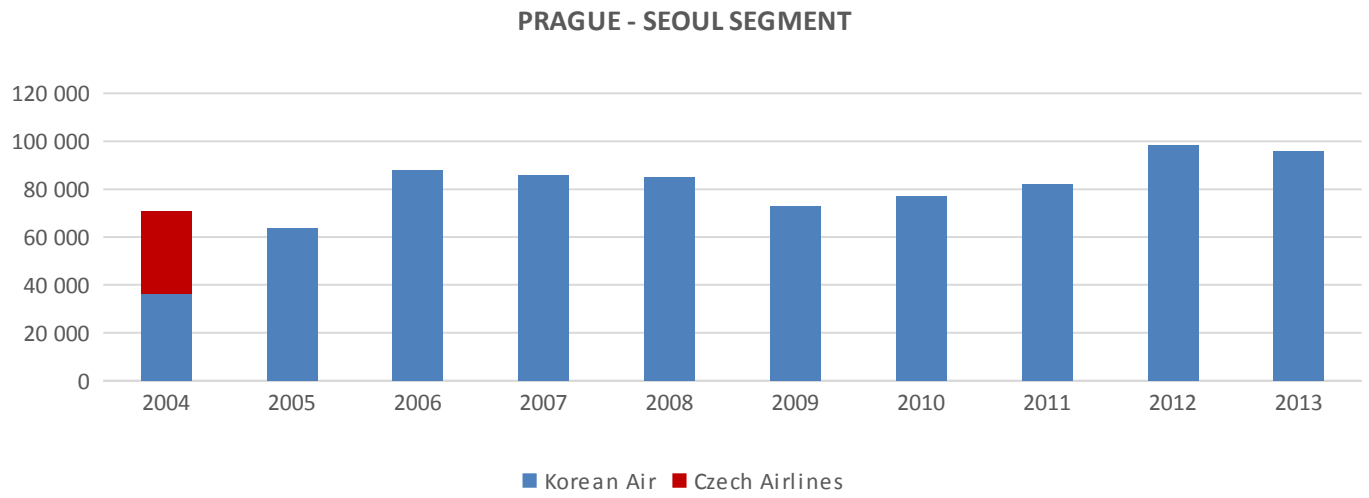
- DETAILED MARKET ANALYSIS
- REVENUE VS. OPERATIONAL / TOTAL COSTS
- LONG-HAUL ROUTES GENERATES VERY HIGH INVESTMENT RISK – MIN. 30 MIL. EUR ANNUALY
- COMMERCIAL COOPERATION – RISK SHARING
- AIRPORT INCENTIVE PROGRAM
- MARKETING SUPPORT FROM KEY STAKEHOLDERS
- ECONOMY AND TRADE

SEOUL – PRAGUE ROUTE 10 YEARS DEVELOPMENT

AIRPORT SEGMENT DATA

SEGMENT SEOUL/ICN - PRAGUE

Carrier	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Korean Air	36 237	63 663	87 997	85 886	84 871	72 710	77 088	82 027	98 378	95 849
Czech Airlines										34 500
Total segment	**36 237**	**63 663**	**87 997**	**85 886**	**84 871**	**72 710**	**77 088**	**82 027**	**98 378**	**130 349**
Y/Y Change		75,7%	38,2%	-2,4%	-1,2%	-14,3%	6,0%	6,4%	19,9%	32,5%



PEOPLE‘S REPUBLIC OF CHINA - PRAGUE ROUTE POTENTIONAL DEVELOPMENT

- EXTENDED TRAFFIC RIGHTS UP TO 4 DESTINATIONS AND 14 WEEKLY FREQUENCIES
- VISA SERVICE CENTERS MODEL WILL BE IMPLEMENTED BY APRIL 2015 – STANDARD EU MODEL WITH SUFFICIENT CAPACITY
- PROVEN AND GROVING DEMAND FOR TOURIST TRAVEL – 164.000 VISITORS FROM CHINA IN 2013 (79.000 IN 2010)
- PRAGUE IS ALSO IDEAL GATEWAY TO CENTRAL EUROPE
- GROWING TRADE VOLUME – 1.4 BIL EUR IN 2013 , ANNUAL INCREASE +11%

- STRONG SUPPORT FROM GOVERNMENTS ON BOTH SIDES IS CONFIRMED
- PRAGUE AIRPORT FINALIZED DETAILED MARKET STUDY ON SHANGHAI – PRAGUE AND BEIJING – PRAGUE ROUTES PROVING SUFFICIENT PASSENGERS AND REVENUE POTENTIAL
- PRAGUE AIRPORT PREPARED INCENTIVE PROGRAM IN TOTAL VALUE OF 1.350 000 EUR
- CZECH TOURISM AND CITY OF PRAGUE ARE ALSO READY TO SUPPORT FINNANCIALY PROMOTIONAL CAMPAINGS FOR NEW ROUTE

PEOPLE‘S REPUBLIC OF CHINA - PRAGUE ROUTE POTENTIONAL DEVELOPMENT

- PRAGUE AIRPORT CAPACITIES ARE AVAILABLE INCLUDING FACILITIES FOR LARGEST WIDE-BODY AIRCRAFTS
- PRAGUE AIRPORT IS READY TO MODIFY PASSENGERS PRODUCT FOR CHINESE TOURISTS - SIGNAGE AND WEB SITE IN CHINESE LANGUAGE, ASIAN FOOD PRODUCTS ETC.
- OPTIMAL START-UP CONCEPT IS 4 WEEKLY FREKVENCIES DURING SUMMER SEASON, 3 WEEKLY FREQUENCIES IN WINTER SEASON

PEOPLE‘S REPUBLIC OF CHINA - PRAGUE ROUTE POTENTIONAL DEVELOPMENT

- SEP-OCT 2014 IS THE FINAL PERIOD OF AIRLINE DECISSION MAKING PROCESS FOR OPENING NEW ROUTE IN SUMMER 2015 (MAY-JUN)
- RIGHT NOW IS VERY IMPORTANT TO LEAN THE EFFORTS OF ALL STAKEHOLDERS AND HELP THE AIRLINE MAKE RIGHT DECISSION
- „A JOURNEY OF THOUSAND MILES BEGINS WITH SMALL STEP“ *(OLD CHINESE PROVERB)*
- LET´S STEP OUT!


THANK YOU FOR YOUR
ATTENTION