Newcastle™
Airport

Current airlines

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Jetstar

Melbourne, Brisbane, Gold Coast

> Effective 25 October Melbourne reduces from three to two daily
> Four times daily Brisbane
> Daily Gold Coast

Virgin blue

Melbourne, Brisbane, Gold Coast

> Stable schedule
> Daily Melbourne
> Double daily Brisbane
> Three services per week to Gold Coast

QANTASLINK

Brisbane

> Three times daily service

Current airlines

Newcastle Airport

BRINDABELLA Airlines

Canberra
> Consistent loads

Port Macquarie - Coffs Harbour - Brisbane
> Service suspended

AEROPELICAN

Sydney
> Consistent loads
> Additional aircraft purchased
> Regional services ex SYD expanded to include Mudgee and Narrabri

NORFOLKAIR

Norfolk Island
> Service recommenced September after winter break

2009 estimate
1.2 million passengers

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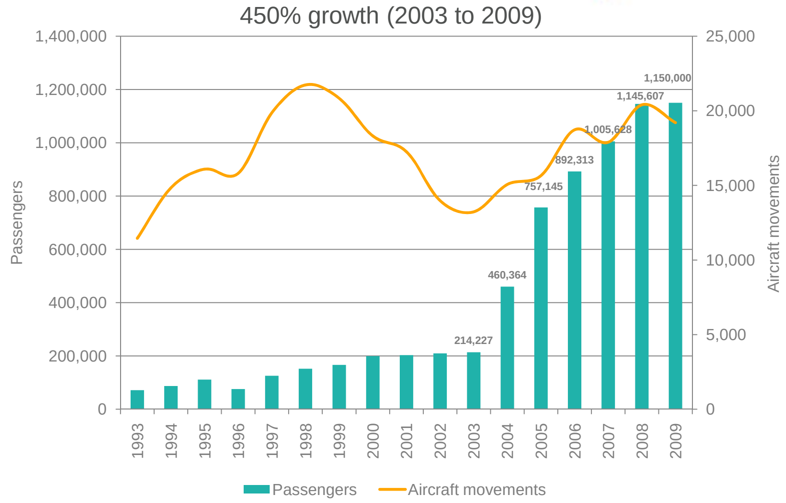

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Passengers (YTD) 2008 v 2009

- Passengers Jan-Sep:
  - 2008 - 836,110
  - 2009 - 844,594
- Year on year growth of 1%
- Average load factor 75% remains constant for 2008 and 2009
- Available seats:
  - 2008 - 1,110,442 (boosted with extra Jetstar capacity)
  - 2009 - 1,117,573 (since July 2009 monthly seats available tracks behind 2008)
- By year end available seats for 2009 will probably equal those for 2008 (1.5million)
- Summary - all measurements for 2009 (passengers, load factor and seats available) should be equal to 2008.

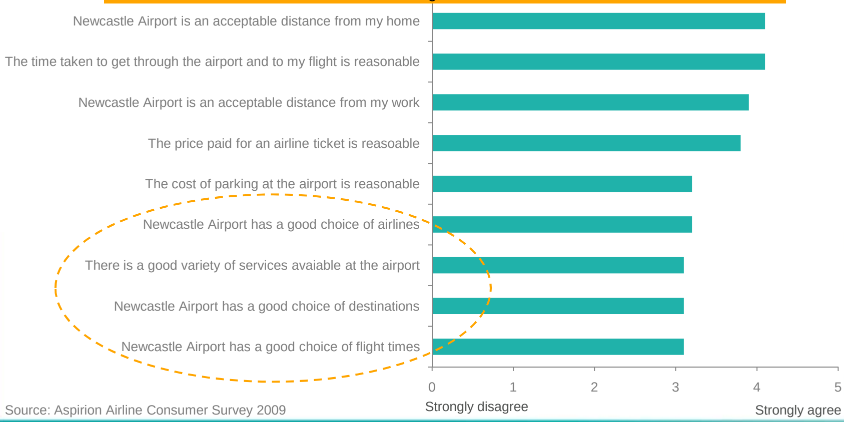
Aspirion Air Service Development Strategy

- Identify current demand
  - Survey passengers within terminal
  - Survey residents by telephone – within one and two hour radius of NTL
- Analyse travel patterns – using airline booking data
  - Domestic patterns
  - International patterns
- Quantify leakage to Sydney
- Match to airlines current network
- Identify opportunities around airline fleet development
- Recommendation for increased frequency, new destinations, and International potential within the next five years

Perceptions of Newcastle Airport

Newcastle Airport

Results indicate that consumers would prefer wider mix of destination choice and adjustment to current flight schedules



Source: Aspirion Airline Consumer Survey 2009

Current domestic market split between NTL and SYD

*from the NTL catchment

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	NTL	SYD	Market size per week each way
Brisbane	92%	8%	4,908
Melbourne	78%	22%	3,132
Gold Coast	85%	15%	1,680
Canberra	95%	5%	555
Mackay	92%	8%	274
Perth	28%	72%	583
Adelaide	55%	45%	323
Hobart	35%	65%	271
Townsville	66%	34%	141
Maroochydore	0%	100%	166

Hunter catchment flying internationally from Sydney

Destination	Passengers each way (per week)
London	328
Auckland	304
Bangkok	239
Los Angeles	163
Fiji	131
Christchurch	113
Tokyo	90
Singapore	75
Rome	67
Bali	62

Recommendations

- Short Term 2010-11
  - Address potential shortfall on existing markets of Melbourne, Brisbane and Gold Coast
  - Pursue new domestic opportunities to Perth, Adelaide, Hobart and Darwin
  - Create international awareness via hubs of Perth and Darwin
  - Consider stimulation to increase viability of services to Cairns, Mackay and Sunshine Coast
- Medium Term 2012-13
  - Implement international services to NZ and Fiji
  - Promote NTL to the Asian International charter market as new gateway to NSW
  - Build on previous international demand via Perth and Darwin to pursue direct services to Bali and SE Asia
- Long term 2014+
  - Build on charter demand for China and Japan
  - Pursue long haul international routes trans Pacific

Domestic growth timeline – existing routes

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A320 (177 seats) frequencies per week (including leakage to Sydney) based on 70% load factor

	Mid 2010 (½ year)		2011		2012		2013		2014	
	Return Flights weekly	Pax annually	Flights weekly	Pax annually	Flights weekly	Pax annually	Flights weekly	Pax annually	Flights weekly	Pax annually
MEL	2	12,896	5	64,480	7	90,272	10	128,960	11	141,856
OOL	1	6,448	6	77,376	6	77,376	7	90,272	7	90,272
BNE	0	0	0	0	0	0	3	38,688	5	64,480
Total	3	19,344	11	141,856	13	167,648	20	257,920	23	**296,608**

Potential new domestic growth timeline

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A320 (177 seats) frequencies per week (including leakage to Sydney) based on 70% load factor

	Mid 2010 (half year)		2011		2012		2013		2014	
	Return flights weekly	Pax annually	Return flights weekly	Pax annually	Return flights weekly	Pax annually	Return flights weekly	Pax annually	Return flights weekly	Pax annually
PER	11	70,928	11	141,856	12	154,752	13	167,648	14	180,544
ADL	6	38,688	6	77,376	6	77,376	7	90,272	7	90,272
HBA	5	32,240	5	64,480	6	77,376	6	77,376	7	90,272
DRW	3	19,344	3	38,688	3	38,688	3	38,688	3	38,688
CNS			5	64,480	5	64,480	5	64,480	5	64,480
MKY			5	64,480	5	64,480	5	64,480	6	77,376
MCY			3	38,688	3	38,688	4	51,584	5	64,480
Total	25	161,200	38	490,048	40	515,840	43	554,528	47	**606,112**

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Potential International opportunities 2012-2014

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	Current market size	Aircraft capacity (seats)	Stimulation required	2013	2014
				Return flights weekly	Return flights weekly
AKL	33,324	180	180%	6	6
NAN	13,617	180	180%	3	3
CHC	11,779	180	180%	2	2
DPS	8,106	180	180%		2
KUL	5,441	300	500%		2
Total	72,267			11	15

Potential outcome 2.1m+ passengers in five years

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Cumulative growth timeline

	Mid 2010 (1/2 year)		2011		2012		2013		2014	
	Return flights weekly	Pax annually	Return flights weekly	Pax annually	Return flights weekly	Pax annually	Return flights weekly	Pax annually	Return flights weekly	Pax annually
Existing domestic route growth	3	19,344	11	141,856	13	167,648	20	257,920	23	296,608
New domestic routes	25	161,200	38	490,048	40	515,840	43	554,528	47	606,112
International	0	0	0	0	0	0	11	58,720	15	72,267
Total	28	180,544	49	631,904	53	683,488	74	871,168	85	974,987
2009 inclusive (1,150,000)		1,330,544		1,781,904		1,833,488		2,021,168		2,124,987
Cumulative annual movements	20,667	29.4% of annual cap	24,307	34.6% of annual cap	24,723	35.2% of annual cap	26,907	38.3% of annual cap	28,051	40% of annual cap

> Thank you
> Questions?

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