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HungaroControl: record high air traffic

Further increase expected in 2015

In 2014 HungaroControl's air traffic controllers navigated a record high number - nearly 750,000 - of aircraft. The primary reasons behind the outstanding traffic data include the events in Ukraine, and the re-opening of the upper airspace over Kosovo. The Company's 2014 revenue was HUF 32.11 billion and this figure is expected to exceed HUF 34 billion in 2015.

In 2014 HungaroControl navigated 700,818 aircraft in the Hungarian airspace, which means an 11.5 percent growth compared to the 2013 traffic data. The number of overflying planes gradually increased as a result of the international events, while the decline seen in the previous years in the number of arrivals and departures came to a halt. Due to these tendencies the traffic last year exceeded the data recorded a year earlier by 3.36 percent. Another reason behind the increase is that between its re-opening on April 3, 2014 and mid-May 2015, Hungarian ATCOs navigated nearly 70 thousand civil aircraft in the upper airspace over Kosovo. Due to the implementation of this remote service that is unprecedented in the world, HungaroControl's total revenue reached HUF 1.43 billion, which the Hungarian service provider received through EUROCONTROL (European Organisation for the Safety of Air Navigation) from the airlines according to the rules of the European system for the settlement of air navigation charges. As a result of the considerable traffic increase, HungaroControl closed a successful year in 2014 with revenues amounting to HUF 32.11 billion and a balance-sheet profit of HUF 1.52 billion.

According to this year's data, this massive traffic increase will continue. In the first five months of 2015, the number of aircraft controlled by Hungarian ATCOs increased by 16 percent compared to the same period of the previous year. The traffic that started to soar last summer in the wake of the Ukrainian events is expected to have its effects up till mid-July this year, and then the growth rate of the overflying traffic in the Hungarian airspace will change in line with flight seasons.

Another factor that can contribute to the traffic increase is that HungaroControl was the first in Europe to abolish the complete air route network and introduce the traffic organisation concept HUFRA (Hungarian Free Route Airspace), which enables airlines to use the Hungarian airspace freely, without any restrictions. The concept developed by HungaroControl enables more profitable aircraft operations, and allows flights to keep the scheduled flight times. Due to these benefits of HUFRA, flights have

appeared between entry and exit points in the Hungarian airspace for which no route had been designated previously. HungaroControl's experts also expect the appearance of flights to new holiday destinations along the Adriatic coast (Split, Podgorica etc.) as well during the summer season. According to the forecasts, traffic may increase by nearly 25 percent in the upper airspace over Kosovo in 2015.

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About HungaroControl

Due to its state-of-the-art technology and cutting-edge developments and services, HungaroControl Magyar Légiforgalmi Szolgálat Zrt is one of the most accurate, most efficient and most reliable service providers in international aviation, and an active regional initiator and co-operating partner of the European Union's integration efforts under the Single European Sky.

According to EUROCONTROL's statistical data and forecasts, the number of flights in Europe is 10 million per annum, and in the next 20 years this figure may even double. During the past few years HungaroControl has launched several significant projects to improve its air navigation services, guarantee the safe management of the increasing air traffic, and promote the imminent success of the integration undertaken by the European Union.

Due to its continuous innovation and the application of the results of its research and development, HungaroControl has an outstanding role in Europe in flight safety improvements, capacity increases, reduction of airline costs and increased environmental protection. As a result of combined efforts and on commission from NATO, since 3 April 2014, HungaroControl has been managing civilian air traffic overflights in the upper airspace over Kosovo. In February 2015 HungaroControl was the first to adopt Free Route Airspace use without any limitations in Hungary's entire airspace, well before the deadline set by the European Commission.

In addition to improving its traditional air navigation services and technical and technological background, one of HungaroControl's strategic objectives is the establishment of a Central European air navigation knowledge centre in joint effort with its partners. The 2013 implementation of its new, state-of-the-art air navigation centre enabled HungaroControl to relocate its businesses engaged in innovation in a single place, in the building of a former ANS. The establishment of a knowledge centre is justified by increasing international market demand for research and development, simulation and training to support air navigation, which is partly generated by European integration and the objectives related to the functional airspace blocks. On the initiative of HungaroControl Zrt, the regional air navigation knowledge centre will be set up with the involvement of the Hungarian universities and institutions engaged in aviation sector innovation.

The purpose of HungaroControl's capital investment projects is to enable the Central European Functional Airspace Block (FAB CE), a regional co-operation of seven Central European countries, to provide competitive services and operate at the highest technical and technological standard.

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