

INCENTIVE FOR NEW ROUTE DEVELOPMENT

This part of the incentive package has the purpose of stimulating routes to destinations not currently served directly from our airports. We are aware that airlines take particularly large risks when setting up new routes and that we benefit from successful new routes. Therefore, we share the financial risk via this incentive.

Special Condition

1. Commercial air connection to an airport, which has not been served, in the 12 months immediately prior to the application, by flights without stopovers to the airport.
2. For the purpose of this Program, flights operated by aircrafts with a Maximum Take-off Weight of less than 20.000 Kg (twenty thousand kilograms) are excluded.
3. The route has to be operated non-stop, i.e. no transfers via other airports. Note that a route with a technical stop, where no revenue passengers leave or embark the flight, is considered as a non-stop route.
4. A new destination means an airport that is outside of the radius of more than **100 miles(160 kilometers)** from an already existing destination connected with PIA.
5. An airline must fulfill the frequency requirements for a new destination, at least two days per week per IATA season.

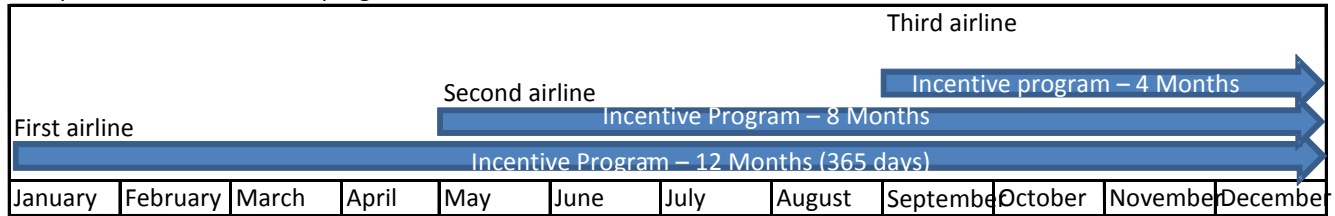
Incentive Scheme

- 1) If an airline introduces a route to new destination served by PIA then the following conditions and charges apply:

INCENTIVE FOR NEW ROUTE			
Year	1	2	3
Landing / Take-off Charge	100 %	75 %	50%

- 2) Incentive Program for new routes is valid starting by first day of airline's operation in new route. If another airline starts with operation in new route that has begun to be operated as per incentive program, new airline is entitled to same condition as first airline but only within remained time period of incentive program.

Sample of calculation of the program for other airlines



INCENTIVE FOR TRAFFIC GROWTH ON AN EXISTING ROUTE

We are also keen to support passenger growth on existing routes and have therefore developed a bonus system that gives support to airlines expanding airport. Airlines qualify for the bonus by increasing their passenger numbers on a year-to-year basis.

Increase in passenger traffic in the IATA period of application, compared to the immediately preceding homologous IATA period, on an existing route (based on the IATA 3-letter codes), that is to say, on a commercial air connection between the PIA, on direct flights or with stopovers, which has registered passenger traffic in the homologous IATA period immediately prior to the period of application.

Condition

The passenger increase from calendar year 1 to calendar year 2 is the base for the bonus calculation. For every new departing passenger we credit your account with €5. The bonus is calculated and administered once a year in January (calendar year 3).

The scheme shall support routes (based on the IATA 3-letter codes, with an annual growth rate of more than 5.0% in comparison to the reference year.

Carrier has been operating regular flights¹ between PIA and the given destination for two operational IATA seasons without interruption with minimum 3 flights weekly frequents

Traffic Growth (%)		Euro per Additional Passengers (Over 5 % growth)
From	To	
01.01.2009	31.12.2009	€ 5

¹Regular means flights that are Scheduled or Charter but that are developed according to an daily assigned schedule and for given IATA season. (Regular does not mean as Scheduled)



Route Incentive – Incremental Frequencies

Special price is applied only to the additional flights that an airline puts into operation with a respective destination to which they have already, for twelve months without interruption, been operating regular flights, and where the following conditions are met:

Conditions:

- a) The airline increases the number of its flights between PIA and the given destination during whole operational year compared to the same operating period the year before.
- b) The airline increases the total seat capacity on its flights between PIA and the given destination during whole operational season compared to the same operating period the year before.
- c) The total number of frequencies flown by the airline during the first six months of the new service operations when comparing against the previous corresponding year, result in a net increase in the total frequencies available from PIA for that airline.
- d) Carrier has been operating regular flights between PIA and the given destination for two operational seasons without interruption and with the frequency of at least 3 flights weekly.

Period	Discount and landing fee (For additional Flights)
Year 1	100%
Year 2	50%
Year 3	25%

Long Haul Routes and Short Haul Routes Incentives

Long haul routes are considered those flights with flight time over 3 hours and flights over 5 hours are considered as Extra Long haul routes.

Short haul routes are considered flights with air distance from airport no more than 200 Km and with a minimum of 5 flights per week.

Carrier must operate regular flights between PIA and the given destination for two operational seasons without interruption and with the frequency of at least 2 flights weekly and for Extra long haul 1 flight weekly.

Year	Landing Charges
Long Haul Routes	100 %
Extra Long Haul	100%
Short Haul Routes	100 %

INCENTIVE ON NUMBER OF EMBARKING PASSENGERS

For carriers that had regular operations² between PIA and given destination for two operational seasons without interruption and with the frequency of at least 3 days per week can benefit from this incentive and for any additional departing passenger over the 50,000 (yearly) we credit your account with €5.

Scheduled traffic	Euro per Passengers (for over 50,000 departing pax)
3 Days weekly	€ 5

The tour operators can apply for this incentive with the support from the Airlines.

INCENTIVE FOR CARGO OPERATIONS

This incentive is open to airlines that operates cargo activities and are interested to cooperate with PIA, strictly on cargo operations. This incentives is not entitled for passenger airlines which provides passenger and cargo service with the same aircraft. A minimum requirement includes at least once a week operation (one flight per week) at PIA.

Incentive:

Year	1	2	3	4	5
Landing / Take-off Charge	100 %	100 %	100 %	50 %	40 %
Handling	50 %	50 %	50 %	50 %	50 %

For further information and application procedures please contact Airport Commercial Department:

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